

Company Number 08395040

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTION**

of

**VEHICLE TRADING GROUP LIMITED (the "Company")**

Circulation Date | <sup>5<sup>th</sup></sup> April 2016 ("Circulation Date")

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Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that resolutions 1, 2 and 3 are passed as ordinary resolutions and resolution 4 is passed as a special resolution (the "Resolutions")

**ORDINARY RESOLUTIONS**

- 1 **THAT** article 14 1 of the articles of association of the Company be dis-applied for the purposes of allowing each of Maurice Dibbs, Peter Aratoon, Andrew Pepper and Chris Burgess to vote and be counted in the quorum at any meeting of the directors of the Company to approve the transfer of shares in the capital of the Company from Andrew Hubbard to Chris Burgess and Peter Aratoon the subscription of shares by each of Peter Aratoon, Maurice Dibbs, AGPC Limited and Chris Burgess and all matters connected thereto
- 2 **THAT** the 16,676 A ordinary shares of £0 10 each in the capital of the Company be redesignated into 16,676 ordinary shares of £0 10 each
- 3 **THAT** the issue of warrants to Retail Money Market Limited (trading as RateSetter) pursuant to the terms of a warrant instrument proposed to be entered into by the Company and attached to these Resolutions be approved

**SPECIAL RESOLUTIONS**

- 4 **THAT** the articles of association attached to these Resolutions for the purposes of identification (the "New Articles") be adopted as the articles of association of the Company in substitution for and to the exclusion of all the existing articles of association of the Company

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**AGREEMENT**

Please read the notes at the end of this document before indicating your agreement to the Resolution.

The undersigned, being the persons entitled to vote on the Resolutions on the Circulation Date, hereby agree to the Resolution

THURSDAY



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A15

21/04/2016

#126

COMPANIES HOUSE

Signature

Name

JOHN VOSS

Date

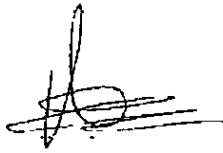
Signature

Name

ANDREW HUBBARD

Date

Signature



Name

MAURICE DIBBS

Date

5<sup>th</sup> April 2016

Signature



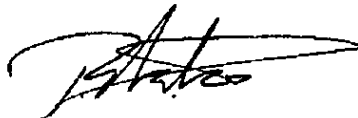
Name

CATHERINE LINDO

Date

5<sup>th</sup> April 2016

Signature



Name

MANOJ PARMAR

Date

5<sup>th</sup> April 2016

Signature



Name

PAUL RUTTER

Date

5<sup>th</sup> April 2016

Signature



Name

CHRIS BURGESS

Date

5<sup>th</sup> April 2016

Signature



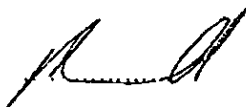
Name

PETER ARATOON

Date

5<sup>th</sup> April 2016

Signature



Name

PAUL JEWELL

Date

5<sup>th</sup> April 2016

Signature

Name

Director duly authorised for and on

behalf of STAR RACING LIMITED

Date

Signature

  
ANDREW PEPPER

Name

Director duly authorised for and on

behalf of APGC LIMITED

Date

5<sup>th</sup> April 2016

Signature

Name

PETER ARATOON

Date

Signature

Name

PAUL JEWELL

Date

Signature

Name

  
Ben Keen

Director duly authorised for and on

behalf of STAR RACING LIMITED

Date

5<sup>th</sup> April. ....

Signature

Name

Director duly authorised for and on

behalf of APGC LIMITED

Date

Signature



Name

JOHN VOSS

Date

31/3/16

Signature

Name

ANDREW HUBBARD

Date

Signature

Name

MAURICE DIBBS

Date

Signature

Name

CATHERINE LINDO

Date

Signature

Name

MANOJ PARMAR

Date

Signature

Name

PAUL RUTTER

Date

Signature

Name

CHRIS BURGESS

Date

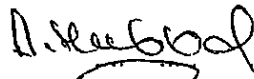
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Name

JOHN VOSS

Date

Signature



Name

ANDREW HUBBARD

Date

Signature

Name

MAURICE DIBBS

Date

Signature

Name

CATHERINE LINDO

Date

Signature

Name

MANOJ PARMAR

Date

Signature

Name

PAUL RUTTER

Date

Signature

Name

CHRIS BURGESS

Date

## **NOTES**

- 1 If you agree with the Resolutions, please indicate your agreement by one of the following methods
  - 1 1 If you received the Resolutions by e-mail by replying to that e-mail and stating in your reply your name and that you agree to the Resolution, or
  - 1 2 by signing and dating this document where indicated above and returning it to the Company either
    - 1 2 1 by e-mail by sending a scanned copy of the signed and dated Resolutions to georgina.gurnhill@shoosmiths.co.uk, or
    - 1 2 2 by hand by delivering the signed and dated Resolutions to Shoosmiths LLP, 2 Colmore Square, 38 Colmore Circus Queensway, Birmingham, B4 6SH marked "For the attention of Georgina Gurnhill", or
    - 1 2 3 by post by returning the signed and dated Resolutions by post to Shoosmiths LLP, 2 Colmore Square, 38 Colmore Circus Queensway, Birmingham, B4 6SH marked "For the attention of Georgina Gurnhill"
- 2 If you are indicating agreement to the Resolutions on behalf of a company or person under a power of attorney or other authority, please send a copy of the relevant power of attorney or authority with your indication of agreement
- 3 If you do not agree to the Resolutions, you do not need to do anything you will not be deemed to agree if you fail to reply
- 4 Once you have indicated your agreement to the Resolutions, you may not revoke your agreement
- 5 When agreement to the Resolutions have been received from members representing in the case of Resolutions 1 and 2, more than 50%, and in the case of Resolutions 3 and 4, 75%, of the total voting rights, they will be deemed passed Unless within the period of 28 days beginning with the Circulation Date sufficient agreement has been received for the Resolutions to pass, they will lapse
- 6 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company Seniority is determined by the order in which the names of the joint holders appear in the register of members

SS

**VEHICLE TRADING GROUP LIMITED**  
Company number 08395040

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**ARTICLES OF ASSOCIATION**

(Adopted on 5<sup>th</sup> April 2016)

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**SH SMITHS**

2 Colmore Square  
38 Colmore Circus  
Queensway  
Birmingham  
West Midlands  
B4 6SH  
Ref BT/M-00467954



## CONTENTS

<b>PART A</b>	<b>5</b>
<b>1</b>	<b>INTERPRETATION.. 5</b>
<b>2</b>	<b>MODEL ARTICLES 11</b>
<b>3</b>	<b>LIABILITY OF MEMBERS... 11</b>
<b>PART B</b>	<b>11</b>
<b>4</b>	<b>SHARE RIGHTS 11</b>
<b>5</b>	<b>CONVERSION OF PREFERENCE SHARES 12</b>
<b>6</b>	<b>TRANSFER OF SHARES - GENERAL 13</b>
<b>7</b>	<b>PERMITTED TRANSFERS... 13</b>
<b>8</b>	<b>COMPULSORY TRANSFERS... 15</b>
<b>9</b>	<b>PRE-EMPTION ON TRANSFER 16</b>
<b>10</b>	<b>DRAW ALONG RIGHTS 21</b>
<b>11</b>	<b>TAG ALONG RIGHTS 23</b>
<b>12</b>	<b>PURCHASE OF OWN SHARES 24</b>
<b>13</b>	<b>SUBSIDIARIES... 24</b>
<b>PART C</b>	<b>24</b>
<b>14</b>	<b>DIRECTORS' GENERAL AUTHORITY... 24</b>
<b>15</b>	<b>MEMBERS' RESERVE POWER 24</b>
<b>16</b>	<b>DIRECTORS MAY DELEGATE 25</b>
<b>17</b>	<b>COMMITTEES... 25</b>
<b>18</b>	<b>DIRECTORS TO TAKE DECISIONS COLLECTIVELY 25</b>
<b>19</b>	<b>DIRECTORS' DECISIONS OTHERWISE THAN AT A DIRECTORS' MEETING 25</b>
<b>20</b>	<b>FREQUENCY OF MEETINGS OF DIRECTORS 26</b>
<b>21</b>	<b>CALLING A DIRECTORS' MEETING 26</b>

22	PARTICIPATION IN DIRECTORS' MEETINGS.....	26
23	QUORUM FOR DIRECTORS' MEETINGS .....	26
24	CHAIRING OF DIRECTORS' MEETINGS.....	27
25	DIRECTORS - POWERS TO AUTHORISE CONFLICTS OF INTEREST ..	27
26	RATESETTER DIRECTOR CONFLICTS ..	28
27	DIRECTORS – TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY	29
28	RECORDS OF DECISIONS TO BE KEPT. . . . .	29
29	DIRECTORS' DISCRETION TO MAKE FURTHER RULES.....	29
30	NUMBER AND APPOINTMENT OF DIRECTORS. . . . .	30
31	TERMINATION OF DIRECTOR'S APPOINTMENT.....	30
32	DIRECTORS – ALTERNATE DIRECTORS. . . . .	31
33	DIRECTORS' REMUNERATION.....	32
34	DIRECTORS' EXPENSES ..	32
35	SECRETARY. . . . .	33
36	POWERS TO ISSUE DIFFERENT CLASSES OF SHARE.....	33
37	AUTHORITY TO ALLOT .....	33
38	ISSUE OF SHARES – PRE-EMPTION RIGHTS.....	33
39	PAYMENT OF COMMISSIONS ON SUBSCRIPTION FOR SHARES .	34
40	SHARE CERTIFICATES. ..	35
41	COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS .....	35
42	FRACTIONAL ENTITLEMENTS .....	35
43	COMPANY'S LIEN OVER SHARES. . . . .	35
44	REPLACEMENT SHARE CERTIFICATES.....	41
45	SHARE TRANSFERS. . . . .	41
46	TRANSMISSION OF SHARES.....	41
47	TRANSMITTEES BOUND BY PRIOR NOTICES . . . . .	42
48	PROCEDURE FOR DECLARING DIVIDENDS.....	42
49	CALCULATION OF DIVIDENDS ...	42

50	PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS.....	42
51	DEDUCTIONS FROM DISTRIBUTIONS IN RESPECT OF SUMS OWED TO THE COMPANY 43	
52	NO INTEREST ON DISTRIBUTIONS..	43
53	UNCLAIMED DISTRIBUTIONS. . . . .	44
54	NON-CASH DISTRIBUTIONS . . . . .	44
55	WAIVER OF DISTRIBUTIONS .....	44
56	AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS .....	45
57	ATTENDANCE AND SPEAKING AT GENERAL MEETINGS .....	45
58	QUORUM FOR GENERAL MEETINGS . . . . .	46
59	CHAIRING GENERAL MEETINGS .....	46
60	ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-MEMBERS.....	46
61	ADJOURNMENT.....	46
62	VOTING· GENERAL .....	47
63	ERRORS AND DISPUTES .. . . .	47
64	POLL VOTES.....	47
65	CONTENT OF PROXY NOTICES .....	48
66	DELIVERY OF PROXY NOTICES.....	48
67	NO VOTING OF SHARES ON WHICH MONEY OWED TO COMPANY .....	49
68	AMENDMENTS TO RESOLUTIONS... ..	49
69	APPLICATION OF RULES TO CLASS MEETINGS.....	49
70	MEANS OF COMMUNICATION TO BE USED. ....	49
71	NOTICES.. ..	50
72	COMPANY SEALS .....	51
73	NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS .....	51
74	PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS. ...	51
75	DIRECTORS' INDEMNITY AND INSURANCE . . . . .	51
76	DISPUTES.....	52
77	DATA PROTECTION . . . . .	52

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION OF VEHICLE TRADING GROUP LIMITED (THE "COMPANY")**

**PART A**

**1 INTERPRETATION**

1.1 In these Articles the following definitions apply

<b>"Act"</b>	the Companies Act 2006,
<b>"acting in concert"</b>	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended),
<b>"Allocation Date"</b>	has the meaning given in Article 9.4.1,
<b>"Allocation Notice"</b>	has the meaning given in Article 9.4.2,
<b>"Argos"</b>	Argos Investing Corp.
<b>"Arrears"</b>	in relation to any Share, all accruals, deficiencies and arrears of any dividend payable in respect of such Share, whether or not earned or declared and irrespective of whether or not the Company has had, at any time, sufficient distributable profits to pay such dividend, together with all interest payable thereon,
<b>"Articles"</b>	the Company's articles of association for the time being in force,
<b>"Auditors"</b>	the auditors of the Company for the time being or, if the auditors are unable or unwilling to act in connection with the reference in question, a chartered accountant nominated by the Board with the consent of the Ratesetter Director and engaged on such terms as the Board with the consent of the Ratesetter Director and acting as agent for the Company and each relevant member shall, in their absolute discretion, see fit,
<b>"Bad Leaver"</b>	a member who becomes a Leaver and who is not a Good Leaver,
<b>"bankruptcy"</b>	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy,

<b>"Board"</b>	the board of directors of the Company, as constituted from time to time,
<b>"Bonus Issue"</b> <b>"Reorganisation"</b>	or any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves (other than a capitalisation issue in substitution for or as an alternative to a cash dividend which is made available to the Ordinary Shareholders) or any consolidation or sub-division or any repurchase or redemption of shares or any variation in the subscription price or conversion rate applicable to any other outstanding shares of the Company,
<b>"business days"</b>	any day (other than a Saturday, Sunday or a bank or public holiday in the United Kingdom) on which clearing banks in the city of London are generally open for business,
<b>"Buyer"</b>	has the meaning given in Article 9 4.2,
<b>"Chairman"</b>	the chairman of the Board appointed pursuant to Article 24,
<b>"chairman of the meeting"</b>	has the meaning given in Article 59 3,
<b>"Companies Acts"</b>	the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the Company,
<b>"Company's Lien"</b>	has the meaning given in Article 43 2,
<b>"Conflict Situation"</b>	any situation or matter in which any director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company,
<b>"Controlling Interest"</b>	an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 840 of the Income and Corporation Taxes Act 1988,
<b>"Date of Adoption"</b>	the date of adoption of these articles,
<b>"director"</b>	a director of the Company, and includes any person occupying the position of director, by whatever name called,
<b>"Disposal"</b>	the disposal by the Company of all, or a substantial part of, its business and assets,
<b>"distribution recipient"</b>	has the meaning given in Article 50 2,
<b>"document"</b>	includes, unless otherwise specified, any document sent or supplied in electronic form,
<b>"electronic form"</b>	has the meaning given in section 1168 of the Act,
<b>"eligible director"</b>	a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);
<b>"Exit"</b>	a Sale, a Disposal or a Listing,

<b>"Equity Securities"</b>	has the meaning given in section 560(1) of the Act,
<b>"Family Trust"</b>	a trust which permits the settled property or the income from it to be applied only for the benefit of an individual member (the "Settlor") and/or any Privileged Relation of that Settlor and under which no power or control is capable of being exercised over the votes of any shares which are the subject of the trust, by any person other than the trustees or the Settlor or any Privileged Relations of the Settlor,
<b>"fully paid"</b>	in relation to a Share means that the nominal value and any premium to be paid to the Company in respect of that Share have been paid to the Company,
<b>"Good Leaver"</b>	<p>a member who becomes a Leaver in any of the following circumstances</p> <ul style="list-style-type: none"> <li>(a) death,</li> <li>(b) ill health (in which case the member will, at the request of the Board and expense of the Company, obtain confirmation from an independent medical practitioner in respect of the member's inability to continue to carry out their role within the Company) or permanent disability,</li> <li>(c) the member is employed by a business or company within the Group which is sold,</li> <li>(d) the member is made redundant by the Group,</li> <li>(e) the member's service agreement with the Group is terminated other than in circumstances in which the Group is entitled summarily to terminate such contract, or</li> <li>(f) the Board otherwise agrees that the member is a Good Leaver,</li> </ul>
<b>"Group"</b>	the Company, a subsidiary or holding company from time to time of the Company and any subsidiary from time to time of any such holding company and "Group Company" shall be construed accordingly,
<b>"Group Conflict Situation"</b>	<p>in respect of each director, all or any of the following situations existing at any time while such person is a director</p> <ul style="list-style-type: none"> <li>(a) being employed or otherwise engaged by any Group Company, or</li> <li>(b) holding office, including (but not limited to) office as director, of any Group Company, or</li> </ul>

	(c) being a member of any Group Company,
<b>"hard copy form"</b>	has the meaning given in section 1168 of the Act,
<b>"holder"</b>	in relation to Shares means the person whose name is entered in the register of members as the holder of the Shares,
<b>"Instrument"</b>	a document in hard copy form,
<b>"Leaver"</b>	a member who, being a director or employee of, or consultant to, a Group Company, ceases to be a director, employee or consultant for any reason and does not continue as or immediately become a director or employee of, or a consultant to, a Group Company or, in the case of APGC Limited, Andrew Pepper ceases to be a director or employee of, or consultant to, a Group Company for any reason and does not continue as or immediately become a director or employee of, or a consultant to, a Group Company,
<b>"Lien Enforcement Notice"</b>	has the meaning given in Article 43 3 2,
<b>"Listing"</b>	the successful application and admission of all or any of the Shares, or securities representing such Shares to <ul style="list-style-type: none"> <li>(a) the Official List of the UK Listing Authority and the grant of permission for the same to be traded on the Main Market of the London Stock Exchange plc,</li> <li>(b) trading on the AIM market operated by the London Stock Exchange plc, or</li> <li>(c) any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000),</li> </ul>
<b>"Management Director"</b>	means each of Andrew Pepper, Paul Jewell, Maurice Dibbs, Peter Aratoon and Chris Burgess,
<b>"Managers"</b>	has the meaning given in the Subscription and Shareholders' Agreement,
<b>"Market Value"</b>	the price per Share determined in accordance with Article 9 2 2,
<b>"Member of the Same Group"</b>	as regards any company, a company which is for the time being a holding company or a subsidiary of that company or a subsidiary of any such holding company,
<b>"New Securities"</b>	any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the date of adoption of these Articles excluding for the avoidance of doubt any Treasury Shares

	transferred by the Company the date of adoption of these Articles,
<b>"Ordinary Shares"</b>	the ordinary shares of £0 10 each in the capital of the Company,
<b>"Ordinary Majority"</b>	the holder(s) of not less than 50% of the Ordinary Shares in issue for the time being,
<b>"Ordinary Shareholder"</b>	a holder for the time being of Ordinary Shares,
<b>"paid"</b>	paid or credited as paid,
<b>"Permitted Transferee"</b>	in relation to <ul style="list-style-type: none"> <li>(a) a member who is an individual, any of his Privileged Relations or the trustees of a Family Trust,</li> <li>(b) a member which is a company, a Member of the Same Group as that company,</li> </ul>
<b>"Preference Shares"</b>	the preference shares of £0 10 each in the share capital of the Company,
<b>"Preference Shareholders"</b>	the holder(s) of Preference Shares in issue for the time being,
<b>"Privileged Relation"</b>	spouse, widow or widower of the member and the member's children and grandchildren (including legitimate, illegitimate, step and adopted children and their issue);
<b>"Proposed Price"</b>	has the meaning given in Article 9 1 2c),
<b>"proxy notice"</b>	has the meaning given in Article 65 1,
<b>"Qualifying Person"</b>	has the meaning given in section 318 of the Act,
<b>"Ratesetter"</b>	Retail Money Market Limited trading as Ratesetter,
<b>"Ratesetter Consent"</b>	the prior consent in writing of Ratesetter,
<b>"Ratesetter Director"</b>	a director appointed by Ratesetter in accordance with the terms of the Subscription and Shareholders' Agreement,
<b>"Relevant Date"</b>	has the meaning given in Article 8 2,
<b>"Relevant Event"</b>	has the meaning given in Article 8 1,
<b>"Relevant Member"</b>	has the meaning given in Article 8 3,
<b>"Relevant Shares"</b>	has the meaning given in Article 8 4,
<b>"Requirement Notice"</b>	has the meaning given in Article 8 3,
<b>"Sale"</b>	the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or a series of



transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with him together acquiring a Controlling Interest,

<b>"Shares"</b>	shares in the capital of the Company,
<b>"Star"</b>	together Star Racing Limited and any person to whom Shares held by Star at the Date of Adoption have been transferred pursuant to Article 7 4,
<b>"Subscription and Shareholders' Agreement"</b>	the subscription and shareholders' agreement in respect of the Company entered into on the Date of Adoption,
<b>"Total Transfer Condition"</b>	has the meaning given in Article 9 1 2d),
<b>"Transfer Notice"</b>	has the meaning given in Article 9 1 1,
<b>"Transfer Price"</b>	the price determined in accordance with Article 9 2 1,
<b>"transmittee"</b>	a person entitled to a Share by reason of the death or bankruptcy of a member or otherwise by operation of law,
<b>"Treasury Shares"</b>	shares in the capital of the Company held by the Company as treasury shares from time to time within the meaning set out in section 724(5) of the Act,
<b>"Warrants"</b>	the warrants constituted by the Warrant Instrument,
<b>"Warrant Instrument"</b>	the warrant instrument to be entered into by the Company on or around the date of adoption of these Articles, and
<b>"writing"</b>	the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise

1 2 Save as otherwise specifically provided in these Articles, words and expressions contained in these Articles bear the same meaning as in the Act as in force on the date when these Articles become binding on the Company

1 3 In these Articles, reference to a "subsidiary" or "holding company" is to be construed in accordance with section 1159 of the Act and a company shall be treated, for the purposes only of the membership requirement contained in subsections 1159(1)(b) and (c), as a member of another company even if its shares in that other company are registered in the name of

1 3 1 another person (or its nominee), whether by way of security or in connection with the taking of security, or

1 3 2 its nominee

1 4 In these Articles, unless otherwise specified, reference to a "person" includes any natural person, individual, company, firm, corporation, partnership, foundation, association, organisation, trust or any undertaking (in each case whether or not having separate legal personality)

- 1 5 Headings in the Articles are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1 6 A reference in these Articles to an "Article" is a reference to the relevant article of these Articles unless expressly provided otherwise
- 1 7 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of
- 1 7 1 any subordinate legislation from time to time made under it, and
- 1 7 2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts
- 1 8 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms
- 1 9 In the event of there being any conflict or inconsistency between any provision in Part B of these Articles and any provision in Part C of these Articles, the provision in Part B shall prevail, whether or not the Part C provision is expressed to be subject to Part B

## 2 MODEL ARTICLES

The relevant model articles (within the meaning of section 20 of the Act) are excluded

## 3 LIABILITY OF MEMBERS

The liability of the members is limited to the amount, if any, unpaid on the Shares held by them

## PART B

### 4 SHARE RIGHTS

The rights attaching to the respective classes of Shares shall be as follows

#### 4 1 As regards voting:

4 1 1 Subject to any other provisions in these Articles concerning voting rights, each Ordinary Share shall carry the right to attend, speak and vote at all general meetings of the Company

4 1 2 The Preference Shares do not carry any right to attend, speak or vote at any general meetings of the Company

#### 4 2 As regards income:

4 2 1 For so long as either Star or Argos hold Preference Shares, to the extent that the Board determines to pay dividends out of the profits of the Company available for distribution, such dividends shall be payable first, to holders of the Preference Shares in the following proportions

Star – 57.6%

Argos – 42.4%

up to a maximum aggregate amount of £500,000 in each calendar year in priority to any payment to the holders of any other shares of the Company

- 4.2.2 After an aggregate amount of £500,000 has been paid to the holders of Preference Shares in a calendar year, any available profits of the Company available for distribution remaining shall be distributed amongst the holders of Ordinary Shares pro rata to their percentage holding of Ordinary Shares

**4.3 As regards capital:**

- 4.3.1 On a return of capital, whether on liquidation, capital reduction or otherwise (but excluding a purchase of own Shares, or redemption of Shares made in accordance with the provisions of these Articles) the assets of the Company remaining after the payment of its liabilities shall be distributed (to the extent that the Company is lawfully able to do so) to the holders of Ordinary Shares and Preference Shares (as if the same constituted one class) pro-rata to their percentage holding of Shares

**4.4 As regards class consents:**

- 4.4.1 Whenever the Share capital of the Company is divided into different classes of Shares, the special rights attached to any class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) with the consent in writing of the holders of at least 75% in nominal value of the issued Shares of that class, save that the special rights attached to the Ordinary Shares may only be varied or abrogated with Ratesetter Consent

**4.5 As regards appointment of directors:**

- 4.5.1 There shall be a minimum of 2 Management Directors appointed to the Board

**5 CONVERSION OF PREFERENCE SHARES**

- 5.1 The Company shall notify the holders of Preference Shares of a proposed Exit at least 15 Business Days before the intended date of the proposed Exit. Any holder of Preference Shares may at least 10 Business Days before the intended date of a proposed Exit, by notice in writing to the Company, require conversion of all (but not some only) of the Preference Shares held by it into Ordinary Shares immediately prior to an Exit and those Preference Shares shall convert automatically on the date of the Exit
- 5.2 In the case of a conversion pursuant to Article 5.1, at least 10 Business Days before the intended date of the proposed Exit or conversion date (as applicable), each holder of the relevant Preference Shares converted or to be converted shall deliver the certificate(s) (or an indemnity in a form reasonably satisfactory to the Directors for any lost share certificate) for the Preference Shares being converted (together with such other evidence (if any) as the Directors may reasonably require to prove good title to those Shares) to the Company at its registered office for the time being
- 5.3 A conversion pursuant to Article 5.1 shall only be effective immediately before such Exit. If such Exit does not become effective, or does not take place, such conversion shall be deemed not to have occurred
- 5.4 On conversion pursuant to this Article 5, the relevant Preference Shares shall (without any further authority than that contained in these Articles) stand converted into Ordinary Shares on the basis of one Ordinary Share for each Preference Share held (subject to adjustment to take account of any sub-division, consolidation or re-classification of the Preference Shares at any

time before a conversion in accordance with this Article 5) and the Ordinary Shares resulting from the conversion shall rank *pari passu* in all respects with the existing issued Ordinary Shares

- 5 5     Forthwith following a conversion pursuant to this Article 5, the Company shall enter the holder(s) of the converted Preference Shares in the register of Shareholders of the Company as the holder(s) of the appropriate number of Ordinary Shares

## **6       TRANSFER OF SHARES - GENERAL**

- 6 1     For the purposes of Articles 5 to 11 inclusive any reference to a transfer of Shares includes a disposition of any interest in any Share (or the income or capital or other rights thereto) whether legal, beneficial or otherwise, including the entry into any option or other agreement (conditionally or otherwise) for the possible sale or transfer thereof or grant of any security thereover, and whether or not for consideration or by written disposition or otherwise
- 6 2     Subject to Article 7 4, the Preference Shares may not be transferred
- 6 3     No Ordinary Share shall be transferred, and the directors shall not register any transfer of Ordinary Shares, other than in accordance with these Articles and any transfer or purported transfer of any Share made otherwise than in accordance with these Articles shall be void and of no effect whatsoever
- 6 4     The directors may only, and in their absolute discretion, refuse to register a transfer of Ordinary Shares if they suspect that the proposed transfer may be fraudulent or if the transfer is to an infant, bankrupt or person in respect of whom, by reason of that person's mental health, a court has made an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have. Save where the directors suspect that the proposed transfer may be fraudulent, if the directors do so refuse to register the transfer of an Ordinary Share, they shall return the instrument of transfer to the transferee with the notice of refusal

## **7       PERMITTED TRANSFERS**

- 7 1     Any member may, at any time (and notwithstanding the provisions of Article 9 (Pre-emption on Transfer) and Article 11 (Tag-along)), transfer any of his Ordinary Shares to any person with the prior written consent of all the members and, for so long as it holds Warrants or Shares, Ratesetter
- 7 2     Any member (the "Original Transferor") may transfer any of his Ordinary Shares to a Permitted Transferee provided that
- 7 2 1     in the case of a transfer of Ordinary Shares to a Privileged Relation or Family Trust no transfer of Ordinary Shares shall be permitted pursuant to this Article 7 2 if the registration of that transfer, when aggregated with any previous transfer or transfers by that Original Transferor pursuant to this Article 7 2, would result in the aggregate number of Shares so transferred representing more than 50% of the total number of Ordinary Shares held for the time being by that Original Transferor; and
- 7.2 2     in the case of a transfer of Ordinary Shares to a Privileged Relation
- a)       that Privileged Relation may only transfer such Ordinary Shares to the Original Transferor,

- b) the Original Transferor shall procure, before the transfer is presented for registration, that he is appointed (on terms reasonably satisfactory to Ratesetter) as the attorney of that Privileged Relation to exercise, in the name of and on behalf of the said Privileged Relation, all or any of the rights in relation to the Ordinary Shares transferred to him and for that purpose the said Privileged Relation hereby authorises the Company to send to the Original Transferor any written resolutions, notices or other communications in respect of the Ordinary Shares so transferred, and
- c) if that Permitted Transferee ceases, at any time and for any reason, to be a Privileged Relation of the Original Transferor, such Permitted Transferee shall forthwith transfer all the Ordinary Shares held by him to the Original Transferor. If the said Ordinary Shares are not so transferred within 20 business days of that Permitted Transferee so ceasing to be a Permitted Relation, the provisions of Article 8.1 shall apply,

7.2.3 In the case of a transfer of Shares to a Family Trust or to any new trustee(s) of such Family Trust in accordance with Article 7.2.3b)i) or to the trustees of another Family Trust in accordance with Article 7.2.3b)iii)

- a) Ratesetter is reasonably satisfied
  - i with the terms of the Instrument constituting the Family Trust,
  - ii with the identity of the proposed trustee(s) of the Family Trust,
  - iii that the proposed transfer will not result in more than 50% of the Ordinary Shares being held by the trustees of the Family Trust and any other trust, and
  - iv that no costs incurred in the setting up or administration of the Family Trust are to be paid by any Group Company,
- b) the Ordinary Shares so transferred may be transferred to
  - i any new trustee(s) of the Family Trust appointed on a change in trustee(s),
  - ii the Settlor of such Family Trust,
  - iii the trustees of another Family Trust which has the same Settlor, or
  - iv any Privileged Relation of the Settlor of such Family Trust,
- c) if that Permitted Transferee ceases, at any time and for any reason, to be a Family Trust in relation to the Settlor or if there ceases, for any reason, to be any beneficiaries (other than charities) of that Family Trust, the trustees shall forthwith transfer all the Shares held by them to the Original Transferor. If the said Ordinary Shares are not so transferred within 20 business days of that Permitted Transferee so ceasing to be a Family Trust or there so ceasing to be any beneficiaries, the provisions of Article 8.1 shall apply,

7.2.4 In the case of a transfer of Ordinary Shares to a Member of the Same Group (other than a Member of the Same Fund Group) if, at any time and for any reason, the Permitted Transferee ceases to be a Member of the Same Group as the Original

Transferor, such Permitted Transferee shall forthwith transfer all the Ordinary Shares held by it to the Original Transferor. If the said Ordinary Shares are not so transferred within 20 business days of the Permitted Transferee ceasing to be a Member of the Same Group as the Original Transferor, the provisions of Article 8.1 shall apply.

- 7.3 The Managers may transfer such number of Ordinary Shares held by them at the Date of Adoption as equates to 3% (in aggregate) of the issued share capital of the Company to such employees of the Group as the Managers shall agree between them. Article 9 shall not apply to any transfer of Ordinary Shares under this Article 7.3.

- 7.4 Star Racing Limited may transfer the Shares held by it at the Date of Adoption to Ben Keith. Article 9 shall not apply to any transfer of Shares under this Article 7.4.

## **8 COMPULSORY TRANSFERS**

- 8.1 In this Article 8.1 each of the following shall be a "Relevant Event" in relation to a member holding Ordinary Shares:

8.1.1 where, following a Permitted Transfer, the Ordinary Shares held by that member's Family Trust, Privileged Relation or Member of the Same Group are required to have, but have not, been transferred in accordance with Article 7.2.2c), 7.2.3 or 7.2.4 (as the case may be),

8.1.2 that member transferring, attempting to transfer or agreeing to transfer Ordinary Shares otherwise than in accordance with these Articles,

8.1.3 a bankruptcy order being made against that member or that member being declared bankrupt by any court of competent jurisdiction, that member making an offer to make any arrangement or composition with his creditors generally or if a trustee, receiver, administrative receiver, administrator or liquidator or similar officer is appointed in respect of all or any part of the business and assets of that member;

8.1.4 by reason of that member's mental health, a court makes an order which wholly or partly prevents that member from personally exercising any powers or rights which that member would otherwise have, or

8.1.5 if that member becomes a Bad Leaver;

- 8.2 Any member who becomes aware of the occurrence of a Relevant Event shall immediately notify the Company and all the other members in writing of that Relevant Event. In this Article the expression "Relevant Date" means, in relation to a Relevant Event, the date on which the members (as a whole) actually become aware of such Relevant Event.

- 8.3 After the happening of a Relevant Event in respect of a member not being a Bad Leaver (the "Relevant Member") the Board may serve written notice ("Requirement Notice") on the Relevant Member or his personal representatives, executors, trustees in bankruptcy, receiver, administrative receiver or liquidator (as applicable) and/or his Privileged Relations and/or Family Trust within 6 months of the Relevant Date requiring the Relevant Member or such other recipient of the Requirement Notice to serve a Transfer Notice in respect of the shares held by him and/or his Privileged Relations and/or Family Trust. A Requirement Notice may not be served more than once on the same member in respect of the same Relevant Event. Any Ordinary Shares subject to a Transfer Notice shall be offered for sale in accordance with the provisions of Article 9 (Pre-emption on Transfer) as if such Ordinary Shares were Sale Shares.

- 8.4 If a member becomes a Bad Leaver within 3 years from the Adoption Date, then within 6 months after the date of such cessation of employment or directorship (as applicable) the Board may determine and notify in writing to the Bad Leaver that there shall have been deemed to have been given on the date of such notification a Transfer Notice in respect of a certain number of Ordinary Shares out of all those Ordinary Shares held by that Relevant Member and his Privileged Relations and/or Family Trusts at the date of such cessation of employment or directorship (as applicable) ("**Relevant Shares**") which will be calculated as follows in this Article 8.4 in respect of that Leaver
- 8 4 1 save in respect of Maurice Dibbs and Manoj Parmar (in which case Article 8 4 3 shall apply), if he becomes a Leaver after the Adoption Date but before the date being one year after the Adoption Date the Transfer Notice will be in respect of the nearest whole number of shares being 75% of the Relevant Shares,
- 8 4 2 save in respect of Maurice Dibbs and Manoj Parmar (in which case Article 8 4 3 shall apply), if he becomes a Leaver after the on or after the first anniversary of the Adoption Date but before the date being two years after the Adoption Date the Transfer Notice will be in respect of the nearest whole number of shares being 50% of the Relevant Shares,
- 8 4 3 if either Maurice Dibbs or Manoj Parmar become a Leaver after the Adoption Date but before the date being two years after the Adoption Date the Transfer Notice will be in respect of the nearest whole number of shares being 50% of the Relevant Shares,
- 8 4 4 in respect of any member, if he becomes a Leaver on or after the second anniversary of the Adoption Date but before the date being three years after the Adoption Date the Transfer Notice will be in respect of the nearest whole number of shares being 25% of the Relevant Shares
- 8 5 If a member is a Bad Leaver then the Sale Price for any Relevant Shares of the Relevant Member will be the lower of the nominal value thereof and the Market Value
- 8 6 Any dispute as to whether the provisions of Articles 8 3, 8 4 or 8 5 apply in relation to any Transfer Notice shall not affect the validity of a Transfer Notice nor shall it delay the procedure to be followed under Article 9 in respect thereof

## 9 PRE-EMPTION ON TRANSFER

### 9 1 Transfer Notice

- 9 1 1 Except as permitted under Article 7 (Permitted transfers) or as provided for in Articles 10 (Drag Along) and Article 11 (Tag Along), any member (a "**Seller**") who wishes to transfer any Ordinary Share shall, before transferring or agreeing to transfer such Ordinary Share or interest therein, give notice in writing thereof (a "**Transfer Notice**") to the Company,
- 9 1 2 A Transfer Notice shall
- a) specify the number and class of Ordinary Shares which the Seller wishes to transfer (the "**Sale Shares**"),
  - b) specify the name of the person (if any) to whom the Seller wishes to transfer the Sale Shares,

- c) specify the price per Share (the "**Proposed Price**") at which the Seller wishes to transfer the Sale Shares,
- d) state if the Transfer Notice is conditional upon all of the Sale Shares being sold pursuant to this Article 9 (a "**Total Transfer Condition**"),
- e) constitute the Company as the agent of the Seller in relation to the sale of the Sale Shares in accordance with this Article 9, and
- f) not be capable of variation or cancellation without the consent of Ratesetter or as provided for in Article 9 2 5

9 1 3 Where a Transfer Notice is one which is deemed to have been given by virtue of any provision of these Articles (including a Transfer Notice served in accordance with Article 8 3)

- a) subject to article 8 4, in respect it shall relate to all the Shares registered in the name of the Seller,
- b) it shall be deemed not to contain a Total Transfer Condition,
- c) subject to Article 8 5, the Transfer Price shall be determined in accordance with Article 9 2,
- d) it shall be irrevocable, and
- e) Article 9 6 shall not apply

## 9 2 Transfer Price

9 2 1 The Sale Shares will be offered for sale in accordance with this Article 9 at the following price (the "**Transfer Price**")

- a) subject to the consent of Ratesetter, the Proposed Price, or
- b) such other price as may be agreed between the Seller and the Board, with the consent of Ratesetter, within 10 business days of the date of service (or deemed service) of the Transfer Notice, or
- c) if no price is agreed pursuant to clause 9 2 1b) within the period specified therein or if Ratesetter directs at any time during that period, whichever is the lower of (i) the Proposed Price and (ii) the Market Value

9 2 2 If the Seller and the Board are unable to agree on the Transfer Price in accordance with Article 9 2 1b) or if Ratesetter directs in accordance with Article 9 2 1c), the Board shall forthwith instruct the Auditors to determine and certify the Market Value of each Sale Share calculated on the basis that

- a) the Market Value is the sum which a willing buyer would agree with a willing seller to be the purchase price for all the Shares then in issue divided by the number of Shares then in issue,
- b) no account shall be taken of the size of the holding which the Sale Shares comprise or whether the Sale Shares represent a majority or minority interest, and



- c) any difficulty in applying any of the bases set out above shall be resolved by the Auditors (acting reasonably) as they, in their absolute discretion, think fit

9 2 3 The decision of the Auditors (who shall be deemed to act as an expert and not as an arbitrator) shall be final and binding on the members, save in the event of fraud or manifest error, and their costs for reporting on their opinion of the Market Value shall, subject to Article 9 2 4, be borne as directed by the Auditors (taking into account the conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, in the absence of any such direction, as to one half by the Seller and the other half by the Company

9 2 4 Where either

- a) the Seller revokes the Transfer Notice in accordance with Article 9 2 5, or
- b) in the case of a Transfer Notice which is deemed to have been given by virtue of any provision of these Articles, the Market Value is less than the price proposed by the Board to the Seller not less than 5 business days prior to receipt of the Auditors' report by the Company,

then the Auditors' fees shall be borne wholly by the Seller

9 2 5 Where the Market Value is less than the Proposed Price the Seller may, by notice in writing served on the Company within 5 business days of the date on which the notification of the Market Value was first served on the Seller by the Company or the Auditors, revoke any Transfer Notice which was not stated to be, or which is not deemed by virtue of any provision of these Articles to be, irrevocable

### 9 3 Offer Notice

9 3 1 The Board shall serve a notice (an "**Offer Notice**") on all members to whom the Sale Shares are to be offered in accordance with these Articles within 10 business days of the Transfer Price being agreed or determined in accordance with these Articles

9 3 2 An Offer Notice shall

- a) state the Transfer Price,
- b) contain the other information set out in the Transfer Notice,
- c) invite the relevant offerees to respond in writing to the Company stating the number of Sale Shares which they wish to purchase and the expiry date by which they must respond, and
- d) expire, and the offer made therein shall be deemed to be withdrawn, on the expiry date shown therein which is not less than 10 nor more than 20 business days after the date of the Offer Notice

9 3 3 Subject to Article 9 3 4, the Sale Shares of a class specified in the first column of the table set out below will be treated as offered

- a) firstly, to all persons in the category set out in the corresponding line in the second column in the table below,

- b) secondly, to the extent not already accepted by persons in the second column, to all persons in the category set out in the corresponding line in the third column in the table below, and
- c) thirdly, to the extent not already accepted by persons in the second or third columns, to all persons in the category set out in the corresponding line in the fourth column in the table below

<u>Class of Sale Shares</u>	<u>First offer to</u>	<u>Second offer to:</u>	<u>Third offer to:</u>
Ordinary Shares	Members holding Ordinary Shares	Members holding Preference Shares	The Company

9 3 4 For the purposes of Article 9 3 3 no Sale Shares shall be treated as offered to the Seller or to any member who, at the date of the Offer Notice, is bound to give, or has given or is deemed to have given a Transfer Notice in respect of any Ordinary Shares registered in his name.

#### 9 4 Allocation of Sale Shares

9 4 1 After the expiry of the period specified in the Offer Notice or, if sooner, upon all members holding Shares of a class specified in a column in the table in Article 9.3 3 having responded to the Offer Notice and the Company having received valid applications for all the Sale Shares (in either case the "**Allocation Date**"), the Board shall allocate the Sale Shares in accordance with the applications received in the priorities and in respect of each class of persons set out in the table in Article 9 3 3 provided that

- a) if there are applications from any class of offerees for more than the number of Sale Shares available for that class, the Sale Shares shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Sale Shares than he applied for) to the number of Shares of the class entitling them to receive such offer held by each of them respectively,
- b) the allocation of any fractional entitlements to Sale Shares amongst the members of a particular class of Shares shall be dealt with by the Board, with the consent of Ratesetter, in such manner as it sees fit

9 4 2 Subject to clause 9 4 5 within 5 business days of the Allocation Date the Board shall give notice in writing (an "**Allocation Notice**") to the Seller and each member to whom Sale Shares have been allocated pursuant to Article 9 4 1 (each a "**Buyer**") An Allocation Notice shall state.

- a) the number and class of Sale Shares allocated to that Buyer,
- b) the name and address of the Buyer,
- c) the aggregate purchase price payable by the Buyer in respect of the Sale Shares allocated to him,

- d) the information (if any) required pursuant to Article 9 4 5, and
- e) subject to Article 9 4 5, the place, date and time (being not less than 2 nor more than 5 business days after the date of the Allocation Notice) at which completion of the sale and purchase of the relevant Sale Shares shall take place

9 4 3 Subject to Article 9 4 4, the service of an Allocation Notice shall constitute the acceptance by a Buyer of the offer to purchase the number of Sale Shares specified therein on the terms offered to that Buyer

9 4 4 Subject to Article 9 4 5, completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the place, date and time specified in the Allocation Notice when the Seller will, upon payment of the Transfer Price in respect of the Sale Shares allocated to a Buyer, transfer those Sale Shares, and deliver the relevant share certificate(s) therefor, to that Buyer

9 4 5 If the Transfer Notice contained a Total Transfer Condition and the total number of Shares applied for and allocated to the Buyers in accordance with Article 9 4 1 is less than the total number of Sale Shares then

- a) notwithstanding any other provision of this Article 9 no Sale Shares shall be deemed to have been allocated to any Buyer and the Seller and the Buyers shall not be bound to sell or purchase any Sale Shares in accordance with this Article 9, and
- b) the Company shall notify the Seller that it has failed to find Buyers for all or some (as the case may be) of the Sale Shares

## 9 5 Default by the Seller

9 5 1 If a Seller (a "**Defaulting Seller**") shall fail duly to transfer (or complete the transfer of) any Sale Shares to a Buyer in accordance with Article 9

- a) the Company shall, as the agent of the Defaulting Seller appointed pursuant to Article 9 1.2e), be authorised to transfer, and complete the transfer of, those Sale Shares (including, without limitation of the generality of the foregoing, to execute and deliver any necessary stock transfer form and buy back agreement, where relevant),
- b) the Company,
  - i in the case of a Buyer other than the Company, may receive the necessary monies in respect of the Transfer Price in trust for the Defaulting Seller and the receipt by the Company of those monies shall constitute a good and valid discharge to the relevant Buyer, or
  - ii in the case where the Buyer is the Company, shall pay the necessary monies in respect of the Transfer Price into a separate account and hold the same on trust for the Defaulting Seller,
- c) against receipt by the Company of those monies (in trust for the Defaulting Seller) and, notwithstanding (if such is the case) that the Defaulting Seller has failed to delivery up the relevant share certificate(s), the Company shall

- i in the case of a Buyer other than the Company, cause the Buyer to be registered as the holder of those Sale Shares and, after such registration, the validity of the proceedings shall not be questioned by any person, or
- ii in the case where the Buyer is the Company, cause the relevant Sale Shares to be cancelled and, after such cancellation, the validity of the proceedings shall not be questioned by any person, and
- d) the Company shall not be required to pay the monies in respect of the Transfer Price to the Defaulting Seller until he shall, in respect of the Sale Shares, have delivered a share certificate, or suitable indemnity, and necessary documentation (including any transfers and, where relevant, any buy back agreement) to the Company

## 9.6 Transfers following exhaustion of pre-emption rights

9.6.1 If any Sale Shares are not allocated to a Buyer under any of the foregoing provisions of this Article 9 the Seller may, at any time within 3 calendar months of

- a) the date of service of the notice referred to in Article 9.4.5b) if the Transfer Notice contained a Total Transfer Condition,
- b) the date of the final sale of Sale Shares in accordance with any Allocation Notice if the Transfer Notice did not contain a Total Transfer Condition and some only of the Sale Shares have been sold, or
- c) the expiry of the Offer Notice if the Transfer Notice did not contain a Total Transfer Condition and, the Company having not received any valid applications for any of the Sale Shares pursuant to Article 9.4.1, there are no persons to whom an Allocation Notice can be given,

sell any of those unallocated Sale Shares to the person named in the Transfer Notice (or, if none was so named, any other person) at not less than the Transfer Price (without any deduction, rebate or allowance to the proposed purchaser) provided that

- d) no Share shall be sold to, and the Board shall not register a transfer to, a person who is not already a Member without the prior written consent of Ratesetter,
- e) If the Transfer Notice contained a Total Transfer Condition, the Seller shall not be entitled to sell only some of the Sale Shares without the prior written consent of Ratesetter, and
- f) the Board shall not register the transfer if as a result of such transfer the proposed purchaser would be required to make an offer in accordance with Article 11 (Tag-along) until such time as that offer has been made and, if accepted, completed

## 10 DRAG ALONG RIGHTS

10.1 Notwithstanding anything to the contrary in these Articles, if any member (on his own or acting in concert with one or more other members) (the "Proposing Shareholder(s)") proposes to sell or transfer Shares (the "Selling Shares") greater than 70% of all the issued Shares of the Company at the time of the proposed sale or transfer to a person (other than a Permitted

Transferee) who is a bona fide third party buyer at arms length (the "**Proposed Buyer**") the following provisions of this Article 10.1 shall apply

- 10.2 The Proposing Shareholder(s) shall have the right to give the Company not less than 25 days prior written notice (the "**Selling Notice**") of the proposed sale or transfer. The Selling Notice will include details of

10.2.1 the Selling Shares,

10.2.2 the proposed price for each Selling Share to be paid by the Proposed Buyer,

10.2.3 details of the Proposed Buyer, and

10.2.4 the place, date and time of completion of the proposed sale (being a date not less than 25 days from the service of the Selling Notice) (the "**Drag Along Completion**")

- 10.3 Immediately on receipt of a Selling Notice, the Company shall give notice in writing (the "**Drag Along Notice**") to each of the members other than the Proposing Shareholder(s) (the "**Drag Along Shareholders**") giving the details contained in the Selling Notice and requiring each of them at the Drag Along Completion to sell to the Proposed Buyer all Shares held by them

- 10.4 A Proposing Shareholder may withdraw a Selling Notice any time prior to actual Drag Along Completion by written notice to the Company to that effect and, on service of that notice, each Drag Along Notice shall no longer be binding and shall cease to have any effect

- 10.5 Each Drag Along Shareholder who is given a Drag Along Notice shall, in the event of the proposed sale or transfer proceeding, sell (or procure the sale of) all the Shares held by him to the Proposed Buyer at the time of the Drag Along Completion (or at such other time as the Proposing Shareholders and the Drag Along Shareholders shall agree) at the price per Selling Share as set out in the Drag Along Notice and otherwise on the same terms as the sale of Selling Shares

- 10.6 If any of the Drag Along Shareholders shall fail to comply with the terms of this Article 12 in any respect (each a "**Defaulting Shareholder**")

10.6.1 the Company shall be unconditionally constituted the agent of each Defaulting Shareholder for the sale of the Shares referred to in his Drag Along Notice in accordance with that notice and shall be authorised to transfer, and complete the transfer of, those Shares (including, without limitation of the generality of the foregoing, to execute and deliver any necessary stock transfer form),

10.6.2 the Company may receive the necessary purchase money in trust for each Defaulting Shareholder and the receipt by the Company of that purchase money shall constitute a good and valid discharge to the Proposed Buyer,

10.6.3 against receipt by the Company of the purchase money (in trust for the Defaulting Shareholder), and notwithstanding (if such is the case) that the Defaulting Shareholder has failed to deliver up the relevant share certificate(s), the Company shall cause the Proposed Buyer to be registered as the holder of the relevant Shares and, after such registration, the validity of the proceedings shall not be questioned by any person, and

10.6.4 the Company shall not be required to pay the purchase monies to a Defaulting Shareholder until he shall, in respect of the Shares subject to the Drag Along Notice, have delivered a share certificate or suitable indemnity and necessary transfers to the Company

10 7 The expression **price per Selling Share** used in Articles 10 2 and 10 5 shall be deemed to include an amount equal to the relevant proportions of any other consideration (in cash or otherwise) received or receivable by the holders of the Shares in question which, having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for the specified Shares and, in the event of disagreement, the calculation of the price shall be referred for determination to the Auditors in accordance with Article 76

10 8 Upon any person (a "**New Member**") becoming, at any time after the service of a Drag Along Notice, a registered holder of any Share pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Shares, a Drag Along Notice, on the same terms as the then current Drag Along Notice, shall immediately be deemed to have been served upon that New Member Upon the deemed service of a Drag Along Notice pursuant to this Article 10 8 the New Member shall become bound to sell and transfer to the Proposed Buyer (or as the Proposed Buyer may direct) any Share acquired by him as a result of the exercise of any such option, warrant or other right to subscribe for or acquire Shares The provisions of this Article 10 8 shall apply mutatis mutandis to the sale of any such Shares by such New Member provided that completion of the sale and purchase of those Shares shall take place on whichever is the later of,

10 8 1 the date on which a Drag Along Notice is deemed to have been served on the New Member pursuant to this Article 10 8, and

10 8 2 the date of completion of the sale and purchase of the Shares which were the subject of the original Drag Along Notice

## 11 TAG ALONG RIGHTS

11 1 If any member (on his own or acting in concert with one or more other members) (the "**Selling Party**") proposes to sell or transfer Shares (the "**Committed Shares**") equal to or greater than 20% of all the issued Shares of the Company at the time of the proposed sale or transfer to any person or persons other than another member or a Permitted Transferee, the Selling Party shall procure, before the sale or transfer that each proposed buyer (the "**Tag Along Buyer**") makes a bona fide written offer (a "**Tag Along Offer**") to each of the other members (each a "**Tag Along Shareholder**") to buy all the Shares which are not Committed Shares (the "**Uncommitted Shares**") for the same price per Share and otherwise on the same terms and conditions as those applying to the Committed Shares

11 2 Each Tag Along Offer shall specify

11 2 1 the price for the relevant Shares and any other principal terms and conditions of the sale or transfer,

11 2 2 the identity of the Tag Along Buyer, and

11 2 3 the period (being not less than 25 days from the service of the Tag Along Offer) for acceptance by each Tag Along Shareholder)

11 3 If, within the period specified in the Tag Along Offer any Tag Along Shareholder accepts the offer in writing, then the Selling Party shall procure that the sale by that Tag Along Shareholder of his relevant Shares shall proceed on the same financial terms (including price per Share) and at the same time as the sale of the Selling Party's Shares

11.4 Any acceptance by a Tag Along Shareholder of a Tag Along Offer shall be irrevocable. But no sale of that Tag Along Shareholder's Shares pursuant to its acceptance shall take place unless and until the sale of the Selling Party's Shares is completed.

11.5 The expression **price per Share** used in Articles 11.1 and 11.3 shall be deemed to include an amount equal to the relevant proportions of any other consideration (in cash or otherwise) received or receivable by the holders of the Shares in question which, having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for the specified Shares and, in the event of disagreement, the matter shall be referred for determination to the Auditors in accordance with Article 76 and, pending their determination

11.5.1 the period for acceptance, specified in the Tag Along Offer shall not start to run until the date on which the Auditors determination of the price per Share is served on the Tag Along Buyer and the members holding Uncommitted Shares, and

11.5.2 the sale or transfer of the Committed Shares shall have no effect and shall not be registered

## **12 PURCHASE OF OWN SHARES**

12.1 Subject to the Act (but without prejudice to any other provisions of these Articles) the Company may purchase its own Shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) with cash up to an amount in a financial year not exceeding the limit for the time being set out in section 692(1ZA) of the Act

## **13 SUBSIDIARIES**

13.1 The Company shall procure that

13.1.1 each other Group Company shall comply with those provisions of these Articles which are expressed to apply to a Group Company, and

13.1.2 no Group Company shall do or permit to be done any act, matter or thing which if it were done or permitted to be done by the Company would constitute a breach by the Company of any provision of these Articles or would require any consent, approval or sanction under these Articles, unless such consent, approval or sanction has been first obtained

## **PART C**

### **DIRECTORS' POWERS AND RESPONSIBILITIES**

#### **14 DIRECTORS' GENERAL AUTHORITY**

Subject to these Articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company

#### **15 MEMBERS' RESERVE POWER**

15.1 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action

15.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution

## **16 DIRECTORS MAY DELEGATE**

16 1 Subject to these Articles the directors may, with Ratesetter Consent, delegate any of the powers which are conferred on them under these Articles

16 1 1 to such person or committee,

16 1 2 by such means (including by power of attorney),

16 1 3 to such an extent,

16 1 4 in relation to such matters or territories, and

16 1 5 on such terms and conditions,

as they think fit

16 2 If the directors (acting with Ratesetter Consent) so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated

16 3 The directors (acting with Ratesetter Consent) may revoke any delegation in whole or part, or alter its terms and conditions

## **17 COMMITTEES**

17 1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these Articles which govern the taking of decisions by directors

17 2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from these Articles if they are not consistent with them

## **DECISION MAKING BY DIRECTORS**

### **18 DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

18 1 The general rule about decision making is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with Article 19 2

18 2 Subject to Article 23 5, if the Company has only one director for the time being the general rule does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of these Articles relating to directors' decision making

### **19 DIRECTORS' DECISIONS OTHERWISE THAN AT A DIRECTORS' MEETING**

19 1 A decision of the directors is taken in accordance with this Article when all eligible directors indicate to each other by any means that they share a common view on a matter.

19 2 Such a decision may take the form of a resolution in writing where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing

19 3 A decision may not be taken in accordance with this Article if the eligible directors would not have formed a quorum at such a meeting



## **20 FREQUENCY OF MEETINGS OF DIRECTORS**

Unless Ratesetter otherwise agrees in writing, meetings of the directors shall take place at least once a month, with a period of not more than four weeks between any two meetings. Any director may call a meeting of the directors. At least ten business days' advance notice in writing of each such meeting shall be given to each director (except with the prior consent in writing of a Ratesetter Director, when meetings of the directors may take place on shorter notice).

## **21 CALLING A DIRECTORS' MEETING**

21 1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the Company secretary (if any) to give such notice.

21 2 Notice of any directors' meeting must indicate

21 2 1 its proposed date and time,

21 2 2 where it is to take place, and

21 2 3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

21 3 Notice of a directors' meeting must be given to each director, but need not be in writing.

21 4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

## **22 PARTICIPATION IN DIRECTORS' MEETINGS**

22 1 Subject to these Articles, directors participate in a directors' meeting, or part of a directors' meeting, when the meeting has been called and takes place in accordance with the Articles, and they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

22 2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

22 3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

## **23 QUORUM FOR DIRECTORS' MEETINGS**

23 1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

23 2 Subject to the provisions of Part B of these Articles and to Article 23 4, the quorum for directors' meetings shall be two eligible directors.

23 3 If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the directors determine.

23 4 For the purposes of any meeting (or part of a meeting) held pursuant to Article 25 to authorise a director's conflict of interest, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director

23 5 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision to appoint further directors, or to call a general meeting so as to enable the members to appoint further directors

23 6 Each eligible director participating in a directors' meeting has one vote on each proposed resolution

## **24 CHAIRING OF DIRECTORS' MEETINGS**

24 1 The directors may appoint any person as Chairman and may remove and replace any such Chairman. If there is no Chairman in office for the time being, or the Chairman is unable to attend any meeting of the directors, the directors present at the meeting must appoint another director present at the meeting to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting

24 2 If the number of votes for and against a proposal at a meeting of directors is equal, the Chairman or other director chairing the meeting shall not have a casting vote

## **25 DIRECTORS - POWERS TO AUTHORISE CONFLICTS OF INTEREST**

25 1 The directors may authorise, to the fullest extent permitted by law, any matter which would otherwise result in a director infringing his duty to avoid a Conflict Situation provided that, for this purpose, the director in question and any other interested Director are not counted in the quorum at any board meeting at which such matter is authorised and it is agreed to without their voting or would have been agreed to if their votes had not been counted

25 2 Any authorisation given under Article 25 1 may (whether at the time of giving the authorisation or subsequently) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the conflict so authorised

25 3 Where the directors give authority under Article 25.1.

25 3 1 they may (whether at the time of giving the authority or subsequently) require that the relevant director is excluded from the receipt of information, participation in discussion and/or the making of decisions (whether at directors' meetings or otherwise) related to the matter that is the subject of the authorisation and impose upon the relevant director such other terms for the purpose of the authorisation as they think fit and

a) the relevant director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the authorisation, and

b) the relevant director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms,

25 3 2 they may provide that where the relevant director obtains (otherwise than through his position as a director of the Company) information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence, and

- 25 3 3 the directors may revoke or vary the authority at any time but this will not affect anything done by the relevant director prior to such revocation in accordance with the terms of such authority
- 25 4 A director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter which has been authorised by the directors pursuant to Article 25 1 (subject in any case to any limits or conditions to which such approval was subject)
- 25 5 For the purposes of section 175 and 180(4) of the Act and for all other purposes, and notwithstanding the provisions of Articles 25 1 to 25 4, it is acknowledged that a Director may be or become subject to a Group Conflict Situation or Group Conflict Situations
- 25 6 A Director's duties to the Company arising from his holding office as director shall not be breached or infringed as a result of any Group Conflict Situation having arisen or existing in relation to him and such Group Conflict Situation shall, for the purposes of section 180(4) of the Act, be deemed authorised
- 25 7 Any Director the subject of a Group Conflict Situation shall
- 25 7 1 not be held accountable to the Company for any benefit he directly or indirectly derives from his involvement in any Group Company,
- 25 7 2 be entitled to receive notice (including any relevant board papers) of, attend, count in the quorum towards and vote at board meetings relating in any way to, and deal generally with, matters concerning, connected with or arising from the Group Conflict Situation concerned, and
- 25 7 3 be entitled to keep confidential and not disclose to the Company any information which comes into his possession as a result of such Group Conflict Situation where such information is confidential as regards any third party

## **26 RATESETTER DIRECTOR CONFLICTS**

- 26 1 For the purposes of sections 175 and 180(4) of the Act and for all other purposes, and notwithstanding the provisions of Articles 25 1 to 25 7 it is acknowledged that a Ratesetter Director may be or become subject to a Conflict Situation or Conflict Situations as a result of his also being or having been or being party to an agreement or arrangement or understanding or circumstances under which he may become an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or a direct or indirect investor in and/or otherwise commercially involved with or economically interested in any of the following
- 26 1 1 Ratesetter, or
- 26 1 2 an interest or similar incentive arrangement associated with Ratesetter
- 26 2 A Ratesetter Director's duties to the Company arising from his holding office as director shall not be breached or infringed as a result of any Conflict Situation envisaged by Article 26 1 having arisen or existing in relation to him and such Conflict Situation shall, for the purposes of section 180(4) of the Act, be deemed authorised
- 26 3 Any Ratesetter Director the subject of a Conflict Situation envisaged by Article 26 1 shall
- 26 3 1 not be held accountable to the Company for any benefit he directly or indirectly derives from his involvement in or with any person referred to in Articles 26 1 1 to 26 1 2

(inclusive) irrespective of whether the activities of such person or entity are or may become competitive with those of any Group Company.

26 3 2 be entitled to receive notice (including any relevant board papers) of, attend, count in the quorum towards and vote at board meetings relating in any way to and deal generally with, matters concerning, connected with or arising from the Conflict Situation concerned, and

26 3 3 be entitled to keep confidential and not disclose to the Company any information which comes into his possession as a result of such Conflict Situation where such information is confidential as regards any third party

## **27 DIRECTORS – TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

27 1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company

27 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,

27 1 2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested,

27 1.3 shall be entitled to vote at a meeting of directors or of a committee of the directors, or participate in any unanimous decision, in respect of such transaction or arrangement or such proposed transaction or arrangement

27 2 For the purposes of this Article 27, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting

27 3 Subject to Article 27 4, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any director other than the Chairman is to be final and conclusive

27 4 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the Chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

## **28 RECORDS OF DECISIONS TO BE KEPT**

The directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors

## **29 DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

Subject to these Articles, the Directors may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to directors

## **APPOINTMENT OF DIRECTORS**

### **30 NUMBER AND APPOINTMENT OF DIRECTORS**

- 30 1 Unless otherwise determined by special resolution, the number of directors is not subject to any maximum and the minimum number of directors is one
- 30 2 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director
- 30 2 1 by ordinary resolution, or
- 30 2 2 by a decision of the directors
- 30 3 In any case where, as a result of death or bankruptcy, the Company has no members and no directors, the transmittee(s) of the last member to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director
- 30 4 For the purposes of Article 30 3, where two or more members die in circumstances rendering it uncertain who was the last to die, a younger member is deemed to have survived an older member

### **31 TERMINATION OF DIRECTOR'S APPOINTMENT**

- 31 1 A person ceases to be a director as soon as
- 31 1 1 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law,
- 31 1 2 a bankruptcy order is made against that person,
- 31 1 3 a composition is made with that person's creditors generally in satisfaction of that person's debts,
- 31 1 4 a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,
- 31.1 5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have and the board has resolved that that person should cease to be a director,
- 31 1 6 notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms
- 31 1 7 he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other directors resolve that he cease to be a director, and
- 31 1 8 in the case of an executive director only, he shall cease to be employed by the Company or other Group Company (as appropriate) and does not continue as an employee of any other Group Company

## **32 DIRECTORS – ALTERNATE DIRECTORS**

- 32 1 Any director (the “appointor”) may appoint as an alternate any other director or any other person approved by resolution of the directors to
- 32 1 1 exercise that director’s powers, and
  - 32 1 2 carry out that director’s responsibilities
- in relation to the taking of decisions by the directors in the absence of the alternate’s appointor
- 32 2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor or in any other manner approved by the directors
- 32 3 The notice must
- 32 3 1 identify the proposed alternate, and
  - 32 3 2 In the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice
- 32 4 An alternate director may act as an alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate’s appointor
- 32 5 Except as the Articles specify otherwise, alternate directors
- 32 5 1 are deemed for all purposes to be directors,
  - 32 5 2 are liable for their own acts and omissions,
  - 32 5 3 are subject to the same restrictions as their appointors, and
  - 32 5 4 are not deemed to be agents of or for their appointors,
- and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member
- 32 6 A person who is an alternate director but not a director
- 32 6 1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person’s appointor is not participating),
  - 32.6 2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate), and
  - 32 6 3 shall not be counted as more than one director for the purposes of Articles 32 6 1 and 32 6 2
- 32 7 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision) but shall not count as more than one director for the purposes of determining whether a quorum is present

32 8 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing to the Company

32 9 An alternate director's appointment as an alternate terminates

32 9 1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

32 9 2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,

32 9 3 on the death of the alternate's appointor, or

32 9 4 when the alternate's appointor's appointment as a director terminates

### **33 DIRECTORS' REMUNERATION**

33 1 Directors may undertake any services for the Company that the directors decide

33 2 Directors are entitled to such remuneration as the directors determine

33 2 1 for their services to the Company as directors, and

33 2 2 for any other service which they undertake for the Company

33 3 Subject to these Articles, a director's remuneration may

33 3 1 take any form, and

33 3 2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director

33 4 Unless the directors decide otherwise, directors' remuneration accrues from day to day

33 5 Unless the directors decide otherwise, directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested

### **34 DIRECTORS' EXPENSES**

34.1 The Company may pay any reasonable expenses which the directors (including alternate directors and, if it has one, the secretary (but so that nothing in this Article 34 1 shall require the Company to have a secretary) properly incur in connection with their attendance at

34 1 1 meetings of directors or committees of directors,

34 1 2 general meetings, or

34 1 3 separate meetings of any holders of any class of Shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company

## **35 SECRETARY**

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit, and from time to time remove such person and, if the directors so decide, appoint a replacement in each case by a decision of the directors. Nothing in this Article 35 shall require the Company to have a secretary

## **SHARES AND DISTRIBUTIONS**

### **36 POWERS TO ISSUE DIFFERENT CLASSES OF SHARE**

36 1 Subject to these Articles, but without prejudice to the rights attached to any existing Share, the Company may issue Shares with such rights or restrictions as may be determined by ordinary resolution

36 2 The Company may issue Shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the directors may, with Ratesetter Consent, determine the terms, conditions and manner of redemption of any such Shares

### **37 AUTHORITY TO ALLOT**

37 1 Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company

37 2 The directors are generally and unconditionally authorised, for the purposes of section 551 of the Act and generally, to exercise any power of the Company to

37 2 1 offer or allot or,

37 2 2 grant rights ("Rights") to subscribe for or to convert any security into,

any Shares to any person, at any time and subject to any terms and conditions as the directors think proper

37 3 The authority referred to in Article 37 2

37 3 1 shall be limited to a maximum nominal amount of £775 50 being up to 2,982 Preference Shares and up to 4,773 Ordinary Shares,

37.3 2 shall only apply insofar as the company has not renewed, waived or revoked it by ordinary resolution, and

37 3 3 may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the directors may, before the expiry of such authority make an offer or agreement which would, or might, require Shares to be allotted or Rights to be granted after such expiry (and the directors may allot Shares or grant Rights in pursuance of an offer or agreement as if such authority had not expired)

### **38 ISSUE OF SHARES – PRE-EMPTION RIGHTS**

38 1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of Equity Securities made by the Company

38 2 Unless otherwise agreed by special resolution, if the Company proposes to allot any Equity Securities (other than any Equity Securities to be held under an employees share scheme (as



that expression is defined in section 1166 of the Act), those Equity Securities shall not be allotted to any person unless the Company has first offered them to all members on the date of the offer on the same terms, and at the same price, as those Equity Securities are being offered to other persons on a pari passu and pro-rata basis to the number of Shares held by those members (as nearly as possible without involving fractions) The offer

38 2 1 shall be in writing, (made in hard copy or electronic form) shall be open for a period of 15 business days from the date of the offer and shall give details of the number and subscription price of the relevant Equity Securities, and

38 2 2 shall stipulate that any member who wishes to subscribe for a number of Equity Securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess Equity Securities ("Excess Securities") for which he wishes to subscribe

38 3 Any Equity Securities not accepted by members pursuant to the offer made to them in accordance with Article 38 2 shall be used for satisfying any requests for Excess Securities made pursuant to Article 38 2 If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro-rata to the number of Shares held by the applicants immediately before the offer was made to members in accordance with Article 38 2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any member beyond that applied for him) After that allotment, any Excess Securities remaining shall be offered to any other person as the directors may, with Ratesetter Consent determine, provided that

38 3 1 no Share shall be issued at a discount,

38 3 2 no Share shall be issued on terms which are more favourable than those on which they were offered to the members pursuant to this Article 38, and

38 3 3 no Share shall be issued more than 3 months after the end of the period for acceptance of the offer made under Article 38 2 unless the procedure in Articles 38 2 and 38 3 is repeated in relation to that Share

38 4 Where any Share is issued to an existing member holding Shares, such new Share shall, on and from the time of registration of the allotment of that Share in the register of members, be immediately and automatically (without resolution of the members or directors) redesignated as a Share of the same class as the Shares already held by such member

### **39 PAYMENT OF COMMISSIONS ON SUBSCRIPTION FOR SHARES**

39 1 The Company may pay any person a commission in consideration for that person

39 1 1 subscribing, or agreeing to subscribe, for Shares, or

39 1 2 procuring, or agreeing to procure, subscription for Shares

39 2 Any such commission may be paid

39 2 1 in cash, or in fully paid or partly paid Shares or other securities, or partly in one way and partly in the other, and

39 2 2 in respect of a conditional or an absolute subscription

#### **40 SHARE CERTIFICATES**

- 40 1 The Company must issue each member, free of charge, with one or more certificates in respect of the Shares which that member holds
- 40 2 Every certificate must specify
  - 40 2 1 in respect of how many Shares, of what class, it is issued,
  - 40 2 2 the nominal value of those Shares,
  - 40 2 3 the amount (if any) paid upon them, and
  - 40 2 4 any distinguishing numbers assigned to them
- 40 3 No certificate may be issued in respect of Shares of more than one class
- 40 4 If more than one person holds a Share, only one certificate may be issued in respect of it
- 40 5 Certificates must have affixed to them the Company's common seal, or be otherwise executed in accordance with the Companies Acts

#### **41 COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

Except as required by law, no person is to be recognised by the Company as holding any Share upon any trust, and except as otherwise required by law or these Articles, the Company is not in any way to be bound by or recognise any interest in a Share other than the holder's absolute ownership of it and all the rights attaching to it

#### **42 FRACTIONAL ENTITLEMENTS**

- 42 1 Where there has been a consolidation or division of Shares and, as a result, members are entitled to fractions of Shares, the Board shall deal with the any fractional entitlements in such manner as it sees fit and may, in respect thereof
  - 42 1 1 sell the Shares representing the fractions to any person including the Company for the best price reasonably obtainable,
  - 42 1 2 authorise any person to execute an instrument of transfer of the Shares to the person(s) nominated by the Board, and
  - 42 1 3 distribute the net proceeds of sale in due proportion among the holders of the Shares
- 42 2 Where any holder's entitlement to a portion of the proceeds of sale under Article 42 1 amounts to less than a minimum figure determined by the directors, that member's portion may be retained for the benefit of the Company
- 42 3 The person to whom the Shares are transferred pursuant to Article 42 1 is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions. The transferee's title to the Shares is not affected by any irregularity in or invalidity of the process leading to their sale

#### **43 COMPANY'S LIEN OVER SHARES**

- 43 1 **Partly paid Shares**

43 1 1 The Company may, with Ratesetter Consent, issue Shares for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue

#### 43 2 **Lien**

43 2 1 The Company has a lien (the "**Company's Lien**") over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future

43 2 2 The Company's Lien over a Share

- a) takes priority over any third party's interest in that Share, and
- b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share

43 2 3 The directors may at any time decide that a Share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part

#### 43 3 **Enforcement of the Company's Lien**

43 3 1 Subject to the provisions of this Article 43 3, if

- a) a Lien Enforcement Notice has been given in respect of a Share, and
- b) the person to whom the notice was given has failed to comply with it,

the Company may sell that Share in such manner as the directors decide

43 3 2 A lien enforcement notice (the "**Lien Enforcement Notice**")

- a) may only be given in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
- b) must specify the Share concerned;
- c) must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
- d) must be addressed either to the holder of the Share or to a transmittee of that holder, and
- e) must state the Company's intention to sell the Share if the notice is not complied with

43 3 3 Where Shares are sold under this Article 43 3

- a) the directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser, and

- b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale

43 3 4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied

- a) first, in payment of so much of the sum for which the lien exceeds as was payable at the date of the Lien Enforcement Notice, and
- b) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the Shares) after the date of the Lien Enforcement Notice

43 3 5 A statutory declaration by a director that the declarant is a director and that a Share has been sold to satisfy the Company's Lien on a specified date

- a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- b) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share

#### 43 4 Call notices

43 4 1 Subject to the Articles and the terms on which Shares are allotted, the directors may send a notice (a "Call Notice") to a member requiring the member to pay the Company a specified sum of money (a "Call") which is payable to the Company at the date when the directors decide to send the Call Notice

43 4 2 A Call Notice

- a) may not require a member to pay a Call which exceeds the total amount of his indebtedness or liability to the Company,
- b) must state when and how any Call to which it relates is to be paid, and
- c) may permit or require the Call to be made in instalments

43 4 3 A member must comply with the requirements of a Call Notice, but no member is obliged to pay any Call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent

43 4 4 Before the Company has received any Call due under a Call Notice the directors may

- a) revoke it wholly or in part, or
- b) specify a later time for payment than is specified in the notice,

by a further notice in writing to the member in respect of whose Shares the Call is made

#### **43 5 Liability to pay Calls**

43 5 1 Liability to pay a Call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid

43 5 2 Joint holders of a Share are jointly and severally liable to pay all Calls in respect of that Share

43 5 3 Subject to the terms on which Shares are allotted, the directors may, when issuing Shares, provide that Call Notices sent to the holders of those Shares may require them

- a) to pay Calls which are not the same, or
- b) to pay Calls at different times

#### **43 6 When Call Notice need not be issued**

43 6 1 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share

- a) on allotment,
- b) on the occurrence of a particular event, or
- c) on a date fixed by or in accordance with the terms of issue

43 6 2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the Share concerned is treated in all respects as having failed to comply with a Call Notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture

#### **43.7 Failure to comply with Call Notice: automatic consequences**

43 7 1 If a person is liable to pay a Call and fails to do so by the Call payment date

- a) the directors may issue a notice of intended forfeiture to that person, and
- b) until the Call is paid, that person must pay the Company interest on the Call from the Call payment date at the relevant rate.

43 7 2 For the purposes of this Article 43 7

- a) the **"Call payment date"** is the time when the Call Notice states that a Call is payable, unless the directors give a notice specifying a later date, in which case the **"Call payment date"** is that later date, and
- b) the **"relevant rate"** is
  - i the rate fixed by the terms on which the share in respect of which the call is due was allotted,
  - ii such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors, or
  - iii if no rate is fixed in either of these ways, 5 per cent per annum

43 7 3 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998

43 7 4 The directors may waive any obligation to pay interest on a Call wholly or in part

#### **43 8 Notice of intended forfeiture**

43 8 1 A notice of intended forfeiture

- a) may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice,
- b) must be sent to the holder of that Share (or all the joint holders of that Share) or to a transmittee of that holder,
- c) must require payment of the Call and any accrued interest by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),
- d) must state how the payment is to be made, and
- e) must state that if the notice is not complied with, the Shares in respect of which the Call is payable will be liable to be forfeited

#### **43 9 Directors' power to forfeit Shares**

43 9 1 If a notice of intended forfeiture is not complied with before the date by which payment of the Call is required in the notice of intended forfeiture, the directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture

#### **43 10 Effect of forfeiture**

43 10 1 Subject to the Articles, the forfeiture of a Share extinguishes

- a) all interests in that Share, and all claims and demands against the Company in respect of it, and
- b) all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company

43 10 2 Any Share which is forfeited in accordance with the Articles

- a) is deemed to have been forfeited when the directors decide that it is forfeited,
- b) is deemed to be the property of the Company, and
- c) may be sold, re-allotted or otherwise disposed of as the directors think fit

43 10 3 If a person's Shares have been forfeited

- a) the Company must send that person notice that forfeiture has occurred and record it in the register of members,

- b) that person ceases to be a member in respect of those Shares,
- c) that person must surrender the certificate for the Shares forfeited to the Company for cancellation,
- d) that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture), and
- e) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal

43 10 4 At any time before the Company disposes of a forfeited Share, the directors may decide to cancel the forfeiture on payment of all Calls, interest and expenses due in respect of it and on such other terms as they think fit

#### 43 11 Procedure following forfeiture

43 11 1 If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer

43 11 2 A statutory declaration by a director that the declarant is a director and that a Share has been forfeited on a specified date

- a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- b) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share

43 11 3 A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share

43 11 4 If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which

- a) was, or would have become, payable, and
- b) had not, when that Share was forfeited, been paid by that person in respect of that Share,

but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them

#### 43 12 Surrender of Shares

43 12 1 A member may surrender any Share

- a) in respect of which the directors may issue a notice of intended forfeiture,
- b) which the directors may forfeit, or

- c) which has been forfeited

43 12 2 The directors may accept the surrender of any such Share

43 12 3 The effect of surrender on a Share is the same as the effect of forfeiture on that Share

43 12 4 A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeited

#### **44 REPLACEMENT SHARE CERTIFICATES**

44 1 If a certificate issued in respect of a member's Shares is

44 1 1 damaged or defaced, or

44 1 2 said to be lost, stolen or destroyed,

that member is entitled to be issued with a replacement certificate in respect of the same Shares

44 2 A member exercising the right to be issued with such a replacement certificate

44 2 1 may at the same time exercise the right to be issued with a single certificate or separate certificates,

44 2 2 must return the certificate which is to be replaced to the Company if it is damaged or defaced, and

44 2 3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide

#### **45 SHARE TRANSFERS**

45 1 Subject to the provisions of Part B of these Articles, Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor and, if the Shares are not fully paid, the transferee

45 2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share

45 3 The Company may retain any instrument of transfer which is registered

45.4 The transferor remains the holder of a Share until the transferee's name is entered in the register of members as holder of it

#### **46 TRANSMISSION OF SHARES**

46 1 If title to a Share passes to a transmittee, the Company may only recognise the transmittee as having any title to that Share

46 2 Subject to Part B of these Articles and pending any transfer of the Shares to another person, a transmittee who produces such evidence of entitlement to Shares as the directors may properly require has the same rights as the holder had, but transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of Shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those Shares



#### **47 TRANSMITTEES BOUND BY PRIOR NOTICES**

If a notice is given to a member in respect of Shares and a transmittee is entitled to those Shares, the transmittee is bound by the notice if it was given to the member before the transmittee's name has been entered in the register of members

#### **DIVIDENDS AND OTHER DISTRIBUTIONS**

##### **48 PROCEDURE FOR DECLARING DIVIDENDS**

- 48 1 Subject to Part B of these Articles (including, without limitation, Article 4 2), the Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends
- 48 2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 48 3 No dividend may be declared or paid unless it is in accordance with members' respective rights
- 48 4 Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which Shares are issued, specify otherwise, it must be paid by reference to each member's holding of Shares on the date of the resolution or decision to declare or pay it
- 48 5 If the Company's share capital is divided into different classes, no interim dividend may be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear
- 48 6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment
- 48 7 If the directors act in good faith, they do not incur any liability to the holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on Shares with deferred or non-preferred rights

##### **49 CALCULATION OF DIVIDENDS**

- 49 1 Except as otherwise provided by these Articles or the rights attached to Shares, all dividends must be declared and paid according to the amounts paid up on the Shares on which the dividend is paid and apportioned and paid proportionately to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid
- 49 2 If any Share is issued on terms providing that it ranks for dividend as from a particular date, that Share ranks for dividend accordingly
- 49 3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a Share in advance of the due date for payment of that amount

##### **50 PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

- 50 1 Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be paid by one or more of the following means
  - 50 1 1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,
  - 50 1 2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is

a holder of the Share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide,

50 1 3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide, or

50 1 4 any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide

50 2 In these Articles, a "**distribution recipient**" means, in respect of a Share in respect of which a dividend or other sum is payable

50 2 1 the holder of the Share, or

50 2 2 if the Share has two or more joint holders, whichever of them is named first in the register of members, or

50 2 3 if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

## **51 DEDUCTIONS FROM DISTRIBUTIONS IN RESPECT OF SUMS OWED TO THE COMPANY**

51 1 If

51 1 1 a Share is subject to the Company's Lien, and

51 1 2 the directors are entitled to issue a Lien Enforcement Notice in respect of it,

they may, instead of issuing a Lien Enforcement Notice, deduct from any dividend or other sum payable in respect of the Share any sum of money which is payable to the Company in respect of that Share to the extent that they are entitled to require payment under a Lien Enforcement Notice.

51 2 Money so deducted must be used to pay any of the sums payable in respect of that Share

51 3 The Company must notify the distribution recipient in writing of

51 3 1 the fact and amount of any such deduction,

51 3 2 any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction, and

51 3 3 how the money deducted has been applied

## **52 NO INTEREST ON DISTRIBUTIONS**

52 1 The Company may not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by.

52 1 1 the terms on which the Share was issued, or

52 1 2 the provisions of another agreement between the holder of that Share and the Company

### **53 UNCLAIMED DISTRIBUTIONS**

53 1 All dividends or other sums which are

53 1 1 payable in respect of Shares, and

53 1 2 unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the Company until claimed

53 2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it

53 3 If

53 3 1 twelve years have passed from the date on which a dividend or other sum became due for payment, and

53 3 2 the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company

### **54 NON-CASH DISTRIBUTIONS**

54 1 Subject to the terms of issue of the Share in question, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a Share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company)

54 2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution

54 2 1 fixing the value of any assets,

54 2 2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and

54 2 3 vesting any assets in trustees

### **55 WAIVER OF DISTRIBUTIONS**

55 1 Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a Share by giving the Company notice in writing to that effect, but if

55 1 1 the Share has more than one holder, or

55 1 2 more than one person is entitled to the Share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the Share

### **CAPITALISATION OF PROFITS**

## **56 AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS**

- 56 1 Subject to these Articles, the directors may, if they are so authorised by an ordinary resolution
- 56 1 1 decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve, and
  - 56 1 2 appropriate any sum which they so decide to capitalise (a "**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (the "**persons entitled**") and in the same proportions.
- 56 2 Capitalised sums must be applied
- 56 2 1 on behalf of the persons entitled, and
  - 56 2 2 in the same proportions as a dividend would have been distributed to them
- 56 3 Any capitalised sum may be applied in paying up new Shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct
- 56 4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct
- 56 5 Subject to these Articles the directors may
- 56 5 1 apply capitalised sums in accordance with paragraphs 56 3 and 56 4 partly in one way and partly in another,
  - 56 5 2 make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments), and
  - 56 5 3 authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of Shares and debentures to them under this Article

## **ORGANISATION OF GENERAL MEETINGS**

### **57 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

- 57 1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting
- 57 2 A person is able to exercise the right to vote at a general meeting when
- 57 2 1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - 57 2 2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting

57 3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it

57 4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other

57 5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them

## **58 QUORUM FOR GENERAL MEETINGS**

No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum. Subject to the provisions of Part B of these Articles, two Qualifying Persons shall be a quorum

## **59 CHAIRING GENERAL MEETINGS**

59 1 If the directors have appointed a Chairman, the Chairman shall chair general meetings if present and willing to do so

59 2 If the directors have not appointed a Chairman, or if the Chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start

59 2 1 the directors present, or

59 2 2 (if no directors are present), the meeting,

must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting

59 3 The person chairing a meeting in accordance with this Article is referred to as "**the chairman of the meeting**"

## **60 ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-MEMBERS**

60 1 Directors may attend and speak at general meetings, whether or not they are members

60 2 The chairman of the meeting may permit other persons who are not

60 2 1 members of the Company, or

60 2 2 otherwise entitled to exercise the rights of members in relation to general meetings, to attend and speak at a general meeting

## **61 ADJOURNMENT**

61 1 If the persons attending a general meeting within 30 minutes from the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it

61 2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if

61 2 1 meeting consents to an adjournment, or

- 61 2 2 it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner
- 61 3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting
- 61 4 When adjourning a general meeting, the chairman of the meeting must
  - 61 4 1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
  - 61 4 2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- 61 5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)
  - 61 5 1 to the same persons to whom notice of the Company's general meetings is required to be given, and
  - 61 5 2 containing the same information which such notice is required to contain
- 61 6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

## **VOTING AT GENERAL MEETINGS**

### **62 VOTING GENERAL**

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these Articles

### **63 ERRORS AND DISPUTES**

- 63 1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid
- 63 2 Any such objection must be referred to the chairman of the meeting, whose decision is final

### **64 POLL VOTES**

- 64 1 A poll on a resolution may be demanded
  - 64 1 1 in advance of the general meeting where it is to be put to the vote, or
  - 64 1 2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared
- 64 2 A poll may be demanded by any Qualifying Person present and entitled to vote on the resolution
- 64 3 A demand for a poll may be withdrawn if
  - 64 3 1 the poll has not yet been taken, and

64 3 2 the chairman of the meeting consents to the withdrawal

64 4 Polls must be taken immediately and in such manner as the chairman of the meeting directs

## **65 CONTENT OF PROXY NOTICES**

65 1 Proxies may only be validly appointed by a notice in writing (a "proxy notice") which

65 1 1 states the name and address of the member appointing the proxy,

65 1 2 identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed,

65 1 3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine, and

65 1 4 is delivered to the Company in accordance with the Articles not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate

and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting

65 2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes

65 3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions

65 4 Unless a proxy notice indicates otherwise, it must be treated as

65 4 1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

65 4 2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself

## **66 DELIVERY OF PROXY NOTICES**

66 1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person

66 2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given

66 3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates

66 4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf

**67 NO VOTING OF SHARES ON WHICH MONEY OWED TO COMPANY**

No voting rights attached to a Share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, or in relation to any written resolution of the Company unless all amounts payable to the Company in respect of that Share have been paid

**68 AMENDMENTS TO RESOLUTIONS**

**68 1** An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if

**68 1 1** notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and

**68 1 2** the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution

**68 2** A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if

**68 2 1** the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

**68 2 2** the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution

**68 3** If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman of the meeting's error does not invalidate the vote on that resolution

**69 APPLICATION OF RULES TO CLASS MEETINGS**

The provisions of these Articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of Shares

**ADMINISTRATIVE ARRANGEMENTS**

**70 MEANS OF COMMUNICATION TO BE USED**

**70 1** Subject to these Articles, anything sent or supplied by or to the Company under these Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Company

**70 2** Except insofar as the Companies Acts require otherwise, Ratesetter or a Ratesetter Director pursuant to a provision of Part B of these Articles, the Company shall not be obliged to accept any notice, document or other information sent or supplied to the Company in electronic form unless it satisfies such stipulations, conditions or restrictions (including, without limitation, for the purpose of authentication) as the directors think fit, and the Company shall be entitled to require any such notice, document or information to be sent or supplied in hard copy form instead



- 70 3 In the case of joint holders of a Share, except insofar as these Articles otherwise provide, all notices, documents or other information shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and shall be deemed to have been given to all the joint holders. For all purposes, including the execution of any appointment of proxy, resolution in writing, notice or other document (including anything sent or supplied in electronic form) executed or approved pursuant to any provision of these Articles, execution by any one of such joint holders shall be deemed to be and shall be accepted as execution by all the joint holders.
- 70 4 In the case of a member that is a corporation, for all purposes, including the execution of any appointment of proxy, resolution in writing, notice or other document (including anything sent or supplied in electronic form) executed or approved pursuant to any provision of these Articles, execution by any director or the secretary of that corporation or any other person who appears to any officer of the Company (acting reasonably and in good faith) to have been duly authorised to execute shall be deemed to be and shall be accepted as execution by that corporation.
- 70 5 A member whose registered address is not within the United Kingdom and who notifies the Company of an address within the United Kingdom at which notices, documents or other information may be served on or delivered to him shall be entitled to have such things served on or delivered to him at that address (in the manner referred to above), but otherwise no such member shall be entitled to receive any notice, document or other information from the Company. If the address is that member's address for sending or receiving documents or information by electronic means the Directors may at any time without prior notice (and whether or not the Company has previously sent or supplied any documents or information in electronic form to that address) refuse to send or supply any documents or information to that address.
- 70 6 Subject to these Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 70 7 A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

## **71 NOTICES**

- 71 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
- 71 1 1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending (and the sending party receives a confirmation of delivery from the courier service provider)),
- 71 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- 71 1 3 if properly addressed and sent or supplied by electronic means, two hours after the document or information was sent or supplied, and

71 1 4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purpose of this Article, no account shall be taken of any part of a day that is not a business day

71 2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act

## **72 COMPANY SEALS**

72 1 Any common seal may only be used by the authority of the directors

72 2 The directors may decide by what means and in what form any common seal is to be used

72 3 Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature

72 4 For the purposes of this Article, an authorised person is

72 4 1 any director of the Company,

72 4 2 the company secretary (if any), or

72 4 3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied

## **73 NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a member

## **74 PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS**

The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary

## **75 DIRECTORS' INDEMNITY AND INSURANCE**

75 1 Subject to the provisions of the Act (but so that this Article 75 1 does not extend to any matter insofar as it would cause this Article or any part of it to be void thereunder), the Company

75 1 1 shall, without prejudice to any indemnity to which the person concerned may otherwise be entitled, indemnify any director or other officer (other than an auditor) of the Company and any associated company against all losses and liabilities incurred by him in the actual or purported execution, or discharge, of his duties in relation to

a) the Company,

b) any associated company, and

- c) any occupational pension scheme of which the Company or any associated company is a trustee

including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings (whether civil or criminal) in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding of any material breach of duty on his part) or in which he is acquitted or in connection with any application in which the court grants him relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company, any associated company or any occupational pension scheme of which the Company or any associated company is a trustee, and

- 75 1 2 may, without prejudice to the provisions of Article 75 1 1, purchase and maintain insurance for any person who is or was a director or officer of the company or any associated company against any loss or liability which he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust or otherwise in relation to the Company, any associated company, any employees' share scheme of the Company or of any associated company or any occupational pension scheme of which the Company or any associated company is a trustee

where for the purposes of this Article 75 1, companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate

## **76 DISPUTES**

Where these Articles provide for any dispute in relation to a particular matter to be determined pursuant to this Article 76, such dispute shall be referred, at the request of any member, to the Auditors. The decision of the Auditors (who shall be deemed to act as an expert and not as an arbitrator) shall, save in the event of fraud or manifest error, be final and binding on the Company and the members and the cost of such reference shall be borne as directed in the relevant Article, or, where no such direction is given, by the party or parties named by the Auditors (taking into account conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, where no such party is named by the Auditors, equally by the parties concerned

## **77 DATA PROTECTION**

- 77 1 Each of the members and directors (from time to time) consents to the processing of his personal data by the Company, its members and directors (each a "Recipient") for the purposes of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually

- 77 2 The personal data that may be processed for such purposes under this Article 77 shall include any information which may have a bearing on the prudence or commercial merits of investing in, or disposing of any Shares (or other investment or security) in, the Company. Save as required by law, court order or any regulatory authority, that personal data shall not be disclosed by a Recipient or any other person, except to

77 2 1 a Member of the Same Group as the Recipient (each a "Recipient Group Company"),

77 2 2 employees, directors and professional advisers of that Recipient or any Recipient Group Company, and

77 2 3 funds managed by any of the Recipient Group Companies

- 77 3 Each of the members and directors consent (from time to time) to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so