

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**of**  
**CreativeRace (London) Limited\***  
**(the Company)**

(Adopted by special resolution passed on 28 November 2014)

**1 INTERPRETATION**

1 1 In these Articles, unless the context otherwise requires

**Act** the Companies Act 2006

**Allocation Notice** has the meaning given in Article 3 13

**appointor** has the meaning given in Article 16 1

**Articles** the Company's articles of association for the time being in force

**Auditors** the auditors of the Company from time to time

**business day** any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are open for business

**Conflict** has the meaning given in Article 11 1

**Deemed Transfer Notice** has the meaning given in Article 4 2

**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)

**Fair Value** has the meaning given in Article 3 5 1

**Group Company** the Company, its subsidiaries or holding companies from time to time and any subsidiary of any holding company from time to time

**holding company** has the meaning given in Article 1 13

**issue Price** means the amount paid up or credited as paid up (including any premium on issue) on the Shares concerned,

**Model Articles** means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI2008/3229) as amended prior to the date of adoption of these Articles

**Offer Notice** has the meaning given in Article 3 10

**Parent** GGR Holdings Limited (company number 04395716) whose registered office is at No 1 Leeds, 26 Whitehall Road, Leeds, West Yorkshire LS12 1BE

\* The name of the Company was changed from Gratterpalm (London) Limited with effect from 18 September 2015)

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**Proposed Sale Price** has the meaning given in Article 3 3 3

**Purchaser** has the meaning given in Article 3 13

**Relevant Shareholder** has the meaning given in Article 4 1

**Sale Price** has the meaning given in Article 3 5

**Shareholders** the holders of Shares from time to time and the term **Shareholder** shall be construed accordingly

**Shares** the ordinary shares of £1 each in the capital of the Company in issue from time to time

**Total Transfer Condition** has the meaning given in Article 3 4 5

**Transfer Notice** has the meaning given in Article 3 3

**Valuers** the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the parties or, in the absence of agreement between the parties on the identity of the expert within 10 business days of a party serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator)

**Vendor** has the meaning given in Article 3 2

- 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
- 1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1 4 A reference in these Articles to an Article is a reference to the relevant article of these Articles unless expressly provided otherwise
- 1 5 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 5 1 any subordinate legislation from time to time made under it, and
  - 1 5 2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts
- 1 6 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 7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles
- 1 8 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the Company
- 1 9 Article 7 of the Model Articles shall be amended by
  - 1 9 1 the insertion of the words "for the time being" at the end of Article 7(2)(a), and
  - 1 9 2 the insertion in Article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may"
- 1 10 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur"
- 1 11 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under Article 28(2)," after the words "the transmittee's name"
- 1 12 Articles 31(1)(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"

- 1 13 A reference to a holding company or a Subsidiary means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and a company shall be treated, for the purposes only of the membership requirement contained in sections 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 (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) as a nominee

## 2 SHARE CAPITAL

The issued share capital of the Company is divided into ordinary shares of £1 each

## 3 TRANSFER OF SHARES

- 3 1 Notwithstanding the remaining provisions of this Article 3, no Shareholder may respectively transfer any Shares other than as set out in Articles 4, 5 or 6 or with the written consent of the Parent
- 3 2 Any Shareholder (or the personal representative or trustee in bankruptcy of a Shareholder) who wishes to transfer any Share (a **Vendor**) shall before transferring or agreeing to transfer such Share or any interest in it, serve notice in writing (a **Transfer Notice**) on the Company of its/his wish to make that transfer
- 3 3 in the Transfer Notice the Vendor shall specify
- 3 3 1 the number and class of Shares (**Sale Shares**) which he/it wishes to transfer,
- 3 3 2 the identity of the person (if any) to whom the Vendor wishes to transfer the Sale Shares,
- 3 3 3 the price per share at which the Vendor wishes to transfer the Sale Shares (the **Proposed Sale Price**),
- 3 3 4 any other terms and conditions relating to the transfer of the Sale Shares, and
- 3 3 5 whether the Transfer Notice is conditional upon all (and not part only) of the Sale Shares being sold pursuant to the following provisions of this Article 3 (a **Total Transfer Condition**)
- 3 4 Each Transfer Notice shall
- 3 4 1 constitute the Company as the agent of the Vendor for the sale of the Sale Shares on the terms of this Article 3, and
- 3 4 2 save as otherwise provided in this Article, be irrevocable
- 3 5 The Sale Shares shall be offered for purchase in accordance with this Article 2 at a price per Sale Share (the **Sale Price**) agreed between the Vendor and the Board (excluding any vote of the Vendor) or, in default of such agreement by the end of the 15th Business Day after the date of service of the Transfer Notice
- 3 5 1 if the Board so elects within that 15 Business Day period after the date of service of the Transfer Notice, the price per Share reported on by the Valuers as their written opinion of the open market value of each Sale Share (the **Fair Value**) as at the date of service of the Transfer Notice (in which case for the purposes of these Articles the Sale Price shall be deemed to have been determined on the date of the receipt by the Company of the Valuers' report), and
- 3 5 2 otherwise the Sale Price shall be the Proposed Sale Price, in which case for the purpose of these Articles the Sale Price shall be deemed to have been agreed at the end of that 15th Business Day
- 3 6 If instructed to report on their opinion of Fair Value under Article 2 5 1 the Valuers shall
- 3 6 1 act as expert and not as arbitrator and (save in the case of manifest error) their written determination shall be final and binding on the Shareholders, and
- 3 6 2 proceed on the basis that the open market value of each Sale Share shall be the sum which a Willing purchaser would agree with a willing vendor to be the purchase price for all of the Shares in the Company, divided by the number of issued Shares and not taking account of any premium or any discount
- 3 7 The Company will use its reasonable endeavours to procure that the Valuers deliver their written opinion of the Fair Value to the Board and to the Vendor within 20 business days of being requested to do so

- 3 8 The Valuers' fees for reporting on their opinion of the Fair Value shall be borne as the Valuers shall specify in their valuation or otherwise (in the absence of any specification by the Valuers) as to 50 per cent by the Vendor and as to 50 per cent by the Company unless the Vendor revokes the Transfer Notice pursuant to Article 2 9 or a Deemed Transfer Notice has been served, when in each such case, the Vendor shall pay all the Valuers' fees
- 3 9 If the Fair Value is reported on by the Valuers under Article 2 5 1 to be less than the Proposed Sale Price, the Vendor may, within the period of 5 business days after the date on which the Board serves on the Vendor the Valuers' written opinion of the Fair Value, by written notice given to the Board revoke the Transfer Notice
- 3 10 The Board shall give notice in writing (an **Offer Notice**) to Shareholders at least 10 business days after and no more than 20 business days after the Sale Price has been agreed or determined. An Offer Notice shall
- 3 10 1 specify the Sale Price,
- 3 10 2 contain the other details included in the Transfer Notice, and
- 3 10 3 invite the relevant offerees to respond in writing, before expiry of the Offer Notice, to purchase the numbers of Sale Shares specified by them in their application
- and shall expire on the earlier of (i) 20 business days after its service, and (ii) the date on which responses to the Offer Notice have been received from all relevant offerees
- 3 11 Sale Shares shall be treated as offered
- 3 11 1 in the first instance, to the Company for purchase (provided the directors shall have resolved to make such a purchase subject to compliance with the Act in respect of such purpose),
- 3 11 2 in the second instance, to the extent not all accepted as mentioned in Article 3 11 1, to the Parent (provided that the Parent remains a Shareholder),
- 3 11 3 in the third instance, to the extent not all accepted as mentioned in Article 3 11 1 and Article 3 11 2, to the other Shareholders,
- provided always that any Shares offered to the Company for purchase shall only be purchased provided the provisions of the Act are complied with, and if they are, the Company shall be treated as the Purchaser for the purposes of this Article 2
- 3 12 After the expiry date of the Offer Notice the Board shall, in the priorities set out in Article 3 11, allocate the Sale Shares in accordance with the applications received, save that
- 3 12 1 if there are applications from Shareholders for more than the number of Sale Shares available, they shall be allocated to those applicants in proportion (as nearly as possible but without allocating to any Shareholder more Sale Shares than the maximum number applied for by him) to the number of Shares held by them respectively,
- 3 12 2 if it is not possible to allocate any of the Sale Shares without involving fractions, they shall be allocated amongst the applicants of each class in such manner as the Board shall think fit, and
- 3 12 3 if the Transfer Notice contained a valid Total Transfer Condition, no allocation of Sale Shares shall be made unless all the Sale Shares are allocated
- 3 13 The Board shall, within 5 business days of the expiry date of the Offer Notice, give notice in writing (an **Allocation Notice**) to the Vendor and to each person to whom Sale Shares have been allocated (each a **Purchaser**) specifying the name and address of each Purchaser, the number of Sale Shares agreed to be purchased by him and the aggregate price payable for them and the proposed completion date which shall be not more than 10 business days after the date of the Allocation Notice
- 3 14 Completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the registered office of the Company at the time specified in the Allocation Notice when the Vendor shall, upon payment to him by a Purchaser of the Sale Price in respect of the Sale Shares allocated to that Purchaser, transfer those Sale Shares and deliver the relative share certificates to that Purchaser
- 3 15 The Vendor may, during the period of 120 business days commencing 20 business days after the expiry date of the Offer Notice, sell all or any of those Sale Shares for which an Allocation Notice has not been given by way of bona fide sale to the proposed transferee (if any) named in the Transfer Notice or, if none was so named, to any transferee at any price per Sale Share which is not less than the Sale Price, without any deduction, rebate or allowance to the proposed transferee, provided that if the Transfer

Notice contained a Total Transfer Condition, the Vendor shall not be entitled to sell only some of the Sale Shares under this Article 3

- 3 16 If a Vendor falls for any reason (including death) to transfer any Sale Shares when required pursuant to this Article 3 the Board may authorise any director (who shall be deemed to be irrevocably appointed as the agent of the Vendor for the purpose) to execute each necessary transfer of such Sale Shares and deliver it on the Vendor's behalf. The Company may receive the purchase money for such Sale Shares from the Purchaser and shall upon receipt (subject, if necessary, to the transfer being duly stamped) register the Purchaser as the holder of such Sale Shares. The Company shall hold such purchase money in a separate bank account on trust for the Vendor but shall not be bound to earn or pay interest on any money so held. The Company's receipt for such purchase money shall be a good discharge to the Purchaser who shall not be bound to see to the application of it, and after the name of the Purchaser has been entered in the register of Shareholders in purported exercise of the power conferred by this Article 3 16 the validity of the proceedings shall not be questioned by any person.
- 3 17 The provisions of this Article 3 may be waived in whole or in part in relation to any proposed transfer of Shares with the consent of all Shareholders who, but for such waiver, would or might have been entitled to have such shares offered to them in accordance with this Article 3.
- 3 18 The directors shall not be entitled to decline to register the transfer of any shares made pursuant to Articles 3 or 4, save that
- 3 18 1 the directors shall decline to register a transfer where they have substantial reasons for believing that a transfer purportedly made in accordance with this Article is not in fact in accordance with the Article, and/or
- 3 18 2 the directors may in their absolute discretion and without assigning any reason therefor decline to register any transfer of shares if the shares comprised in the transfer are not fully paid or the Company has a lien over them.

#### **4 COMPULSORY TRANSFERS & GOOD AND BAD LEAVER PROVISIONS**

- 4 1 In this Article 4, a **Transfer Event** occurs, in relation to any Shareholder (a **Relevant Shareholder**) if a Relevant Event (as set out in Article 4 4) occurs in relation to him.
- 4 2 Upon a Transfer Event, the Relevant Shareholder (or in the case of death, his personal representatives) shall be deemed to have immediately given a Transfer Notice in respect of all the Shares then held by him (a **Deemed Transfer Notice**). A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have then been validly transferred pursuant to that Transfer Notice.
- 4 3 The Shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with Article 3 as if they were Sale Shares in respect of which a Transfer Notice had been given and treating as the Vendor the Relevant Shareholder, save that the Sale Price shall be as provided for in Article 4 5 and the Transfer Notice shall be irrevocable.
- 4 4 For the purposes of these Articles, the following shall be deemed to be a **Relevant Event**
- 4 4 1 a sale or other disposition of any beneficial interest in a share (whether or not for consideration) by a Relevant Shareholder otherwise than in accordance with these Articles and whether or not made in writing, or
- 4 4 2 the bankruptcy of the Relevant Shareholder, or
- 4 4 3 the Relevant Shareholder, being an employee of the Company or any member of its Group ceasing to be so employed for whatever reason (including disablement, illness or retirement), or
- 4 4 4 the death of a Relevant Shareholder.
- 4 5 If a Relevant Event occurs in relation to a Relevant Shareholder and
- 4 5 1 the Relevant Shareholder is a Good Leaver (as defined in Article 4 6) or the Relevant Event is one set out in Articles 4 4 1, 4 4 2 or 4 4 4, the Sale Price shall be the higher of their issue Price and Fair Value (established in accordance with Article 3 5),
- 4 5 2 the Relevant Shareholder is a Bad Leaver, the Sale Price shall be the lower of the issue Price and the Fair Value,

provided that, in the case of any Shares which were Originally acquired by the Relevant Shareholder by way of transfer rather than allotment, references to the issue Price in this Article 4 5 shall, in relation

to these Shares, be deemed to be references to the lower of the Issue Price and the amount paid by such Relevant Shareholder on such transfer

- 4 6 A dispute as to whether Article 4 5 1 or Article 4 5 2 applies shall not affect the validity of a Deemed Transfer Notice but (if the issue Price is lower than the Fair Value) any person who acquires the Sale Shares (**Buyer**) pursuant to a Deemed Transfer Notice while such a dispute is continuing shall pay to the Relevant Shareholder the issue Price and shall, in addition, pay a sum equal to the difference between the issue Price and the Fair Value to the Company. The Company shall hold that amount in a separate interest-bearing bank deposit account as trustee to pay it, and interest earned thereon, upon final determination of the dispute

4 6 1 to the Relevant Shareholder in respect of any Sale Shares determined to be sold for the Fair Value, and

4 6 2 to the Buyer(s) in respect of any Sale Shares determined to be sold at the issue Price,

provided always that if the Relevant Shareholder and Buyer(s) otherwise agree in writing and notify such agreement to the Company it shall instead hold and deal with the monies paid into such account and interest as such agreement and notice may specify whether or not the dispute has been resolved

- 4 7 In this Article 4

4 7 1 a Shareholder shall be deemed to be a **Good Leaver** in circumstances where the Shareholder ceases to be an employee,

4 7 1 1 as a result of death, permanent disability or permanent incapacity through ill health,

4 7 1 2 as a result of the retirement by the Shareholder at such normal retirement age as is set out in that Shareholder's terms of employment,

4 7 1 3 as a result of wrongful dismissal or unfair dismissal (provided that this is substantive unfair dismissal as opposed to purely procedural unfair dismissal) as determined by a court of law or tribunal of competent jurisdiction or as agreed in writing between the Shareholder and Company (with the consent of the Parent),

4 7 1 4 as a result of redundancy, or

4 7 1 5 where the board (with the consent of the Parent) serves written notice on the Company confirming that such person be treated as a Good Leaver for the purposes of these Articles,

- 4 7 2 a Shareholder shall be deemed to be a **Bad Leaver** in circumstances where the relevant person is not deemed to be a Good Leaver

## 5 **DRAG ALONG**

- 5 1 The provisions of this Article 5 shall apply

5 1 1 if the Parent wishes to transfer a majority of its Shares to any person who has made a bona fide offer on arm's length terms to purchase such Shares (**Company Sale**), or

5 1 2 if the holders of shares in the Parent resolve to sell the majority of such shares or all or substantially all of the business and the assets of the Parent to any person who has made a bona fide offer on arm's length terms to purchase such shares or business and assets (**Group Sale**),

and in each case where such person is not acting in concert or otherwise connected with such person (the **Third Party**)

- 5 2 if the Parent or the shareholders of the Parent shall wish to proceed with a Company Sale or a Group Sale, then the Parent shall have the option (the **Drag Along Option**) to require all the holders of Shares to transfer all their Shares to the Third Party or as the Third Party shall direct

- 5 3 The Parent shall give notice to the Company and all the other Shareholders of its intention to exercise the Drag Along Option and the price at which either the Shares or the shares or business and assets of the Parent are to be sold, the identity of the Third Party to whom the Company Sale or Group Sale is to be made and the proposed date of transfer. The Parent may only exercise the Drag Along Option by giving notice to that effect (the **Drag Along Notice**) to the other Shareholders (the **Called Shareholders**) specifying that the Called Shareholders are required to transfer their Shares (the **Called Shares**) pursuant to this Article 5 3 and the price at which the Called Shares be transferred, calculated in accordance with Article 5 4

5 4 The price receivable by the Called Shareholders for their Called Shares in connection with a Company Sale or Group Sale shall be

5 4 1 in relation to a Company Sale, the same price per Share as the Parent is due to receive from the Third Party for their Shares, or

5 4 2 in relation to a Group Sale, the price per Share calculated on the basis of the formula below

$$A \times \frac{B}{C} + D = E$$

Where

- A** total price to be paid for the Parent' group of companies less amount directly referable to cash or assets of companies within the Parent's group (i e the Parent or subsidiaries of the Parent including the Company),
- B** the latest net profit of the Company as shown in its last annual accounts prior to the date of the Drag Along Notice or, if no annual accounts have been prepared, the management accounts of the Company for the period from the commencement of trading until the end of the last full month prior to the date of the drag along notice in a form agreed between the parties within 10 business days of the production of such management accounts or, if not so agreed, in a form as determined by the Valuers following a request by any party,
- C** the latest annual net profit of the Parent's group of companies as shown in the Parent's last consolidated annual accounts prior to the date of the Drag Along Notice or, if management accounts are used to determine B, the management accounts of the Parent for the same period in a form agreed between the parties within 10 business days of the production of such management accounts or, if not so agreed, in a form as determined by the Valuers following a request by any party,
- D** amount paid by the Third Party directly referable to cash or assets of the Company, and
- E** amount to be shared between the Shareholders

The price receivable by the Called Shareholders per Called Share will be E divided by the total number of Shares in the Company

5 5 A Drag Along Notice, once given, is irrevocable but both the Drag Along Notice and all obligations thereunder will lapse if for any reason (as applicable)

5 5 1 the Parent does not transfer their Shares to a Third Party, or

5 5 2 the shareholders of the Parent do not transfer their shares in the Parent to the Third Party, or

5 5 3 the Parent does not transfer all or substantially all of its business and assets to the Third Party

5 6 The Called Shareholders shall be obliged to sell their Called Shares at the price per Share set out in Article 5 4 If a Called Shareholder shall, for any reason, fail to transfer the Called Shares in accordance with this Article then any director shall be authorised to execute any document required to transfer the Called Shares on behalf of the Called Shareholder The Company shall be appointed agent for the Called Shareholder to receive the monies on his behalf and shall keep such sums in a separate bank account upon trust for the Called Shareholder

5 7 Completion of the sale of the Called Shares shall take place on the date specified for that purpose by the Parent to the Called Shareholders, except that

5 7 1 The Parent may not specify a date that is less than 14 days after the giving of the Drag Along Notice, and

5 7 2 the date so specified by the Parent shall be the same date as the date proposed for completion of the Group Sale or the Company Sale unless all of the Called Shareholders and the Parent agree otherwise

5 8 Any notice to be served pursuant to this Article 5 shall be validly served if sent by recorded first class post and shall be deemed to have been served 48 hours after posting

5 9 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 5

5 10 In the event of any dispute between the Shareholders in relation to the interpretation of Article 5 5, any Shareholder may refer the matter to the Valuers to resolve The Shareholders and the Company shall provide the Valuers with all such information and documents as they shall reasonably require for the purpose of determining the price receivable by the Called Shareholders The costs of the Valuers shall

be borne as the Valuers shall determine (or in the absence of such determination, between the Shareholders equally)

## **6 TAG ALONG**

- 6 1 The provisions of this Article 6 shall apply if, in one or a series of related transactions, the Parent proposes a Group Sale or a Company Sale (**Proposed Transfer**) to a Third Party which is a bona fide offer on arm's length terms
- 6 2 Before making a Proposed Transfer, the Parent shall procure that the Third Party makes an offer (**Offer**) to the other Shareholders to purchase all of the Shares held by them for a consideration in cash per Share that is at least equal to the price per Share offered or paid by the Third Party (**Specified Price**), as calculated in accordance with Article 5 4
- 6 3 The Offer shall be given by written notice (**Offer Notice**), at least 20 business days (**Offer Period**) before the proposed sale date (**Sale Date**) To the extent not described in any accompanying documents, the Offer Notice shall set out
- 6 3 1 the identity of the Third Party,
- 6 3 2 the purchase price and other terms and conditions of payment,
- 6 3 3 the Sale Date, and
- 6 3 4 that the Third Party intends to purchase all of the Shares (**Offer Shares**)
- 6 4 If the Third Party fails to make the Offer to all of the holders of Shares in the Company the Parent shall not be entitled to complete a the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer
- 6 5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders

## **7 FURTHER ISSUES OF SHARES**

- 7 1 Subject to the remaining provisions of this Article 7, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Act, to exercise any power of the Company to
- 7 1 1 offer or allot,
- 7 1 2 grant rights to subscribe for or to convert any security into, or
- 7 1 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
- 7 2 The authority referred to in Article 7 1
- 7 2 1 shall be limited to a maximum nominal amount as may from time to time be authorised by the Company by ordinary resolution,
- 7 2 2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution, and
- 7 2 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)
- 7 3 Further issues of shares pre-emption rights
- 7 3 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 (as defined in section 560(1) of the Act) made by the Company
- 7 3 2 Unless otherwise agreed by all the shareholders unanimously, if the Company proposes to allot any equity securities, those equity securities shall not be allotted to any person unless the Company has first offered them to all shareholders 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 holders (as nearly as possible without involving fractions) and on terms complying with Article 7 3 below The offer

7 3 2 1 shall be in writing, shall be open for acceptance 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

7 3 2 2 may stipulate that any shareholder 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

7 3 3 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with Article 7 3 2 shall be used for satisfying any requests for Excess Securities made pursuant to Article 7 3 2 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 shareholders in accordance with Article 7 3 2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him) After that allotment, any Excess Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders

7 3 4 Subject to Articles 7 3 2 and 7 3 3 and to section 551 of the Act, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper

7 3 5 No Share or any right to subscribe for or convert any security into a Share shall be allotted otherwise than to the holder of Shares of the same class

## **8 UNANIMOUS DECISIONS**

8 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

8 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

8 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

## **9 QUORUM FOR DIRECTORS' MEETINGS**

9 1 Subject to Article 9 2, the quorum for the transaction of business at a meeting of directors is any two eligible directors, which shall include at least one director appointed by the Parent

9 2 If the total number of directors in office is one, a sole director shall have authority to exercise all the powers and discretions of the Articles expressed to be vested in the directors generally and the quorum for the transaction of business at a meeting of directors shall be one

9 3 For the purposes of any meeting (or part of a meeting) held to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such a meeting (or part of a meeting) shall be one eligible director

## **10 CHAIRMAN AND CASTING VOTE**

10 1 The post of chairman of the board of directors of the Company shall be held by a director who shall be nominated by the Parent from time to time

10 2 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman shall have a casting vote

## **11 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

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

11 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,

- 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 contract or proposed contract in which he is interested,
- 11 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 contract or proposed contract in which he is interested,
- 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,
- 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
- 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

## **12 DIRECTORS' CONFLICTS OF INTEREST**

- 12 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 breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**)
- 12 2 Any authorisation under this Article will be effective only if
  - 12 2 1 the matter in question shall have been proposed by any director for consideration at a meeting of directors 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,
  - 12 2 2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question, and
  - 12 2 3 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted
- 12 3 Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently)
  - 12 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised,
  - 12 3 2 be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine, and
  - 12 3 3 be terminated or varied by the directors at any time

This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation
- 12 4 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to
  - 12 4 1 disclose such information to the directors or to any director or other officer or employee of the Company, or
  - 12 4 2 use or apply any such information in performing his duties as a director

where to do so would amount to a breach of that confidence
- 12 5 Where the directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the director
  - 12 5 1 is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict,
  - 12 5 2 is not given any documents or other information relating to the Conflict, and

12 5 3 may or may not vote (or mayor may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict

12 6 Where the directors authorise a Conflict

12 6 1 the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict, and

12 6 2 the 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, limits and conditions (if any) as the directors impose in respect of its authorisation

12 7 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 or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

12 8 If there is no eligible director in office other than the conflicted director for the purposes of any matter or Situation requiring authorisation of a Conflict under this Article 8, the authorisation must be determined by ordinary resolution

### **13 NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, there shall be no maximum number of directors and the minimum number of directors shall be one

### **14 BOARD PROCEEDINGS AND RECORDS OF DECISIONS TO BE KEPT**

14 1 Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye

14 2 On any decision made by the directors, whether by voting at a directors' meeting or by any other permitted means, in the case of an equality of votes, the chairman of the Company shall not have a second or casting vote

### **15 APPOINTMENT AND REMOVAL OF DIRECTORS**

15 1 The Parent shall be entitled to appoint any number of directors to the board of directors of the Company

15 2 Any director may at any time be removed from office by the Parent. If any director shall die or be removed the Parent shall be entitled to appoint in his place another person to be a director

15 3 Subject to the provisions of the Act and the Articles, each Shareholder who is a natural person shall be entitled to hold office as a director of the Company but shall not have the right to appoint any further directors to the board of directors of the Company

15 4 Any additional directors may be appointed with the agreement of all of the Shareholders

15 5 A director may be removed at any time by ordinary resolution without the requirements of special notice as detailed in section 168 of the Act

15 6 In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder 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

### **16 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

16 1 Any director (appointor) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to

16 1 1 exercise that director's powers, and

16 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

16 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

16 3 The notice must

16 3 1 identify the proposed alternate, and

16 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

## **17 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

17 1 An alternate director may act as 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

17 2 Except as the Articles specify otherwise, alternate directors

17 2 1 are deemed for all purposes to be directors,

17 2 2 are liable for their own acts and omissions,

17 2 3 are subject to the same restrictions as their appointors, and

17 2 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

17 3 A person who is an alternate director but not a director

17 3 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),

17 3 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

17 3 3 shall not be counted as more than one director for the purposes of Articles 17 3 1 and 17 3 2

17 4 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

17 5 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as his appointor but shall not be 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 made to the Company

## **18 TERMINATION OF ALTERNATE DIRECTORSHIP**

18 1 An alternate director's appointment as an alternate terminates

18 1 1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

18 1 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,

18 1 3 on the death of the alternate's appointor, or

18 1 4 when the alternate's appointor's appointment as a director terminates

## **19 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

## **DECISION MAKING BY SHAREHOLDERS**

### **20 VOTES**

- 20 1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting
- 20 2 Article 44(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
- 20 3 The chairman of a general meeting of members of the Company shall, if there shall be an equality of votes either by show of hands or by proxy, not have a second or casting vote

### **21 PROXIES**

- 21 1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 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"
- 21 2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "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" as a new paragraph at the end of that Article

## **ADMINISTRATIVE ARRANGEMENTS**

### **22 MEANS OF COMMUNICATION TO BE USED**

- 22 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
- 22 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,
- 22 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- 22 1 3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
- 22 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 purposes of this Article 22, no account shall be taken of any part of a day that is not a working day

- 22 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 delivered to an address permitted for the purpose by the Act

### **23 INDEMNITY**

- 23 1 Subject to Article 23 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled
- 23 1 1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer,
- 23 1 1 1 in the actual or purported execution and/or discharge of his duties, or in relation to them, and
- 23 1 1 2 in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any Civil or criminal proceedings, in which Judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from

liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs, and

23 1 2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 23 1 1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

23 2 This Article 23 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law

23 3 In this Article 23

23 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

23 3 2 a **relevant officer** means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)

## 24 INSURANCE

24 1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss

24 2 In this Article 24

24 2 1 a **relevant officer** means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor),

24 2 2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and

24 2 3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate