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24/12/2014  
COMPANIES HOUSE

# THE COMPANIES ACT 2006

## TOG FITNESS LIMITED

(the "Company")

## WRITTEN RESOLUTION

Circulation Date 12 December 2014

9315745  
Certified a true copy of the  
original

Steinfeld Law LLP  
22 Manchester Square  
London W1U 3PT

Steinfeld Law LLP  
23/12/14

We, the undersigned, being all the members of the Company who (at the date of circulation of this resolution) would be entitled to vote on the resolution, hereby agree pursuant to section 288 of the Companies Act 2006 to the passing of the following resolution by way of a written resolution

## SPECIAL RESOLUTION

That new articles of association, in the form of the document attached hereto, be adopted by the Company in substitution for the existing articles of association of the Company

## AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the resolution above (the "Resolution")

The undersigned, being all the members of the Company entitled to vote on the Resolution on the Circulation Date, hereby irrevocably agrees to the passing of the Resolution

**Esselco Office Properties Limited**

Date 12 December 2014

## NOTES

1 If you agree to the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning to the Company using one of the following methods

- **By hand** delivering the signed copy to Michael Steinfeld at Steinfeld Law LLP, 22 Manchester Square London W1U 3PT
- **Post** returning the signed copy by post to Michael Steinfeld at the above address
- **E-mail** by attaching a scanned copy of the signed document to an e-mail and sending it to michael.steinfeld@steinfeldlaw.co.uk

You may not indicate your agreement to the Resolution by any other method

2 If you do not agree to the Resolution, you do not need to do anything you will not be deemed to agree if you fail to reply

3 Once you have indicated your agreement to the Resolution, you may not revoke your agreement

4 Unless, within 28 days of the Circulation Date, agreement has been received for the Resolution to pass, they will lapse If you agree to the Resolutions, please ensure that your agreement reaches us before that date

The Companies Act 2006

**NEW**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**TOG FITNESS LIMITED**

(Adopted by special resolution passed on 12 December 2014)

Incorporated: 18 November 2014  
Company Number. 9315745

**Certified a true copy of the  
original**  
Steinfeld Law LLP  
22 Manchester Square  
London W1U 3PT

*Steinfeld Law LLP*  
*23/12/14*

**STEINFELD LAW LLP**  
22 Manchester Square  
London, W1U 3PT  
Tel: +44 (0) 20 7725 1313  
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Ref MRS/ESS0049  
Date 10 12 2014

The Companies Act 2006

**COMPANY LIMITED BY SHARES**

**NEW**

**ARTICLES OF ASSOCIATION**

**OF**

**TOG FITNESS LIMITED**

(Adopted by special resolution passed on 12 December 2014)

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**PRELIMINARY**

In these articles unless the context otherwise requires the following expressions shall have the following meanings:-

**"the Act"** means the Companies Act 2006,

**"address"** in relation to electronic communication means any number or address used for the purposes of such communications,

**"Adoption Date"** means the date of adoption of these articles;

**"articles"** means these articles of association of the Company;

**"associate"** means in relation to any person any other person who is connected with such person if such person were a director of the Company;

**"associated company"** means in relation to any corporate member any wholly-owned subsidiary or holding company (as to 100%) of that member or wholly-owned subsidiary of such holding company from time to time;

**"Board"** means the board of directors of the Company,

**"Business day"** means a day other than a Saturday or Sunday or public holiday in England and Wales;

**"chairman"** means the Director appointed to act as chairman of the Company in accordance with these articles,

**"clear days"** in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect,

**"Company"** means TOG Fitness Limited (company no. 9315745 ),

**"Compulsory Transfer"** means in relation to a Shareholder a transfer required by article 9;

**"connected"** means the same as in (and the question of whether a person is "connected with" a person shall be determined in accordance with) sections 252 to 257 of the Act,

**"control"** means an interest in shares giving to the holder or holders control of the Company within the meaning of section 840 of the Income and Corporation Taxes Act 1988,

**"corporate member"** means any member which is a company or a limited liability partnership incorporated under the Act,

**"director"** means a duly appointed director of the Company from time to time;

**"electronic communication"** means any communication transmitted by way of fax or e-mail;

**"Eligible Director"**: 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);

**"Executed"** includes any effective mode of execution;

**"Exit"** means a Listing or a Sale;

**"Expert"** means the same as in article 7 5;

**"fair value"** means the same as in article 7.5;

**"family"** in relation to any principal shall mean any one or more of such principal, his spouse, his children and the estates of any such persons;

**"family company"** means a company which is wholly owned or controlled by an individual member or by a family or family trust;

**"family member"** means any member who is a member of a principal's family;

**"family trust"** means, in relation to any principal, the trustees of a family trust exclusively for the benefit of the family of such principal;

**"Group"** in relation to a company (wherever incorporated), any Subsidiary of that company, any company of which it is a Subsidiary (its holding company) and any other Subsidiaries of any such holding company;

**"holder"** in relation to shares means the member whose name is entered on the register of members as the holder of the shares;

**"Holding Company"** means in relation to the company its "holding company" as defined in section 1159 of the Act;

**"Leaver"** has the same meaning as in article 10,

**"Listing"** means the admission of any part of the share capital of the Company (or of its holding company) to the Official List of the UK Listing Authority, and to trading on the London Stock Exchange's market for listed securities, or to trading on the AIM market of the London Stock Exchange, or on any other recognised investment exchange (as defined in section 285(1) of the Financial Services and Markets Act 2000);

**"Majority Consent"** means the written consent of Shareholders holding Shares that together confer more than 50 per cent of the total voting rights exercisable in general meetings of the Company;

**"Majority Shareholder"** means the Shareholder who, with any Shares held by its associates, holds Shares that together confer more than 50 per cent of the total voting rights exercisable in general meetings of the Company;

**"Majority Shareholder Director"** means a director appointed by the Majority Shareholder pursuant to article 20.1,

**"member"** means a registered holder of an issued Share from time to time;

**"Minority Shareholder"** means the Shareholder who, with his associates, is not the Majority Shareholder or its associates;

**"Minority Shareholder Director"** means a director appointed by the Minority Shareholder pursuant to article 20 2;

**"Model Articles"** the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these articles;

**"office"** means the registered office of the Company;

**"Permitted Transfer"** means in relation to a Shareholder a transfer permitted by article 8;

**"Permitted Transferee"** means a person who is a Shareholder as a result of a Permitted Transfer;

**"principal"** means (i) any person being an individual and who was a member of the Company but who has transferred shares to his family or to a family trust or family company or (ii) a person who has established a trust by or for the benefit of that individual and/or his family and who is a member of the Company;

**"principal corporate member"** means any person who was the original corporate member but who has transferred shares to any associated company;

**"Relevant Proportion"** means in relation to a holder of shares or any class of shares (including if applicable any associate or associated company or family member or family trust of such holder) the proportion that the aggregate nominal value of the shares legally and/or beneficially held by the holder and, if applicable, any of such persons (as the case may

be) bears to aggregate nominal value of the total number of issued shares or issued shares of the relevant class,

**"Return of Capital"** means a return of capital on liquidation, purchase of shares by the Company, redemption of shares or any other distribution of capital to shareholders;

**"Sale"** means the sale of the whole of the issued share capital of the Company or the sale or other disposal of the whole or substantially the whole of the business undertaking and assets of the Company and its Subsidiaries taken together, in each case to a single buyer or to one or more buyers, whether as part of a single transaction or a series of related transactions;

**"seal"** means the common seal of the Company;

**"secretary"** means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

**"Shares"** means the ordinary shares of £1 each in the issued capital of the Company carrying the rights set out in article 3,

**"shareholder"** means the holder of any Shares;

**"Special Consent"** means the written consent of Shareholders holding Shares that together confer not less than 75 per cent of the total voting rights exercisable in general meetings of the Company;

**"Subsidiary"** means in relation to a company wherever incorporated (a holding company) a "subsidiary" as defined in section 1159 of the Act and any other company which is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company;

**"transfer"** means any transfer, sale, encumbrance, declaration of trust or other disposal of any share, or any interest in any share, in the capital of the Company;

**"Transfer Notice"** has the same meaning as in article 7 3,

**"United Kingdom"** means Great Britain and Northern Ireland, and

**"written"** and **"in writing"** include any method of representing or reproducing words in legible form including, for the avoidance of doubt, electronic communication

1 2        Save as otherwise specifically provided in these articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these articles but excluding any statutory modification of them not in force on the date when these articles become binding on the Company.

1 3        In these articles -

1 3 1      words importing the masculine gender include the feminine gender;

- 1 3 2 words importing a person include a body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);
- 1 3 3 words importing the singular shall, where the context so permits, include a reference to the plural and vice versa;
- 1 3 4 reference to any act, statute or statutory provision shall includes a reference to the statutory provision as replaced, modified or re-enacted from time to time before or after the date of these articles and any subordinate legislation made under the statutory provision before or after the date of these articles; and
- 1 3 5 a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these articles
- 1 4 The Contract (Rights of Third Parties) Act 1999 shall not apply to any rights under these articles.
- 1 5 References in these articles to a document or information being sent or supplied by or to a company (including the Company) shall be construed in accordance with the provisions of Section 1148(3) of the Act and any reference to "sent" or "supplied" (or other similar term) shall be construed in accordance with the provisions of Section 1148(2) of the Act.
- 1 6 These articles shall be governed and interpreted in accordance with English law and (subject to the Act) the Courts of England and Wales shall have exclusive jurisdiction.

## 2 **Adoption of the Model Articles**

- 2 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these articles or are inconsistent with these articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2 2 Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 22, 26(5), 27 to 29 (inclusive), 36, 38, 39, 42, 43, 44(2), 45, 49, 50, 52 and 53 of the Model Articles shall not apply to the Company.
- 2 3 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur"
- 2 4 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"
- 2 5 Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide".

## 3 **SHARE CAPITAL**

- 3 1 Other than as set out expressly in these articles, the Shares shall rank *pari passu* in all respects as ordinary shares in the capital of the Company



3 2 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Act, be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up, in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of the class, or with the sanction of a Special Consent passed at a separate meeting of such holders (but not otherwise).

3 3 Save as aforesaid, the special rights attached to any class of shares shall not, unless otherwise expressly provided by the terms of issue thereof, be deemed to be varied or abrogated by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but not in any respect in priority thereto or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Act and these articles.

#### 4 **ISSUE OF SHARES**

4 1 Subject to the provisions of the Act the Company may. -

4 1 1 issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder, on such terms and in such manner as may be set out in these articles (as amended from time to time) or (as to the date on or by which or the dates between which the shares are to be or may be redeemed) as may be determined by the directors prior to the date of issue;

4 1 2 purchase its own shares (including any redeemable shares) or enter into such agreement (contingent or otherwise) in relation to the purchase of its own shares on such terms and in such manner as may be approved by such ordinary or special resolution as may be required by the Act;

4 1 3 to the extent permitted by the Act, make a payment in respect of the redemption or purchase of any of its own shares (including any redeemable shares) otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

4 2 Subject as otherwise provided in these articles and to any direction or authority contained in the resolution of the Company creating or authorising the same, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Act, to exercise any power of the Company to.

4 2 1 offer or allot;

4 2 2 grant rights to subscribe for or to convert any security into; or

4 2 3 otherwise deal in, or dispose of,

any shares in the Company to any person, at any time and subject to any terms and conditions as the directors think proper

4 3 The authority referred to in article 4.2:

4 3 1 shall be limited to such amount as may from time to time be authorised by the Company by ordinary resolution;

- 4 3 2 shall only apply insofar as the Company has not, subject to these articles, renewed, waived or revoked it by ordinary resolution; and
- 4 3 3 may only be exercised for a period of five years from the date of adoption of these articles, save that the directors may make an offer or agreement which would, or might, require shares to be allotted after the expiry of such authority (and the directors may allot shares in pursuance of an offer or agreement as if such authority had not expired).
- 4 4 Notwithstanding anything to the contrary in these articles, without Special Consent no new shares shall be issued.
- 4 5 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 (as defined in section 560(1) of the Act) where the consent to that allotment has been obtained as required by these articles and that allotment otherwise conforms to the requirements of these articles.

## 5 **PRE-EMPTION ON ISSUES OF SHARES**

Notwithstanding anything to the contrary in these articles but subject to article 4.4, all unissued shares (whether in the original or any increased share capital) shall, before allotment or issue to any person on any terms, be offered on no less favourable terms first to the Shareholders in the following manner:-

- 5 1 the offer shall be by notice in writing and shall specify the number and class of shares which the Company desires to issue ("**Offer Shares**") and the proposed terms of the issue of the shares;
- 5 2 the offer shall invite each Shareholder to apply in writing within such period ("**Offer Period**") as shall be specified in the notice (being a period expiring not less than 21 days from the date of the notice) for such maximum number of the Offer Shares as he wishes to take and to submit his remittance for the full amount payable in respect of the shares applied for;
- 5 3 the Offer Shares (or so many of them as shall have been applied for) shall be allotted on the same terms to and amongst the members who have applied for them and who have submitted the full remittance in respect of the shares applied for;
- 5 4 the Offer Shares shall be allotted on the earlier of.-
- 5 4 1 the date of expiration of the Offer Period; or
- 5 4 2 the date the Company receives notice in writing of the application for or refusal of the application for the Offer Shares from every member;
- 5 5 the directors shall allocate the Offer Shares to and amongst the applying members according to the number of Offer Shares applied for by each of such applying members;
- 5 6 if the number of shares applied for by the applying members exceeds the number of Offer Shares the directors shall allocate the Offer Shares on the following basis :-

5 6 1 each applying member shall be allocated the number of Offer Shares applied for by him up to the proportion (as nearly as practicable) of the Offer Shares which the number of shares held by each of them respectively bears to the total number of shares held by all such applying members;

5 6 2 if any Offer Shares remain unallocated they shall be allocated to and amongst those applying members whose applications have not been satisfied in full in the proportion (as nearly as practicable) which the number of Offer Shares originally applied for by each such applying member less the number of Offer Shares already allocated to him bears to the total number of Offer Shares originally applied for by all such applying members less the number of Offer Shares already allocated to them.

5 7 if any member is allotted fewer shares than he has applied for, then the balance of the amount remitted by him shall be returned to him (without interest) on the date the shares are allotted to him;

5 8 No member shall be obliged to take more than the maximum number of shares applied for by him.

5 9 With Special Consent, all or any of the provisions of this article 5 may be waived in whole or in part in any particular case.

## 6 **TRANSFER OF SHARES**

6 1 Subject to article 7, shares may be transferred by transfer in writing in usual common form or in any other form approved by the Directors.

6 2 The instrument of transfer shall be signed by or on behalf of the transferor(s) and, when the share is not fully paid, shall also be signed by the transferee(s)

6 3 The Directors may, in their absolute discretion and without assigning any reason therefore, refuse to register any transfer of Shares if

6 3 1 any of the shares comprised within that transfer are not fully paid; or

6 3 2 the transfer is in favour of more than four persons jointly;

and if they do so the instrument of transfer shall be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

6 4 All instruments of transfer which are registered may be retained by the Company.

6 5 The directors may decline to recognise any instrument of transfer unless the instrument of transfer is:

6 5 1 duly stamped;

6 5 2 in respect of only one class of share; and

6 5 3 accompanied by the relevant share certificate(s) and such other evidence (if any) as the directors may reasonably require to show the right of the transferor(s) to make the transfer including, if the instrument of transfer is

executed by some other person on behalf of the transferor(s), the authority of that person so to do.

## **VOLUNTARY TRANSFERS**

- 7 1 Except as otherwise provided in these articles, no transfer shall be made or registered unless and until the rights of pre-emption conferred in this article 7 shall have been exhausted
- 7 2 Except where specifically authorised by these articles no transfer shall be made or registered other than the transfer of the whole legal and equitable title to such share free from all liens, charges and encumbrances and with all right, title and interest in existence at the date of the transfer together with all rights which may arise in respect thereof thereafter.
- 7 3 Any member (a ***Seller***) who desires to transfer his shares or any of them or who attempts to transfer any share, otherwise than in accordance with this article 7, shall or, in the case of a Compulsory Transfer, shall be deemed to give, notice in writing (a ***Transfer Notice***) to the Company specifying:-
- 7 3 1 the shares or interest which he desires or attempts or is required to transfer; and
- 7 3 2 in the case of a transfer other than a Compulsory Transfer the name of any third party to whom he proposes to transfer the shares and the price at and all other terms (including the obligation to comply with the provisions of article 7.14.3) on which he desires or attempts to transfer the shares
- 7 4 A Transfer Notice shall constitute the Company as the agent of the Seller for:-
- 7 4 1 the sale of the shares specified or deemed to be specified in the Transfer Notice (the ***Sale Shares***) in one or more lots, at the discretion of the directors;
- 7 4 2 to the other Shareholders or, subject to Special Consent, to the Company; and
- 7 4 3 at such price for the Sale Shares (the ***Transfer Price***) as may be specified in the Transfer Notice or (if no price is specified in the Transfer Notice or such price is not agreed by the Seller and the directors within 14 days after the date of the Transfer Notice) at the fair value.
- 7 5 For the purposes of this article fair value for the Sale Shares shall mean such price as an independent accountant agreed by the Shareholders or if they cannot reach agreement within 14 days then as chosen by the President of the Institute of Chartered Accountants of England and Wales (and the term ***Expert*** in the following article shall refer to this accountant) shall state in writing to be their opinion of a fair selling value thereof. In arriving at such opinion -
- 7 5 1 the Expert shall assume a sale between a willing Seller and a willing purchaser on the date of the relevant Transfer Notice;

7 5 2 fair value shall be calculated on the assumption (if the Expert is of the opinion that such an assumption is fair and reasonable) that if the Company is at that date carrying on business as a going concern it will continue to do so, whether the going concern value is greater than the value of the Company on a voluntary winding up;

7 5 3 the Expert shall not take into account whether or not the shares comprise a majority or minority of the shares in issue; and

7 5 4 the fair value shall take into account (i) all restrictions, liens, charges and other encumbrances to which the Sale Shares are subject (ii) all liabilities and obligations owed by the Company (including under its finance agreements) (iii) the value of the property rights of the Company in existence at that time and (iv) the applications in all other respects of principles and practices consistent with those customarily applied in the previous audited accounts of the Company (if applicable)

In producing their statement the Expert shall be deemed to be acting as an expert and not as an arbitrator and the Arbitration Act 1950 (as amended) shall not apply and the decision of the Expert shall be final and binding upon the parties (save in the event of manifest error).

7 6 The Transfer Notice shall contain a provision that unless all the Sale Shares are sold pursuant to the provisions of this article 7 none shall be sold and any such provision shall be binding on the Company.

7 7 If the Expert is asked to state the fair value in accordance with article 7 4 or article 7.5:-

7 7 1 the Company shall as soon as it receives the Expert's statement furnish a certified copy of it to the Seller;

7 7 2 the Seller shall be entitled (other than in the case of a Compulsory Transfer), by notice in writing given to the Company within 10 days of the service upon him of the certified copy of the statement, to cancel the Company's authority to sell the Sale Shares in which event he shall be deemed to have withdrawn the Transfer Notice; and

7 7 3 the cost of obtaining the Expert's statement shall be borne as to 50 per cent. by the Seller and as to the remainder by the member(s) accepting the Sale Shares pro rata to the number of Sale Shares purchased by each of them unless the Seller shall give notice of cancellation in accordance with article 7 7.2 in which case he shall bear the cost.

7 8 Upon the Transfer Price being agreed or determined in accordance with article 7.5 the directors shall:-

7 8 1 forthwith give notice in writing to each member referred to in article 7.4.2 (other than the Seller) accompanied by a copy of the Transfer Notice and the Expert's statement (if applicable) informing them of the number and Transfer Price of the Sale Shares; and

7 8 2 invite them to state in writing to the Company within 21 days from the date of the notice (the **allocation period**) whether they are willing to purchase any and, if so, how many of the Sale Shares.

- 7 9            If at the end of the allocation period the number of Sale Shares applied for by the applying members exceeds the number of Sale Shares the directors shall allocate the Sale Shares applied for by such applying members on the following basis:-
- 7 9 1           each applying member shall be allocated the number of Sale Shares applied for by him up to the proportion (as nearly as practicable) of the Sale Shares which the number of shares held by each of them respectively bears to the total number of shares held by all such applying members, and
- 7 9 2           if any Sale Shares remain unallocated they shall be allocated to and amongst those applying members whose applications have not been satisfied in full in the proportion (as nearly as practicable) which the number of Sale Shares originally applied for by each such applying member less the number of Sale Shares already allocated to him bears to the total number of Sale Shares originally applied for by all such applying members less the number of Sale Shares already allocated to them
- 7 10           Within seven days after the expiration of the allocation period the directors shall give notice in writing of allocations of Sale Shares (an **Allocation Notice**) to the Seller and those members who have agreed to purchase Sale Shares (**applicants**) and shall specify in the Allocation Notice the name and address of the applicants, the number of Sale Shares to be purchased by them and the place and time (being not less than seven days nor more than 28 days after the date of the Allocation Notice) at which the sale of such shares shall be completed.
- 7 11           No applicant shall be obliged to take more than the maximum number of shares specified by him in writing to the Company.
- 7 12           Upon the Allocation Notice being given in accordance with article 7 10, the Seller shall be bound, on payment of the Transfer Price, to transfer the shares comprised in the Allocation Notice to the applicants at the time and place specified.
- 7 13           If the Seller defaults in transferring any Sale Shares pursuant to article 7 12 or in accepting payment of the Transfer Price for any of the Sale Shares, the chairman for the time being of the Company or, failing him, one of the directors or some other person duly nominated by a resolution of the board of directors for that purpose shall forthwith be deemed to be the duly appointed attorney of the Seller with full power to execute and complete in the name and on behalf of the Seller a transfer of such Sale Shares to the purchasing member or members and in such circumstances the Company:-
- 7 13 1           may receive and give a good discharge for the purchase money on behalf of the Seller,
- 7 13 2           shall (subject to the transfer being duly stamped) enter the name of the purchasing member or members in the register of members as the holder or holders by transfer of the shares so purchased by him or them, and
- 7 13 3           shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money in trust for the Seller until he shall deliver up his certificate or certificates for the Sale Shares to the Company when the Company shall pay to the Seller the purchase money.

- 7 14 If the members do not agree to purchase all the Sale Shares in accordance with article 7.8:-
- 7 14 1 the Seller may, subject to the provisions of article 6 and of this article 7, at any time within three calendar months after the expiration of the allocation period, sell or transfer the Sale Shares not agreed to be purchased to any person or persons (a **Third Party**) at any price not less than the Transfer Price;
- 7 14 2 the Seller shall not be entitled, save with Special Consent, to sell or transfer only some of the Sale Shares to a Third Party (unless only some of the Sale Shares have been acquired by the other shareholders pursuant to article 7 8 and 7.9, in which case the Seller shall be entitled, to sell or transfer remaining Sale Shares to a third party);
- 7 14 3 any sale by the Seller must be a bona fide sale and the directors may require to be satisfied in such manner as they may reasonably require that the shares are being sold in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the purchaser and if not so satisfied may refuse to register the instrument of transfer; and
- 7 14 4 the Shareholders (other than the Seller) may direct the Board to refuse to register the instrument of transfer if either (i) the Third Party carries on a business which is similar to or in competition with the business then carried on by the Company or (ii) in the reasonable opinion of the Shareholders the Third Party, if it becomes a shareholder in the Company, is likely to cause prejudice to the name or reputation of the Company or to materially and adversely affect the business carried on by the Company.
- 7 15 If all the Sale Shares are allocated pursuant to article 7 9 -
- 7 15 1 subject to the provisions of the Act and any other loan or other agreements to the contrary between the Seller and the other members and/or the Company (i) the Seller shall be entitled to be repaid all the indebtedness (if any) owing to him by the Company at the date of completion of the transfer of the Sale Shares and (ii) the Company shall use all reasonable endeavours to procure the release of the Seller from any guarantees or indemnities properly given by him in respect of the indebtedness or any obligations of the Company and the Company shall fully indemnify the Seller to the reasonable satisfaction of the Seller for any loss caused by a claim under such guarantee or indemnity pending its removal; and
- 7 15 2 any member who shall have notified his willingness to purchase any of the Sale Shares shall, if required by the Seller, undertake to procure either that the Company is put into funds so that such indebtedness may be repaid in full to the Seller by the Company or repay such indebtedness in full to the Seller directly in place of the Company and procure (so far as he is able) that any such guarantees are released.
- 7 16 Unless and until either (i) such indebtedness is repaid in full and such guarantees released in accordance with article 7.15 or (ii) the Seller, by notice in writing to the Company, waives the provisions of article 7 15 either in whole or in part:
- 7 16 1 the provisions of articles 7.12 and 7.13 shall not apply; and

7 16 2        if such indebtedness is not repaid in full to the Seller and such guarantees released within one month from the expiration of the allocation period the Seller shall be under no obligation to sell the Sale Shares to the applicants and the provisions of articles 7.12 and 7 13 shall not apply

7 17        With Special Consent, all or any of the provisions of this article 7 may be waived by the directors in whole or in part in any particular case

7 18        Save as expressly provided to the contrary in this article 7, the directors shall register any transfer made pursuant to the preceding paragraphs of this article 7.

## 8        **PERMITTED TRANSFERS**

8 1        Any corporate member shall be entitled for any consideration whatsoever and otherwise without restriction to transfer the entire legal and beneficial interest in all or any of its Shares to an associated company, except that where any associated company to whom such shares have been transferred ceases to be an associated company, such member shall transfer the shares and the principal corporate member shall procure that the shares are so transferred back to the principal corporate member or another of its associated companies within 30 days of such cessation.

8 2        Any individual member shall be entitled for any consideration whatsoever and otherwise without restriction to transfer the entire legal and beneficial interest in all or any of his or her shares to any:-

8 2 1        family member, or

8 2 2        family trust, or

8 2 3        family company;

except that where any such person to whom such shares have been transferred ceases to be a family member or a family trust or family company such member shall transfer the shares and the principal shall procure that the shares are transferred back to the principal or to another family member or family trust or family company of the principal within 30 days of such cessation.

8 3        Any member shall be entitled for any consideration whatsoever and otherwise without restriction to transfer the entire legal and beneficial interest in all or any of its shares to any persons with the prior written consent of all the other members.

## 9        **COMPULSORY TRANSFERS**

9 1        If, in any of the circumstances referred to below, the member concerned is deemed to have given a Transfer Notice, such Transfer Notice shall be in respect of all the shares legally or beneficially owned by such member and persons associated with such member and the provisions of article 7 shall have effect accordingly.

9 2        In the case of a corporate member upon the commencement of any winding-up of the corporate member or of the principal corporate member of such corporate member or upon the appointment of an administrator,



such member shall be deemed to have given immediately prior to such commencement or appointment (as the case may be) a Transfer Notice.

9 3 If a corporate member that is an associated company of a principal corporate member ceases to be an associated company of the principal corporate member then, unless such member shall have transferred its shares to such principal corporate member or to another associated company of such principal corporate member within 30 days of such cessation, that member shall be deemed with effect from the expiry of such 30 day period to have given to the Company a Transfer Notice.

9 4 If an individual member shall be adjudged bankrupt then the trustee in bankruptcy shall be bound, within 30 days of his appointment, to give (or shall be deemed to have given to the Company with effect from the expiry of such 30 day period) a Transfer Notice.

9 5 If an individual member, who is a family member or family trust or family company, ceases (whether through death, transfer or otherwise) to be a family member or family trust or family company then, unless such member (or his personal representatives) shall have transferred his shares back to the principal or to another family member or family trust or family company of such principal within 30 days of such cessation, that member shall be deemed with effect from the expiry of such 30 day period to have given to the Company a Transfer Notice.

## 10 **LEAVERS**

10 1 The provisions of this article 10 shall apply to any Leaver and to any Leaver's Shares.

10 2 Within the period commencing on the relevant Leaving Date and expiring at midnight on the first anniversary of such date, the Company may serve a notice on the Leaver notifying him that he is, with effect from the Leaving Date, deemed to have served one or more Transfer Notices on the Company in respect of such number of his Leaver's Shares as is specified.

10 3 The provisions of articles 7 1 to 7.14 (inclusive) shall, save as provided in this article, apply to any such Transfer Notice, provided that for these purposes.

10 3 1 the Sale Shares shall comprise all the Leaver Shares;

10 3 2 no Proposed Transferee shall be specified in the Transfer Notice;

10 3 3 the Transfer Price shall, save as hereinafter referred to, be the fair value as determined by articles 7.4.3 and 7.5, and

10 3 4 there shall be no minimum transfer condition

10 4 In this article:

**Exit** shall include a Sale or Listing of the Company or the Holding Company as if references in those definitions in article 1 1 to the Company also included references to the Holding Company.

**Leaver** means any Shareholder who (i) ceases, or has ceased, to be a Relevant Employee, or (ii) has served or received notice pursuant to which

he shall cease to be a Relevant Employee; or (iii) who is a Permitted Transferee of any person referred to in (i) or (ii) above or who holds or becomes entitled to any Shares following the death or bankruptcy of a Shareholder.

**Leaver Shares** means all of the Shares held by a Leaver, or to which he is entitled, on the Leaving Date and any Shares acquired by a Leaver after the Leaving Date under any employee share scheme of the Company.

**Leaving Date** means the date on which the relevant person becomes a Leaver

**Relevant Employee** means an executive director or employee of the Company or any associated company.

**Reorganisation** means, in relation to the Company, any increase in its issued share capital, any capitalisation of profits or reserves, any rights issue or offer by way of rights, any consolidation, sub-division, reduction of capital, purchase of own shares or other reorganisation or adjustment relating to the shares or loan capital of the Company and any scheme of amalgamation or reconstruction affecting the Company.

**Vested Shares** means, in relation to the Leaver Shares, such number of those Shares as are deemed to vest in accordance with article 10 5 5

**Unvested Shares** means such of the Leaver Shares that are not deemed to be Vested Shares.

10 5 For the purposes of this article.-

10 5 1 a Leaver shall be deemed to be a **Good Leaver** in circumstances where the relevant person (i) dies; or (ii) suffers a physical or mental incapacity or deterioration which, in the reasonable opinion of the Board, is sufficiently serious to prevent the relevant person from following his normal employment or which seriously prejudices his earning capacity; or (iii) is a Leaver and is determined to be a Good Leaver by the Board; or (iv) is made redundant,

10 5 2 a Leaver shall be deemed to be a **Bad Leaver** in circumstances where the relevant person becomes a Leaver by reason or in consequence of his (i) voluntary resignation or termination by him of his position as a director or an employee of the Company or any associated company, or (ii) dismissal in accordance with the summary dismissal provisions for cause in his service agreement; or (iii) summary dismissal as a result of fraud, dishonesty, gross incompetence or gross negligence or actions bringing the Company and any associated company into disrepute; or (iv) ceasing to be a director by virtue of any provision of the Act or becoming prohibited by law from being a director,

10 5 3 a Leaver shall be deemed to be an **Intermediate Leaver** in circumstances where the relevant person becomes a Leaver by reason or in consequence of his (i) being dismissed by the Company from his position as a director or an employee of the Company or any associated company in circumstances which do not amount to him becoming a Bad Leaver, or (ii) dismissal in circumstances which amount to his wrongful or unfair dismissal as a Relevant Employee, or (iii) in any other

circumstances which do not amount to him becoming a Good Leaver or a Bad Leaver

10.5.4 the Transfer Price shall be:

- (i) in the case of a Good Leaver the fair value;
- (ii) in the case of a Bad Leaver the lower of either (a) the nominal value of the Leaver Shares or (b) the fair value; and
- (iii) in the case of an Intermediate Leaver, the fair value (for the Vested Shares) plus the lower of either (a) the nominal value of the Leaver Shares or (b) the fair value (for the Unvested Shares).

10.5.5 the number of Leaver Shares that shall be deemed to be Vested Shares for the purposes of this article shall be in accordance with the following table:-

Number of complete years of employment to Leaver Date	% of Leaver Shares deemed to be Vested Shares
0 years	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 years	100%

10.6 If a member is or becomes a Good Leaver or an Intermediate Leaver, Article 10.3 shall apply save that the fair value component of the Transfer Price shall not be payable to the Leaver until an Exit.

## 11 **DRAG ALONG RIGHTS**

11.1 If at any time:-

11.1.1 a member (the ***Selling Shareholder***) wishes to sell the Shares held by it or by any associate or associated company of it (the ***Sale Shares***) to a third party purchaser;

11.1.2 the Sale Shares represent such number of shares as will confer control of the Company on such third party purchaser;

11.1.3 the proposed sale is a bona fide sale for value of all of the Sale Shares to a third party purchaser who is not connected with the Selling Shareholder; and

11.1.4 Majority Consent has been obtained for the proposed sale,

the additional provisions of articles 11.2 to 11.8 (inclusive) shall apply to any such sale or transfer

11 2 The Selling Shareholder shall notify in writing (the **Drag Along Notice**) the other members (the **Remaining Shareholders**) of the intended sale of the Sale Shares at least 7 days prior to the date of completion of any such intended sale.

11 3 The Drag Along Notice shall provide or contain the following details relating to the intended sale:

11 3 1 the name and address of the proposed purchaser (the **Proposed Buyer**),

11 3 2 the purchase price and other terms and conditions of the proposed sale including in particular the terms of payment;

11 3 3 the date on which the sale and purchase of the Sale Shares is proposed to be completed;

11 3 4 the number of Sale Shares

11 4 The Drag Along Notice may also contain an offer (a **Drag Along Offer**) which shall be open for acceptance for at least 21 days (the **offer period**) from the Selling Shareholder on behalf of the Proposed Buyer to purchase from the Remaining Shareholders their Shares (the **Drag Along Shares**) on the same basis and on the same terms and conditions so far as applicable as relate to the sale and purchase of the Sale Shares

11 5 On service of a Drag Along Notice containing a Drag Along Offer each Remaining Shareholder shall:

11 5 1 be deemed to have accepted the Drag Along Offer in respect of the respective Drag Along Shares held by him in accordance with the terms of the Drag Along Offer;

11 5 2 become obliged to deliver up forthwith to the Proposed Buyer before the expiry of the offer period an executed transfer of his Drag Along Shares and the certificates in respect of the same or (in the case of any share certificates held by the Company) direct the Company to deliver such certificates to the Proposed Buyer on payment in full to the Company for such Shares

11 6 If any Remaining Shareholder shall not, within the offer period, execute transfers in respect of the Drag Along Shares held by him:-

11 6 1 the Selling Shareholder may require that the Board authorise and instruct such person as the Board think fit to execute the necessary transfer(s) on behalf of the Remaining Shareholder,

11 6 2 against receipt by the Company (on trust for the Remaining Shareholder) of the purchase monies payable for the relevant Drag Along Shares, deliver such transfer(s) to the Proposed Buyer; and

11 6 3 register such transfer(s) in the name of the Proposed Buyer or his nominee as the holder thereof, and after such Proposed Buyer or his

nominee has been registered as the holder the validity of such proceedings shall not be questioned by any person.

11 7 A transfer of the Drag Along Shares pursuant to this article 11 shall not be subject to the pre-emption provisions of article 7 save that the provisions of articles 7.15 and 7.16 shall continue to apply to any such transfer of the Drag Along Shares as they would have applied if the Drag Along Shares had been Sale Shares for the purposes of those articles.

11 8 A Drag Along Notice once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) if for any reason the Selling Shareholder does not transfer the Sale Shares not later than (i) the date specified in the Drag Along Notice as the date for completion of the sale and purchase of the Sale Shares to the Proposed Buyer or (ii) such later date (not being more than one month thereafter) as the Selling Shareholder may give notice of to the Remaining Shareholders at any time prior to the date originally specified as the date for completion of the sale and purchase of the Sale Shares to the Proposed Buyer.

## 12 **TAG ALONG RIGHTS**

12 1 If a Drag Along Notice has been given or should have been given in accordance with article 11.2 and does not contain a Drag Along Offer in relation to the Drag Along Shares, the Remaining Shareholders shall be entitled by notice in writing (the **Tag Along Notice**) to the Selling Shareholder to require that it makes a Drag Along Offer in accordance with article 11 4. If the Selling Shareholder fails to do so, it shall be deemed to have issued such a Drag Along Notice containing such a Drag Along Offer seven days after the giving of the Tag Along Notice.

12 2 On the issue or the deemed issue of a Drag Along Notice containing a Drag Along Offer each Remaining Shareholder shall within 21 days of receipt (or 21 days of deemed receipt) of the Drag Along Offer notify the Selling Shareholder whether or not he desires to sell all his Shares (but not part) (the **Tag Along Shares**) to the Proposed Buyer on the same terms and conditions as set out in the Drag Along Offer.

12 3 If the Remaining Shareholder gives notice that he wishes to sell his Shares (the **Acceptance Notice**), such Remaining Shareholder shall be entitled to sell to the Proposed Buyer, on the same terms and conditions as set out in the Drag Along Offer his Shares as specified in the Acceptance Notice. For these purposes references in the Drag Along Offer to the Drag Along Shares shall be to the Tag Along Shares.

12 4 A Tag Along Notice once given shall be irrevocable but shall lapse (and the obligations thereunder in respect of any Tag Along Shares shall lapse) if for any reason the Selling Shareholder does not transfer the Sale Shares not later than (i) the date specified in the Drag Along Notice as the date for completion of the sale and purchase of the Sale Shares to the Proposed Buyer or (ii) such later date (not being more than one month thereafter) as the Selling Shareholder may give notice of to the Remaining Shareholders at any time prior to the date originally specified as the date for completion of the sale and purchase of the Sale Shares to the Proposed Buyer.

12 5 If a Remaining Shareholder does not receive a Drag Along Notice containing a Drag Along Offer or is otherwise not afforded the right to

participate in the transaction contemplated by the Tag Along Notice in accordance with the terms and conditions hereof, the Selling Shareholder may not complete such transaction and the Company may not register the transfer of the Sale Shares held by the Selling Shareholder.

12 6 Any transfer pursuant to this article 12 shall not be subject to the pre-emption provisions of article 7

12 7 Unless the context otherwise requires the expressions defined in article 11 shall have the same meanings in this article 12.

### 13 **GENERAL MEETINGS**

13 1 The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene a general meeting for a date not later than 42 days after receipt of the requisition.

### 14 **NOTICE OF GENERAL MEETINGS**

14 1 All general meetings shall be called by at least 14 clear days' notice but may be called by shorter notice if it is so agreed by majority shareholder consent

14 2 The notice of a general meeting shall specify the time and place of the meeting and the general nature of the business to be transacted.

14 3 Subject to the provisions of these articles and to any restrictions imposed on any shares, notice of a general meeting shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and Expert.

14 4 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

### 15 **PROCEEDINGS AT GENERAL MEETINGS**

15 1 No business shall be transacted at any meeting unless a quorum is present.

15 2 Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporate member (of whom at least one shall be the Majority Shareholder) shall, subject to article 15.3, be a quorum.

15 3 If within half an hour after the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present, the meeting:-

15 3 1 if convened upon the requisition of members, shall be dissolved; or

15 3 2 if convened otherwise than upon the requisition of members, shall stand adjourned until the same day in the next week at the same time and place, or such other day, time and place as the directors may determine and if at the adjourned meeting a quorum is not present, or ceases to be present, then the meeting shall be dissolved

- 15 4 The chairman as nominated by the Majority Shareholder shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) is present within 15 minutes after the time appointed for holding the meeting and willing to act the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman
- 15 5 If no director is willing to act as chairman, or if no director is present within 15 minutes after the time appointed for holding the meeting, or if no agreement is reached as to the nomination of a director as chairman, the members present and entitled to vote shall choose one of their number to be chairman.
- 15 6 In the case of an equality of votes, whether on a show of hands or on a poll, and subject to the Act, the chairman shall not be entitled to have a casting vote in addition to any other votes he may have.
- 15 7 A director shall, notwithstanding that he is not a member, be entitled to receive notices of and attend and speak at any general meeting or at any separate meeting of the holders of any class of shares in the Company.
- 15 8 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place.
- 15 9 No business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place.
- 15 10 When a meeting is adjourned for 14 days or more, at least seven clear days' notice shall be given specifying the time and the place of the adjourned meeting and the general nature of the business to be transacted, but otherwise it shall not be necessary to give any such notice.
- 15 11 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on a declaration of the result of, the show of hands a poll is duly demanded.
- 15 12 A poll may be demanded by the chairman of the meeting or by any member present (whether in person or by proxy or (if a Company) by a duly authorised representative) having the right to vote at the meeting
- 15 13 A demand for a poll by a person as proxy for a member shall be the same as a demand by the member.
- 15 14 Unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 15 15 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

15 16 A poll shall be taken as the chairman may direct and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll.

15 17 The result of the poll (unless it was held at an adjourned meeting) shall be deemed to be the resolution of the meeting at which the poll was demanded.

15 18 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith.

15 19 A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs, not being more than 30 days after the poll is demanded.

15 20 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than a question on which the poll is demanded.

15 21 If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn with the consent of the chairman, the meeting shall continue as if the demand had not been made.

15 22 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded, but in any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

## 16 **RESOLUTIONS IN WRITING**

16 1 Subject to and without prejudice to the provisions of the Act a resolution in writing executed by all the members of the Company entitled to receive notice of and to attend and vote at a general meeting or by their duly appointed proxies or attorneys:-

16 1 1 shall be as valid and effectual as if it had been passed at a general meeting of the Company duly convened and held;

16 1 2 any such resolution in writing may be contained in one document or in several documents in the same terms each executed by one or more of the members or their proxies or attorneys and execution in the case of a body corporate which is a member shall be sufficient if made by a director thereof or by its duly authorised representative; and

16 1 3 may be contained within and/or assented to and passed in terms thereof by means of electronic communications and in accordance with such terms and arrangements as may be first stipulated by the directors using addresses notified by the recipients for such purpose.

16 2 A proposed written resolution shall lapse if it is not passed before the end of the period of 28 Business Days beginning with the circulation date (as defined in section 290 of the Act). The agreement of member to a written resolution is ineffective if it is signified after the expiry of that period.

## 17 **VOTES**



- 17 1 Subject to any rights or restrictions attached to any shares, on a show of hands and on a poll, every member (being an individual) present in person or by proxy, or (if a corporation) present by a representative duly authorised in accordance with the Act or by proxy, unless the proxy (in either case) or the representative is himself a member entitled to vote, shall have one vote and on a poll one vote for every share of which he is the holder.
- 17 2 In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names of the holders stand in the register of members.
- 17 3 No member shall be entitled to vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, unless all calls or other sums presently payable by him in respect of shares of the Company have been paid.
- 17 4 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting
- 17 5 Article 45(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article
- 17 6 On a poll votes may be given either personally or by proxy A member may appoint more than one proxy to attend on the same occasion.
- 17 7 An appointment of a proxy shall be in writing executed by or on behalf of the appointor (or, if a corporation, under the hand of a duly authorised officer of the corporation) or in either case, where the appointment is to be effected as an electronic communication, signed and completed upon such terms as stipulated by the directors, and shall be in such form as the directors may determine or, failing such determination, in any usual form.
- 17 8 The appointment of a proxy shall not be valid and the proxy named in the appointment shall not be entitled to vote at the meeting unless the appointment, together with any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors:-
- 17 8 1 is, in the case of an appointment of a proxy by a form of proxy (which for the avoidance of doubt does not include an appointment contained in an electronic communication), deposited at the office (or such other place within the United Kingdom as is specified in the notice convening the meeting or in any form of proxy or other accompanying document sent out by the Company in relation to the meeting) not later than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the form of proxy proposes to vote; or
- 17 8 2 in the case of an appointment contained in an electronic communication, where an address has been specified for that purpose in the notice convening the meeting, or in any form of proxy or other accompanying document sent out by the Company in relation to the

meeting, or in any other invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting, is received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

17 8 3        in the case of a poll taken more than 48 hours after it is demanded, is deposited as specified in article 18.8.1 after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

17 8 4        where the poll is not taken forthwith but is taken not more than 48 hours after it is demanded, is delivered to the chairman or to any director at the meeting at which the poll is demanded

## 18        **VARIATION OF CLASS RIGHTS**

Whenever the capital of the Company is divided into different classes of share the special rights attached to any class may 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 shareholders holding in aggregate not less than 75% in nominal value of the issued shares of that class but not otherwise.

## 19        **DIRECTORS**

19 1        The number of the directors shall be determined by the Company in general meeting but, unless the Shareholders otherwise determine with Majority Consent, the minimum number of directors shall be two and the maximum number of directors shall be five

19 2        A director or alternate director shall not require any share qualification and any director or alternate director who is not a member of the Company shall nevertheless be entitled to receive notices of and attend and speak at any general meeting of the Company.

19 3        A person may be appointed a director notwithstanding that he shall have attained the age of seventy years or any other age and no director shall be liable to vacate office by reason of his attaining that or any other age, nor shall special notice be required of any resolution appointing or approving the appointment of such a director or any notice be required to state the age of the person to whom such resolution relates.

## 20        **APPOINTMENT AND REMOVAL OF DIRECTORS**

20 1        Subject to article 20.3 at any time or from time to time the Majority Shareholder shall be entitled to appoint up to three directors of the Company and shall also at any time or from time to time be entitled to remove any such director and to make all necessary appointments to fill any vacancy arising. Every such appointment or removal shall be effected by depositing at the office a written notice to that effect signed by the Majority Shareholder.

20 2        Subject to article 20.3 at any time or from time to time the Minority Shareholder (provided the Minority Shareholder is not a Leaver) shall be entitled to appoint up to two directors of the Company and shall also at any time or from time to time be entitled to remove any such director and

to make all necessary appointments to fill any vacancy arising Every such appointment or removal shall be effected by depositing at the office a written notice to that effect signed by the Minority Shareholder

- 20 3 On a director ceasing for any reason to be a director of the Company the shareholder which appointed such director shall indemnify and keep indemnified the Company against all costs, claims and demands the director may make against the Company in respect of his loss of office as a director.

## 21 **DISQUALIFICATION OF DIRECTORS**

The office of a director shall be vacated in any of the following events:-

- 21 1 if he resigns his office by notice in writing to the Company;
- 21 2 if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- 21 3 if he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or an order is made by a Court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
- 21 4 if he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director,
- 21 5 if he is absent from meetings of the board for six successive months without leave and his alternate director (if any) shall not during such period have attended in his stead, and the directors resolve that his office be vacated,
- 21 6 if he shall be removed from office under the provisions of article 20

## 22 **POWERS OF DIRECTORS**

- 22 1 Without prejudice to the powers conferred on directors by the Act, the directors may establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to, any persons (including directors and other officers) who are or were at any time in the employment or service of the Company, or of any undertaking which is or was a subsidiary undertaking of the Company or allied to or associated with the Company or any such subsidiary undertaking, or of any of the predecessors in business of the Company or of any such other undertaking and the spouses, widows, widowers, families and dependants of any such persons, and make payments to, for or towards the insurance of or provide benefits otherwise for any such persons.
- 22 2 Without prejudice to the provisions of the Act and these articles, the directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time:-

22 2 1 directors, officers or employees of the Company or of any other Company which is its holding Company, or of any subsidiary undertaking of the Company or of such other Company,

22 2 2 trustees of any pension fund in which employees of the Company or of any other such Company or subsidiary undertaking are interested;

including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported exercise, execution and/or discharge of their powers or duties and/or otherwise in relation to their duties, powers or offices in relation to the Company or any other such Company, subsidiary undertaking or pension fund.

## 23 **DIRECTORS' INTERESTS**

23 1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (the **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

23 2 Any authorisation under this article will be effective only if

23 2 1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these articles or in such other manner as the directors may determine;

23 2 2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and

23 2 3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

23 3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):

23 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

23 3 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;

23 3 3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;

23 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;

23.3 5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a

third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and

- 23 3 6        permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters
- 23 4        Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 23 5        The directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 23 6        A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the shareholder who appointed him as a director of the Company, or any other member of such shareholder's Group, and no authorisation under article 23 1 shall be necessary in respect of any such interest.
- 23 7        Any director shall be entitled from time to time to disclose to the shareholder who appointed him as a director of the Company such information concerning the business and affairs of the Company as he shall at his discretion see fit.
- 23 8        A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds
- 23 9        Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 23 10       Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under article 23.9.
- 23 11       Subject, where applicable, to any terms and conditions imposed by the directors in accordance with article 23.3, and provided a director 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.

23 11 1            may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;

23 11 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;

23 11 3            shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested,

23 11 4            may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;

23 11 5            may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and

23 11 6            shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## 24            **PROCEEDINGS OF DIRECTORS**

24 1            Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.

24 2            A director may call a meeting of the directors.

24 3            Unless the shareholders otherwise agree in writing the quorum necessary for the transaction of the business of the directors shall be two, one of whom shall be a Majority Shareholder Director and one of whom shall be a Minority Shareholder Director. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved.

24 4            For the purposes of any meeting (or part of a meeting)

24 4 1            held pursuant to article 23 to authorise a Conflict of a Director; or

24 4 2            at which a Director is not permitted to vote on any resolution in accordance with article 23.3 as a result of a Conflict,

the quorum for such meeting (or part of a meeting) shall be an Eligible Majority Shareholder Director and an Eligible Minority Shareholder Director or (if there are none) any other director.

- 24 5 Unless otherwise agreed by the Shareholders questions arising at a meeting shall be decided by a majority of the votes of the directors present. For these purposes the Majority Shareholder Directors present shall have the same number of votes as conferred by the number of shares held by the Majority Shareholder and its associates and the Minority Shareholder Directors present shall have the same number of votes as conferred by the number of shares held by the Minority Shareholder and his associates;
- 24 6 The Chairman of the Board shall be appointed by the Majority Shareholder and shall have a second or casting vote
- 24 7 If there is no director holding the office of chairman, or if the director holding it, having had notice of a meeting, is not present within five minutes after the time appointed for it, the directors present shall appoint one of their number to be chairman of the meeting
- 24 8 Subject to article 24.5 a director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
- 24 9 Unless otherwise agreed by the Board in any particular case, at least five clear days' notice in writing shall be given to each director of every meeting of the directors. Every such notice shall contain an agenda specifying in reasonable detail the matters to be discussed at the relevant meeting and be accompanied by any relevant papers for discussion at such meeting. Unless all the directors (or their alternates) for the time being are present at a meeting no business or resolution shall be transacted or passed at that meeting except as was fairly disclosed in the agenda for such meeting.
- 24 10 An alternate director who is not himself a director may, if his appointor is not present, be counted towards the quorum
- 24 11 A meeting of the directors shall, subject to notice thereof having been given in accordance with these articles, for all purposes, be deemed to be held when a director is or directors are in communication by telephone or television (or any other form of audio-visual linking) with another director or directors and all of the directors in communication agree to treat the meeting as so held, if the number of the directors in communication constitutes a quorum of the board in accordance with these articles. A resolution passed by the directors at such a meeting as specified in this article shall be as valid as it would have been if passed at an actual meeting duly convened and held. A meeting held in this manner shall be deemed to take place where the largest group of participants is physically assembled, or if there is no such group, where the chairman is physically present. The directors not present at the place at which the meeting is deemed to be held shall nevertheless be marked as present for the purposes of any minutes of the meeting
- 24 12 A resolution in writing executed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as

the case may be) a committee of directors duly convened and held and may be contained in one document or in several documents in the same terms each executed by one or more directors; but a resolution executed by an alternate director need not also be executed by his appointor and, if it is executed by a director who has appointed an alternate director, it need not be executed by the alternate director in that capacity.

25

#### **ALTERNATE DIRECTORS**

25 1

Any director may at any time by writing under his hand and deposited at the office, or delivered at a meeting of the directors, appoint any person (including another director) to be his alternate director and may in like manner at any time terminate such appointment.

25 2

The appointment of an alternate director shall determine on the happening of any event which, if he were a director, would cause him to vacate such office or if his appointor ceases to be a director.

25 3

An alternate director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the directors and shall be entitled to attend and vote as a director at any such meeting at which the director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a director and for the purposes of the proceedings at such meeting the provisions of these articles shall apply as if he (instead of his appointor) were a director.

25 4

If an alternate director shall be himself a director or shall attend any such meeting as an alternate for more than one director his voting rights shall be cumulative.

25 5

If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability, the execution by an alternate director of any resolution in writing of the directors shall be as effective as the execution by his appointor.

25 6

To such extent as the directors may from time to time determine in relation to any committees of the directors, the foregoing provisions of this article 25 shall also apply mutatis mutandis to any meeting of such committee of which the appointor of an alternate director is a member.

25 7

An alternate director shall not (save as provided in this article 25) have power to act as a director nor shall he be deemed to be a director for the purposes of these articles, but he shall be an officer of the Company and shall not be deemed to be the agent of the director appointing him.

25 8

An alternate director shall be entitled to contract and be interested in and benefit from contract or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent as if he were a director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

26

#### **EXECUTION OF DOCUMENTS**



Where the Act so permits, any instrument signed by one director in the presence of a witness who attests the signature, or one director and the secretary or by two directors and expressed to be executed by the Company as a deed shall have the same effect as if executed under the seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to have effect as a deed without the authority of the directors or of a committee authorised by the directors in that behalf.

27 **DIVIDENDS**

27 1 The directors may deduct from any dividend payable on or in respect of a share all sums of money presently payable by the holder to the Company on any account whatsoever

27 2 Save as provided in article 27.1, and subject to article 3 each of the holders of shares shall be entitled to receive its Relevant Proportion of any dividends out of profits available from the Company For the avoidance of doubt no holder of any share shall be entitled to receive by way of a dividend payments by reference to the amount of any premium paid up or deemed paid up on such shares.

28 **WINDING UP**

On a Return of Capital, the assets of the Company available for distribution to its members shall, subject to article 3, be applied in paying to each of the holders of shares its Relevant Proportion of the aggregate amounts available for distribution For the avoidance of doubt no holder of any share shall be entitled to receive by way of a Return of Capital payments or distributions by reference to the amount of any premium paid up or deemed paid up on such shares.

29 **NOTICES**

29 1 Any document or information required or authorised to be sent or supplied by the Company to any member or any other person pursuant to these articles, the Act or any other rules or regulations to which the Company may be subject, may be sent or supplied in hard copy form, in electronic form, by means of a website or in any other way in which documents or information may be sent or supplied by the Company pursuant to the Act. The provisions of the Act which apply to sending or supplying a document or information required or authorised to be sent or supplied by the Act by making it available on a website shall, mutatis mutandis, apply to the sending or supplying of any document or information required or authorised to be sent by these articles or any other rules or regulations to which the Company may be subject, by making it available on a website

29 2 A notice may be given by the Company to any member in writing either by hand or by sending it by pre-paid first class post or facsimile telecopier (*fax*) to his registered address within the United Kingdom or to his fax number supplied by him to the Company for the giving of notice to him or, except in the case of a share certificate and only if an address has been specified by the member for such purpose, by electronic communication (including if permitted by the Act making them available on a website) In the absence of a registered address or fax number the member shall not be entitled to receive from the Company notice of any meeting.

29 3 In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders.

29 4 Notices shall be deemed to have been received:-

29 4 1 if delivered by hand, on the day of delivery;

29 4 2 if sent by first class post two business days after posting exclusive of the day of posting (or five business days in the case of a posting to an address outside the United Kingdom);

29 4 3 if sent by fax at the time of transmission or, if the time of transmission is not between 9.00 am and 5.00 pm (addressee's local time), at 9.30 am (addressee's local time) on the next business day;

29 4 4 if sent by electronic communication, at the time it was sent.

29 5 Any notice or other document may only be served on, or delivered to, the Company by anyone:

29 5 1 by sending it through the post in a pre-paid envelope addressed to the Company or any officer of the Company at the office or such other place in the United Kingdom as may from time to time be specified by the Company,

29 5 2 by delivery of it by hand to the office or such other place in the United Kingdom as may from time to time be specified by the Company;

29 5 3 if an address has been specified by the Company for such purpose (and in the case of an appointment of a proxy such address has been specified in a document or other communication), by electronic communication.

## 30 **RATIFICATION**

The members may, by special resolution, ratify any act or omission of any director amounting to negligence, default, breach of trust or breach of duty. Where the resolution is proposed as a written resolution neither the director (if he is a member of the Company) nor any member who is connected with that director is an eligible member for the purposes of the Act. Where the resolution is proposed at a meeting, it is passed only if the necessary majority is obtained disregarding votes in favour of the resolution by the director (if he is a member of the Company) and any member connected with that director.

## 31 **INDEMNITY, FUNDING AND INSURANCE**

31 1 Subject to (but to the fullest extent permitted by) the provisions of the Act and without prejudice to any indemnity to which he may otherwise be entitled:

31 2 any person who is or was at any time a director, secretary or other officer (other than any person engaged as auditor) of the Company or any associated company (which shall, for the purposes of this article 31 have the meaning given in Section 256 of the Act) shall, at the discretion of the Board be indemnified out of the assets of the Company against all or any

part of any costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution or discharge of his duties or in the actual or purported exercise of his powers in relation to the affairs of the Company or associated company, or incurred by him in connection with the Company's activities as trustee of any occupational pension scheme (which shall, for the purposes of this article 31 have the meaning given in Section 235(6) of the Act); and

31 3           any person who is or was at any time a director, secretary or other officer (other than any person engaged as auditor) of the Company or any holding Company (as such is defined in Section 1159 and Schedule 6 of the Act) shall, at the discretion of the Board be provided with funds to meet any expenditure incurred or to be incurred by him as provided in Sections 205 and 206 of the Act (or to enable him to avoid incurring any such expenditure).

31 4           Subject to the provisions of the Act, the Company may (as the directors shall, in their absolute discretion, determine) purchase and maintain, at the expense of the Company, insurance for any person who is or was at any time a director, secretary or other officer (other than any person engaged as auditor) of the Company or any associated company in respect of all or any part of any costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution or discharge of his duties or in the actual or purported exercise of his powers in relation to the affairs of the Company, or incurred by him in connection with the Company's activities as trustee of any occupational pension scheme.