

Company number 09912003

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTIONS OF**

**AXIO FPI HOLDINGS LIMITED (the "Company")**

Circulation Date 8 January 2016

In accordance with Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose the following written resolutions which are proposed as special resolutions in respect of resolutions 1 and 2 and an ordinary resolution in respect of resolution 3

**SPECIAL RESOLUTIONS**

- 1 That the articles of association attached to this written resolution be adopted as the Company's articles of association in substitution for, and to the exclusion of, the Company's existing articles of association
- 2 That
  - (a) the one issued ordinary share of £0.01 in the Company's share capital be converted into one G ordinary share of £0.01, and
  - (b) the G ordinary share referred to in this resolution 2 has the rights contained in the Company's articles of association adopted pursuant to resolution 1

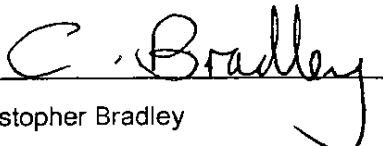
**ORDINARY RESOLUTION**

- 3 That
  - (a) the directors are generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ("**Rights**") up to a maximum total nominal amount of £159,377.10, and
  - (b) this authority expires five years from the date on which this resolution is passed but that the Company may make offers or agreements before this authority expires which would or might require shares to be allotted, or Rights to be granted, after the authority expires and the directors may allot shares and grant Rights pursuant to any of those offers or agreements as if this authority had not expired

**AGREEMENT TO WRITTEN RESOLUTIONS**

**Please read the notes at the end of this document before signifying your agreement to the written resolutions**

The undersigned, a person entitled on the Circulation Date to vote on the written resolution, irrevocably agrees to the written resolutions

  
Christopher Bradley

Date of agreement to resolutions 8 January 2016

TUESDAY



## ACCOMPANYING STATEMENT TO PROPOSED WRITTEN RESOLUTION

### How to agree to these resolutions

- 1 You can choose to agree to all the resolutions or none of them but you cannot agree to only some of the resolutions
- 2 If you agree to all the resolutions, please signify your agreement to the resolutions by signing and dating the attached document and returning it to the Company using one of the following methods
  - (a) **by hand** by delivering it to Christopher Bradley, Tallis House, 2 Tallis Street, London, EC4Y 0AB, United Kingdom,
  - (b) **by post** by posting it to Christopher Bradley, Tallis House, 2 Tallis Street, London, EC4Y 0AB, United Kingdom,
  - (c) **by email** by either
    - (i) attaching a scanned legible copy of the signed and dated document to an email and sending it to [chris.bradley@AXIOgroup.net](mailto:chris.bradley@AXIOgroup.net), or
    - (ii) sending an email to the Company at [chris.bradley@AXIOgroup.net](mailto:chris.bradley@AXIOgroup.net), identifying the resolutions to which it relates and confirming your agreement to the resolutions and this email must also state your name and the shares in respect of which you are voting.

In either case, please enter "Written resolutions circulated on \_\_\_\_\_ January 2016" in the subject box of the email

### Deadline for confirming agreement

- 3 The period for agreeing to the attached written resolutions is the period of 28 days beginning with the Circulation Date. If you agree to the resolutions, you must ensure that your agreement reaches us during this period by complying with the steps set out in note 2. If not passed during this period, the written resolutions lapse and the agreement of any member signified after that period will be ineffective. If you do not agree to the resolutions, you do not need to do anything. Once you have given your agreement in accordance with the steps set out in note 2, you may not revoke that agreement.

### Joint holders

- 4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.

### Powers of attorney

- 5 If you are signing this document on behalf of a person under a power of attorney or other authority, you must send a copy of the power of attorney or authority when returning this document.

Company Number 09912003

**ARTICLES OF ASSOCIATION OF AXIO FPI HOLDINGS LIMITED**

Incorporated on 10 December 2015

Adopted by special resolution passed on 8 January 2016

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

AXIO FPI HOLDINGS LIMITED

Adopted by special resolution passed on 8 January 2016

1 PRELIMINARY

The model articles of association for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 in force on the date when these Articles become binding on the Company ("**Model Articles**") (a copy of which is annexed) apply to the Company except in so far as they are excluded or varied by these Articles

2 INTERPRETATION

2.1 In these Articles the following expressions have the following meanings unless inconsistent with the context

"**2006 Act**" means the Companies Act 2006 (as amended from time to time),

"**A Ordinary Shares**" means the A ordinary shares of £0.01 each of the Company having the rights set out in these Articles in respect of Shares of that class,

"**acting in concert**" has the meaning set out in the City Code on Takeovers and Mergers for the time being,

"**Articles**" means these articles of association as amended, supplemented, varied or replaced from time to time,

"**Auditors**" means the auditors to the Company for the time being,

"**Bad Leaver**" means a person who is a Leaver as a result of

(a) voluntary resignation from employment with AXIO Group Management Limited or AXIO Data Group Holdings Limited (except where prior Investor Consent has been provided to that resignation), or

(b) his Service Agreement being terminated summarily, in accordance with its terms,

"**Bad Leaver Sale Price**" has the meaning given in article 19.3,

"**Bad Leaver Transfer Event**" has the meaning given in article 19.1,

"**B1 Ordinary Shares**" means the B1 ordinary shares of £0.50 each of the Company having the rights set out in these Articles in respect of Shares of that class,

"**B2 Ordinary Shares**" means the B2 ordinary shares of £0.50 each of the Company having the rights set out in these Articles in respect of Shares of that class,

"**Board**" means the board of directors of the Company from time to time, ---

"**Business Day**" means any day (other than a Saturday or Sunday) on which banks are open in London for normal banking business,



**"C Ordinary Shares"** means the C Ordinary Shares of £1 00 each of the Company having the rights set out in these Articles in respect of Shares of that class,

**"Called Shareholders"** has the meaning given to that term at Article 18 5,

**"Called Shares"** has the meaning given to that term at Article 18 5,

**"Club"** means Electra Partners Club 2007 LP,

**"Compulsory Sale Price"** has the meaning given to that term at Article 19 10,

**"Compulsory Transfer Notice"** has the meaning given to that term at Article 19 2 or 19 9,

**"Controlling Interest"** means an interest (as defined in sections 820 to 825 of the 2006 Act) in Shares conferring in aggregate (i) more than 50 per cent of the total voting rights normally exercisable at a general meeting of the Company or (ii) the right to receive more than 50 per cent of the surplus assets of the Company remaining after payment of its liabilities on a return of capital on liquidation or capital reduction or otherwise,

**"Drag Along Notice"** has the meaning given to that term at Article 18 5,

**"Drag Along Option"** has the meaning given to that term at Article 18 5,

**"Employee Trust"** means any trust established by the Company for the benefit of employees and/or any of the persons referred to in section 1166 of the 2006 Act and which has been approved by Investor Consent,

**"electronic address"** means any address or number used for the purposes of sending or receiving documents or information by electronic means,

**"Fair Value"** for the purposes of these Articles means the amount agreed between the Remuneration Committee and the Seller or, in the absence of agreement within 15 Business Days of the date of receipt by the Company of relevant Compulsory Transfer Notice, as may be determined by the Independent Valuers in accordance with Article 20,

**"Family Member"** means the wife or husband or civil partner (or widow or widower or surviving civil partner), children and grandchildren (including step and adopted children and grandchildren) of a holder,

**"Family Trust"** in relation to a holder, means a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that holder or any of his Family Members (or, in the event of there being no surviving Family Members originally specified as the beneficiaries of the trust, for charitable purposes) and under which no power of control over the voting powers conferred by any such Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such holder or any of his Family Members,

**"Financial Year"** shall in respect of the Company have the meaning defined by section 390 of the 2006 Act,

**"FSMA"** means the Financial Services and Markets Act 2000 (as amended from time to time),

**"G Ordinary Shares"** means the G Ordinary Shares of £0 01 each of the Company having the rights set out in these Articles in respect of Shares of that class,

**"Group"** means the Company and each of its subsidiaries from time to time and references to **"member of the Group"** and **"Group Company"** is to be construed accordingly,

**"holder"** in respect of any Share, is the person or persons for the time being registered by the Company as the holders of that Share and **"Shareholder"** shall be interpreted accordingly,

**"Independent Valuers"** means an independent firm of accountants appointed by the Remuneration Committee,

**"Investment Agreement"** means any investment agreement (or similar document) in force between the Company, Electra Partners LLP and the Shareholders from time to time,

**"Investor Consent"** is as defined in the Investment Agreement,

**"Investor Director"** means a director appointed pursuant to Article 10 1,

**"Investor Group"** in relation to each Investor

- (c) the Investor or any subsidiary or holding company of the Investor or subsidiary of a holding company of the Investor (each a **"Relevant Person"**), or
- (d) any partnership (or the partners in any such partnership) of which any Relevant Person is general partner, manager, consultant or adviser, or
- (e) any unit trust or other fund of which any Relevant Person is trustee, manager, consultant or adviser, or
- (f) any unit trust, partnership or other fund, the managers of which are advised by any Relevant Person, or
- (g) any nominee or trustee of any Relevant Person, or
- (h) any co-investment scheme, being a scheme under which certain officers, employees or partners of a Relevant Person or its adviser or manager are entitled or required (as individuals or through a body corporate or any other vehicle) to acquire shares which the Relevant Person would otherwise acquire or has acquired,
- (i) the Lead Investor (in the case of any Investor in the same group as the Lead Investor), or
- (j) any company or partnership (including a limited partnership) which is advised or managed from time to time by either the Lead Investor or GE Asset Management Inc ,

**"Investor Majority"** means the Investor who holds the largest number of A Ordinary Shares for the time being (whether through nominees or otherwise) or, if no Investor holds a greater number of A Ordinary Shares than any other Investor, together the holders in aggregate of at least 50 per cent of the A Ordinary Shares from time to time held by the Investors,

**"Investor Sellers"** has the meaning given to that term in Article 18 5,

**"Investor Sellers' Shares"** has the meaning given to that term in Article 18 5,

**"Investors"** means the "Investors" as defined in the Investment Agreement,

**"Issue Price"** in respect of a Share, means the aggregate of the amount paid up (or credited as paid up) in respect of the nominal value and any share premium,

**"Joint Election"** means a joint election under section 431 of the Income Tax (Earnings and Pensions) Act 2003 in a form approved by the Investors, such approval being evidenced by the delivery of Investor Consent,

**"Lead Investor"** means Electra Partners LLP of Paternoster House, 65 St Paul's Churchyard, London EC4M 8AB,

**"Leaver"** means a shareholder who

- (a) is an individual, and
- (b) is or was previously an employee of AXIO Group Management Limited (England and Wales company number 09911988) or AXIO Data Group Holdings Limited (England and Wales company number 08340094), and
- (c) ceases to hold such employment and as a consequence is no longer an employee of AXIO Group Management Limited or AXIO Data Group Holdings Limited,



**"Listing"** means the admission by the Financial Conduct Authority in its capacity as the UK Listing Authority of any Share to the Official List of London Stock Exchange plc or the admission by London Stock Exchange plc of any Share to trading on AIM, a market of London Stock Exchange plc or the admission by any recognised investment exchange of any Share, and, in each case, such admission becoming effective, -

**"Managers"** means the "Managers" as defined in the Investment Agreement,

**"Other Transfer Event"** has the meaning given to that term at Article 19 8,

**"recognised investment exchange"** has the meaning given to the expression in section 285 FSMA,

**"Remuneration Committee"** means the remuneration committee of the Company constituted in accordance with the terms of the Investment Agreement,

**"Reserved Shares"** means any additional Shares which the Remuneration Committee determines shall be issued to a new manager of a member of the Group,

**"Sale"** means the transfer (other than a transfer permitted under Articles 17 1, 17 2 or 17 3(a)) of any interest in Shares to any person (whether by one transaction or by a series of transactions) resulting in that person alone or together with persons acting in concert with such person having the right to exercise a Controlling Interest,

**"Sale Shares"** as the context requires, has the meaning given to that term at Article 19 2 or 19 9,

**"Seller"** means a holder who wishes, or is required, to transfer any Share or any beneficial interest therein to a person to whom Article 17 does not apply,

**"Service Agreement"** means the service agreement entered into between the relevant employee and AXIO Group Management Limited or AXIO Data Group Holdings Limited, respectively,

**"Shares"** means shares in the capital of the Company,

**Shareholder** means a holder of Shares,

**"Statutes"** means the Companies Act as defined in section 2 of the 2006 Act and every other statute, order, regulation, instrument or other subordinate legislation for the time being in force relating to companies and affecting the Company,

**"Tag Along Offer"** has the meaning given to that term at Article 18 3,

**"Tax"** means any form of tax, levy, impost, duty, contribution, customs and other import duties, liability and charge in the nature of taxation and all related withholdings or deductions of any kind wherever and whenever payable,

2 2 Unless the context otherwise requires, words and expressions contained in these Articles bear the same meaning as in the Statutes (but excluding any statutory modification not in force when these Articles become binding on the Company)

2 3 References to any statute or statutory provision include, unless the context otherwise requires, a reference to that statute or statutory provision as modified, replaced, re-enacted or consolidated and in force from time to time and any subordinate legislation made under the relevant statute or statutory provision

2 4 Reference to a "subsidiary" or "holding company" will have the meanings defined by section 1159 CA 2006 and for the purposes of section 1159(1) a company (the first company) shall be treated as a member of another company if

(a) any of its subsidiaries is a member of that other company, or



- (b) any shares in that other company are held by a person acting on behalf of the first company or any of its subsidiaries, or
- (c) any shares in that other company are registered in the name of a person (or its nominee) by way of security or in connection with the granting of security over those shares by the first company

2 5 Where the word "address" appears in these Articles it is deemed to include postal address and, where applicable, electronic address

2 6 Words signifying the singular number only include the plural number and vice versa

## **PROCEEDINGS OF DIRECTORS**

### **3 UNANIMOUS DECISIONS OF DIRECTORS**

A decision of the directors 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. Model Article 8(2) shall not apply to the Company

### **4 CALLING A DIRECTOR'S MEETING**

4 1 Any director may call a directors' meeting by giving not less than 5 days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors. Model Article 9(1) shall not apply to the Company

4 2 Notice of a directors' meeting shall be given to each director in writing. Model Article 9(3) shall not apply to the Company

### **5 REMOVAL OF DIRECTORS**

The office of any director shall be vacated if

5 1 (in the case of an executive director only) he shall, for whatever reason, cease to be employed by the Company or any other member of the Group and he does not remain an employee of any other Group Company or has not otherwise agreed with the Investors by way of Investor Consent that he may remain as a director, or

5 2 (other than in the case of the Investor Director) requested in writing by all the other directors or required by ordinary resolution passed by the Shareholders,  
and the provisions of Model Article 18 shall be extended accordingly

### **6 PARTICIPATION IN DIRECTORS' MEETINGS**

6 1 Subject to these Articles, directors participate in a directors' meeting, or part of a directors' meeting, when

- (a) the meeting has been called and takes place in accordance with these Articles, and
- (b) they can each simultaneously communicate with and to the others participating in the meeting any information or opinions they have on any particular item of the business of the meeting

6 2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or, subject to Article 6 1(b), how they communicate with each other

6 3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is

6 4 Model Article 10 shall not apply to the Company

6 5 Model Article 9(2)(c) shall be amended by the insertion of the word "simultaneously" after the words "how it is proposed that they should" and before the words "communicate with each other during the meeting"

## 7 QUORUM FOR DIRECTORS' MEETINGS

7.1 The quorum for directors' meetings shall throughout each meeting be two directors one of whom must, subject to Article 7.2 or unless otherwise agreed by an Investor Director in respect of the occasion in question, be an Investor Director (if appointed)

7.2 In relation to any meeting of the directors to consider whether to authorise a conflict of interest of the Investor Directors

- (a) it shall not be necessary for the Investor Directors to be present in person or by proxy in order to constitute a quorum,
- (b) the meeting shall not deal with any other business other than of the consideration of the conflict of interest of the Investor Directors, and
- (c) the quorum for such meeting shall be one and Model Article 11(2) is varied accordingly

7.3 Without prejudice to Article 7.2, if, and as a consequence of section 175(6) of the 2006 Act, a director cannot vote or be counted in the quorum at a meeting of the directors the following apply

- (a) if the eligible directors participating in the meeting do not constitute a quorum, then the quorum for the purposes of the meeting shall be one which must be, other than a meeting pursuant to Article 7.2, the Investor Director (if appointed) and Model Article 11(2) is varied accordingly, and
- (b) if, notwithstanding Article 7.3(a), the eligible directors participating in the meeting still do not constitute a quorum, then the meeting must be adjourned to enable the holders to authorise any situation in which a director has a conflict of interest

## 8 DIRECTORS' INTERESTS

8.1 Subject to these Articles and the 2006 Act, and provided that he has disclosed to the directors the nature and extent of any interest of his, a director (including an Investor Director) notwithstanding his office, but, in the case of directors other than the Investor Director, subject always to obtaining Investor Consent

- (a) may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested,
- (b) may hold any other office or employment with the Company (other than the office of Auditor),
- (c) may be a director or other officer of, or employed by, or be a party to any transaction or arrangement with or otherwise interested in any body corporate in which the Company is in any way interested,
- (d) may, or any firm or company of which he is a member or director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested (other than as Auditor), and
- (e) shall not be accountable to the Company for any benefit which he receives or profits made as a result of anything permitted by Articles 8.1(a) to 8.1(d) and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit

8.2 Except for a vote under section 175(4) of the 2006 Act authorising any conflict of interest which the director or any other interested director may have or where the terms of authorisation of such conflict of interest provide that the director may not vote in situations prescribed by the Board when granting such authorisation, a director will be entitled to participate in the decision making process for voting and quorum purposes on any of the matters referred to in Articles 8.1(a) to 8.1(d) (inclusive) and in any of the circumstances set out in Model Articles 14(3) and 14(4)



8 3 For the purposes of Article 8 1

- (a) a general notice to the Board that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified.
- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his, and
- (c) an interest of a person who is for any purpose of the Statutes (excluding any statutory modification not in force at the date of adoption of these Articles) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director

8 4 Model Articles 14(1), 14(2) and 14(5) shall not apply to the Company

## 9 AUTHORISATION OF DIRECTORS' CONFLICTS OF INTEREST

- 9 1 Any approval of a conflict of interest (other than a conflict of interest of the Investor Director or the Chairman) pursuant to Article 8 will be subject, in addition to board authorisation pursuant to section 175 of the 2006 Act, to obtaining Investor Consent which may specify that certain conditions be attached to such authorisation. Any such board authorisation pursuant to section 175 of the 2006 Act which is given without obtaining Investor Consent or without such conditions attaching to the authorisation as specified in an Investor Consent will be ineffective
- 9 2 Any conflict of interest of the Investor Director or the Chairman may be authorised either by way of authorisation of the Board as set out at section 175 of the 2006 Act or by way of resolution of the holders. Any refusal of the Board to authorise such conflict of interest will not in any way affect the validity of a resolution of the holders to authorise such conflict of interest
- 9 3 An Investor Director will not be in breach of his duty under sections 172, 173 and 175 of the 2006 Act or the authorisation given by this Article 9 by reason only that he receives confidential information from a third party relating to a conflict of interest which has been authorised by this Article 9 and either fails to disclose it to the directors or fails to use it in relation to the Company's affairs

## 10 INVESTOR DIRECTOR, CHAIRMAN AND CASTING VOTE

- 10 1 The Club, or in the absence of the Club being a Shareholder, an Investor Majority may from time to time appoint individuals to be directors with the title of investor director (an "Investor Director" which expression shall, where the context so permits, include a duly appointed alternate of such a director) and from time to time remove an Investor Director from office
- 10 2 Any appointment or removal of an Investor Director shall be in writing served on the Company signed either by the Club or, in the absence of the Club being a Shareholder, an Investor Majority and shall take effect at the time it is served on the Company or produced to a meeting of the Board, whichever is earlier. Any such appointment or removal by a corporation may be signed on its behalf by its duly authorised representative
- 10 3 Notice of meetings of the Board shall be served on any Investor Director who is absent from the United Kingdom at the addresses for service of notice on each Investor under the Investment Agreement
- 10 4 Upon written request to the Company by either the Club or in the absence of the Club being a Shareholder, an Investor Majority, the Company shall procure that the Investor Directors are forthwith appointed as a director of any other member of the Group, to any committee of the Board or the board of any member of the Group

10 5 Where any decision is to be made by any member of the Group in relation to the exercise, enforcement or waiver of its rights against any holder of B1 Ordinary Shares, B2 Ordinary Shares, C-Ordinary Shares or G-Ordinary Shares or any director or person connected with any such holder or director, any such decision may, if requested by the Club, or in the absence of the Club being a Shareholder, the Investor Majority be within the exclusive power of the Investor Directors (to the exclusion of the other directors but after consultation with a majority thereof) who shall have (without limitation) exclusive authority in relation to the conduct of any proceedings of whatever nature arising in connection with any such rights and no other director shall have power to settle or compromise any such claim

10 6 The Club or, in the absence of the Club being a Shareholder, an Investor Majority may from time to time, in addition to the Investor Directors, appoint any person to be a director and the chairman of the Board (the "Chairman") and remove from the office of Chairman and director a person so appointed. Article 10 2 shall apply to any such appointment or removal mutatis mutandis. Model Article 12 shall be modified accordingly. No fee shall be payable to the Chairman. Prior to appointing the Chairman, the Club or, in the absence of the Club being a Shareholder, the Investor Majority will consult with the chief executive of the Company regarding the appointment of the Chairman.

10 7 Reference in Model Article 13(1) to "chairman or other director chairing the meeting" shall be construed as a reference to "Investor Director" for so long as one is appointed.

10 8 Reference in Model Article 13(2) to "chairman or other director" shall be construed as a reference to an "Investor Director" for so long as one is appointed.

## 11 ALTERNATE DIRECTORS

### 11 1 Appointment and removal of alternates

(a) Any director (the "appointor") may appoint as an alternate director any other director, or, with Investor Consent, any other person, to

- (i) exercise that director's powers, and
- (ii) carry out that director's responsibilities,

in relation to participation in directors' meetings and the taking of decisions by the directors in the absence of the alternate director's appointor.

(b) Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.

(c) The notice must

- (i) identify the proposed alternate director, and
- (ii) in the case of a notice of appointment, contain a statement signed by the proposed alternate director that the proposed alternate director is willing to act as the alternate director of the director giving the notice.

### 11 2 Rights and responsibilities of alternate directors

(a) An alternate director has the same rights, in relation to participation in directors' meetings and the taking of decisions by the directors and in relation to directors' written resolutions, as the alternate director's appointor.

(b) An alternate director may act as an alternate director for more than one appointor.

(c) Except if these Articles specify otherwise, alternate directors

- (i) are deemed for all purposes to be directors,
- (ii) are liable for their own acts and omissions,

- (iii) are subject to the same restrictions as their appointors, and
- (iv) are not deemed to be agents of or for their appointors,

and, 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

(d) A person who is an alternate director but not a director

- (i) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and
- (ii) 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)

No alternate director may be counted as more than one director for such purposes

- (e) 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
- (f) An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate director's appointor's remuneration as the appointor may direct by notice in writing made to the Company

#### 11 3 Termination of alternate directorship

- (a) An alternate director's appointment as alternate terminates
  - (i) when the alternate director's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,
  - (ii) on the occurrence in relation to the alternate director of any event which, if it occurred in relation to the alternate director's appointor, would result in the termination of the appointor's appointment as a director,
  - (iii) on the death of the alternate director's appointor, or
  - (iv) when the alternate director's appointor's appointment as a director terminates

#### 12 ALTERNATE DIRECTORS' EXPENSES

Model Article 20 shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur"

#### 13 SHARE RIGHTS

Save as otherwise provided in these Articles, the A Ordinary Shares, B1 Ordinary Shares, B2 Ordinary Shares, C Ordinary Shares and G Ordinary Shares shall be treated par passu and as if they constituted one class of Share. The rights attached to the A Ordinary Shares, B1 Ordinary Shares, B2 Ordinary Shares, C Ordinary Shares and G Ordinary Shares are as follows

##### Dividends

13 1 Any profits which the Company determines to distribute in respect of any Financial Year shall, subject to the approval of the holders in general meeting and Investor Consent, be applied as follows

- (a) an amount equal to LIBOR (expressed in percentage terms) multiplied by the nominal value of the G Ordinary Shares then in issue shall be paid to the holders of the G Ordinary Shares pro rata to the number of G Ordinary Shares held by them,



- (b) the balance of such profits shall be applied in distributing such profits amongst the holders of the A Ordinary Shares, the B1 Ordinary Shares, the B2 Ordinary Shares and the C Ordinary Shares then in issue *pari passu* according to the number of such Shares held by them respectively as if they constituted one class of Share

#### Capital

13 2 On a return of capital on liquidation or capital reduction or otherwise, the surplus assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority

- (a) firstly, in paying to each holder of the A Ordinary Shares, B1 Ordinary Shares, B2 Ordinary Shares and C Ordinary Shares as if they constituted one class of share
  - (i) any dividends on the A Ordinary Shares, B1 Ordinary Shares, B2 Ordinary Shares or C Ordinary Shares held by them which have been declared in accordance with Article 13 1(b) but are unpaid, then
  - (ii) an amount equal to the Issue Price of all the A Ordinary Shares, B1 Ordinary Shares, B2 Ordinary Shares or C Ordinary Shares held by them,
- (b) secondly in paying to each holder of G Ordinary Shares
  - (i) any dividends on the G Ordinary Shares held by them which have been declared in accordance with Article 13 1(a) but are unpaid, then
  - (ii) an amount equal to the Issue Price of all the G Ordinary Shares held by them, and
- (c) thereafter, in distributing the balance of such assets amongst the holders in proportion to the numbers of the A Ordinary Shares, B1 Ordinary Shares, B2 Ordinary Shares and C Ordinary Shares held by them respectively (*pari passu* as if they constituted one class of Share)

#### 13 3 Voting

- (a) Subject to any rights or restrictions for the time being attached to any class or classes of Shares, and to Articles 13 3(e) to 13 3(g), each holder of G Ordinary Shares shall be entitled to receive notice of, and to attend and speak, at any general meeting and at any separate class meeting of the Company for Shares of the class they hold and
  - (i) on a written resolution, each holder, shall have one vote in respect of each Share they hold, and
  - (ii) each holder who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative or by proxy shall, on a show of hands, have one vote each, and, on a poll, shall have one vote in respect of each Share they hold
- (b) Each holder of G Ordinary Shares shall be entitled to appoint more than one proxy to exercise all or any of his rights to attend and to speak and vote at a general meeting or at a separate class meeting of the Company provided that each proxy is appointed to exercise the rights attached to a different G Ordinary Share or G Ordinary Shares held by such holder
- (c) If more than one proxy is appointed in respect of a different G Ordinary Share or G Ordinary Shares by a holder in accordance with Article 13 3(b) but the document appointing the proxies does not specify to which G Ordinary Share or G Ordinary Shares the appointment relates, then the person first named as proxy in such document shall be the only proxy for such holder entitled to attend and vote at the relevant general meeting or separate class meeting



- (d) The holders of the A Ordinary Shares, B1 Ordinary Shares, B2 Ordinary Shares and C Ordinary Shares shall be entitled to receive notice of any general meeting but shall not be entitled to attend or speak at any general meeting and they may not vote in respect of any written resolution

(e) The provisions of Article 13 3(f) shall apply

(i) if, at any time without Investor Consent and the consent of a majority of the Managers, any holder or any former holder has transferred Shares in breach of the provisions of these Articles,

(ii) if, at any time without Investor Consent, any holder (other than an Investor) is in breach of the provisions of these Articles and/or the Investment Agreement or any former holder (if still bound by the Investment Agreement) is in breach of the provisions of the Investment Agreement,

(iii) if any holder of B1 Ordinary Shares, B2 Ordinary Shares, C Ordinary Shares or G Ordinary Shares becomes a Leaver

(f) If any of the circumstances stated at Article 13 3(e) have occurred

(i) the G Ordinary Shares which such holder holds or to which he is entitled, and

(ii) any G Ordinary Shares formerly held by such holder which have been transferred in breach of the provisions of these Articles,

shall cease to entitle the holder thereof (or any proxy) to attend and vote (whether on a show of hands or on a poll) at any general meeting or at any separate class meeting of the Company or to be entitled to receive any further G Ordinary Shares issued by way of a rights issue (or otherwise) or where a Leaver is a Bad Leaver to be entitled to receive any further Shares issued by way of rights issue (or otherwise) during the period from the date of the breach referred to at Articles 13 3(e)(i) and 13 3(e)(ii) or the date a Leaver becomes a Leaver in accordance with Article 19 1 (as the case may be) until the date specified in Article 13 3(g)

(g) The provisions of Article 13 3(f) shall continue to apply

(i) in the case of Articles 13 3(e)(i) or 13 3(e)(ii) applying, for so long as such breach subsists, and

(ii) in the case of Article 13 3(e)(iii) applying, until such time as the relevant G Ordinary Shares have been transferred from the Leaver to another person in accordance with these Articles, and notwithstanding any other provisions in these Articles, if any holder of G Ordinary Shares retains any G Ordinary Shares after the operation in full of the provisions of Article 19 whilst such holder (or any person who has acquired such G Ordinary Shares under a permitted transfer (directly or indirectly) under Article 17 2) continues to hold such G Ordinary Shares

#### 14 VARIATION OF RIGHTS

14 1 The class rights attaching to A Ordinary Shares and/or B1 Ordinary Shares and/or B2 Ordinary Shares and/or C Ordinary Shares and/or G Ordinary Shares may be varied or abrogated with the consent in writing of the holders of over one-half in nominal value of the issued G Ordinary Shares or with the sanction of an ordinary resolution passed at a separate class meeting of the holders of the G Ordinary Shares For the purposes of this Article 14 1, the A Ordinary Shares, B1 Ordinary Shares, B2 Ordinary Shares, C Ordinary Shares and G Ordinary Shares shall constitute one class of Share and, subject to Articles 14 3 and 14 4, special rights shall not attach to each separate class of Share

14 2 For each class meeting referred to in Article 14 1, all the provisions of these Articles relating to general meetings of the Company (and to the proceedings at such general meetings) shall apply

mutatis mutandis, but so that the necessary quorum shall be one holder of G Ordinary Shares present in person or by proxy or (being a corporation) by a duly authorised representative and holding or representing not less than 51% in nominal value of the issued G Ordinary Shares, that every holder of G Ordinary Shares shall be entitled on a poll to one vote for every such G Ordinary Share held by him and that any holder of G Ordinary Shares present in person or by proxy or (being a corporation) by a duly authorised representative may demand a poll. For the purpose of this Article one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.

14.3 The rights attached to A Ordinary Shares and B1 Ordinary Shares (such A Ordinary Shares and B1 Ordinary Shares for the purposes of this Article 14.3 being treated as one class of share) shall, with the intent that this Article 14.3 shall create class rights attaching to such classes of Share for the purposes of section 630 of the 2006 Act, be deemed to be varied by any of the actions referred to below. Without prejudice to the provisions of section 630 of the 2006 Act, Investor Consent shall be required for every such action and the Company shall not permit any of them to be carried out or agreed to be carried out without such Investor Consent (including, where necessary through the exercise of its voting rights and other powers of control over any subsidiaries). The actions are

- (a) any variation (including any increase) in the issued share capital of the Company or any Group Company or the creation or the granting of any options or other rights to subscribe for, or convert into, Shares or shares of any Group Company or the variation of the rights attaching to the Shares or shares of any Group Company,
- (b) the reduction of the Company's share capital, share premium account, capital redemption reserve or any other reserve or the purchase by the Company of any of its own Shares,
- (c) the amendment of any provisions of the Articles or the articles of association of any Group Company,
- (d) the capitalisation of any undistributed profits (whether or not the same are available for distribution and including profits standing to the credit of the reserve) or any sums standing to the credit of the share premium account or capital redemption reserve fund of the Company,
- (e) the taking of any steps to wind up the Company or any other Group Company,
- (f) any disposal of the whole or substantially the whole of the business of the Company or any Group Company or any of the shares in any Group Company,
- (g) the declaration, making or payment of any dividend or other distribution to holders other than as expressly permitted under the Articles,
- (h) any change in the accounting reference date of the Company,
- (i) the appointment or removal of the Auditors (other than the reappointment of the existing Auditors),
- (j) the acquisition of any interest in any share in the capital of any company by any Group Company,
- (k) the establishment of or variation to any employee share option scheme,
- (l) the calling of a meeting of the Company to effect or approve any matter which would by virtue of this Article be a variation of the class rights of the A Ordinary Shares and/or B1 Ordinary Shares,
- (m) the creation by any Group Company of any mortgage, charge, pledge, lien, encumbrance or other security interest, or
- (n) any Listing

14 4 The rights attached to B1 Ordinary Shares, B2 Ordinary Shares and C Ordinary Shares shall, with the intent that this Article 14 4 shall create class rights attaching to such classes of Share for the purposes of section 630 of the 2006 Act, be deemed to be varied by any proposed amendment to the rights attaching to the Shares which would have a disproportionate economic impact on the holders of B1 Ordinary Shares, B2 Ordinary Shares or C Ordinary Shares as against the holders of A Ordinary Shares. Such variation may only take place with the consent in writing of the holders of over three fourths in nominal value of the issued Shares of the relevant class or with the sanction of a special resolution passed at a separate class meeting of the holders of that class.

14 5 None of the following events shall constitute a variation or abrogation of the class rights attaching to any class of Shares other than the class rights of the holders of A Ordinary Shares and/or B1 Ordinary Shares (such A Ordinary Shares and B1 Ordinary Shares for the purposes of this Article 14 5 being treated as one class of share)

- (a) the allotment of any Shares which will rank par passu in all respects with any existing class of Shares or, pursuant to Articles 15 9, 15 12 or 15 13, any Shares ranking ahead of any existing class of Shares, or
- (b) an offer to the holders of any class of Shares of the right to receive new Shares of that class, credited as fully paid, instead of the whole or any part of a cash dividend specified by the Board, or
- (c) any amendment to these Articles where authorised by special resolution of the Company and where the changes do not have a disproportionate economic impact on the holders of B1 Ordinary Shares, B2 Ordinary Shares or C Ordinary Shares as against the holders of A Ordinary Shares

## 15 ALLOTMENT OF SHARES

15 1 Subject to the provisions of Articles 15 11 and 15 12, the directors shall not allot any Shares unless notice in writing is given to each holder specifying

- (a) the number and classes of Shares which are proposed to be issued,
- (b) the consideration payable on such issue, and
- (c) any other material terms or conditions

15 2 The notice specified in Article 15 1 shall invite each holder to state, in writing within 10 Business Days from the date of such notice (which date shall be specified therein), whether he/it is willing to subscribe for any, and if so, how many Shares

15 3 The Shares proposed to be issued pursuant to Article 15 1 shall be issued to a holder accepting the offer, in the same proportion (as nearly as may be) to the proportion which Shares held by such holder bear to the total number of Shares held by all such holders accepting such offer ("**Proportionate Element**") provided that such holder shall not be allocated more Shares than he shall have stated himself willing to take. It shall be open to each such holder to specify if he/it is willing to subscribe for Shares in excess of his Proportionate Element ("**Additional Shares**") and, if the holder does so specify, he shall state the number of Additional Shares

15 4 Within 20 Business Days of the expiry of the invitation made pursuant to the notice given under Article 15 1 (or sooner if all holders have responded to the invitation and all the Shares proposed to be issued have been accepted in the manner provided for in Article 15 3), the Board shall allocate the Shares in the following manner

- (a) if the total number of Shares applied for is equal to or less than the available number of Shares to be issued the Company shall allocate the number applied for in accordance with the applications, or

- (b) if the total number of Shares applied for is more than the available number of Shares to be issued, each holder shall be allocated his Proportionate Element (or such lesser number of Shares to be issued for which he may have applied) and applications for Additional Shares shall be allocated in accordance with such applications or, in the event of competition (as nearly as may be) to each holder applying for Additional Shares in his/its Proportionate Element,

and in either case the Company shall forthwith give notice of each such allocation (an "Issue Notice") to each of the persons to whom Shares are to be issued (a "Member Subscriber") and shall specify in the Issue Notice the time (being not later than 10 Business Days after the date of the Issue Notice) at which the allotment of the Shares shall be made

- 15 5 Upon such allocations being made as set out in Article 15 4, the Board shall be bound, on payment of the subscription price, to issue the Shares comprised in the Issue Notice to the Member Subscriber named therein at the time therein specified free from any lien, charge or encumbrance

- 15 6 Notwithstanding any other provisions of this Article 15, no Shares shall be allotted to any party not bound by the Investment Agreement unless that party has first entered into a Joint Election if required to do so by the Club or, in the absence of the Club being a Shareholder, an Investor Majority and a deed of adherence if so required by the Investment Agreement

- 15 7 The provisions of Articles 15 2 to 15 4 shall have no application to any Bad Leaver to whom the provisions of Articles 13 3(e) to 13 3(g) apply

- 15 8 Notwithstanding anything herein to the contrary, the provisions in this Article 15 shall not apply to any issue of the Reserved Shares

- 15 9 In accordance with section 567(1) and (2) of the 2006 Act, sections 561(1) and 562(1) to (5) (inclusive) of the 2006 Act shall not apply to the Company

- 15 10 Model Article 21 shall not apply to the Company

- 15 11 If, in the sole discretion of the Lead Investor, the working capital of the Group requires additional funding, the foregoing provisions of this Article 15 shall not apply and, subject to Article 15 13, new Shares may be issued to some or all of the Shareholders, ranking ahead of or pari passu with the A Ordinary Shares, B1 Ordinary Shares, B2 Ordinary Shares, C Ordinary Shares and/or G Ordinary Shares without the consent of the holders of the A Ordinary Shares, B1 Ordinary Shares, B2 Ordinary Shares, C Ordinary Shares and/or G Ordinary Shares In such circumstances, the holders of the A Ordinary Shares, B1 Ordinary Shares, B2 Ordinary Shares, C Ordinary Shares and G Ordinary Shares shall

- (a) consent to any shareholder meeting of the Company being held at short notice to implement the provisions of this Article 15 11, and

- (b) vote in favour of all resolutions whether proposed at a shareholder meeting or by way of written resolution (subject to his fiduciary duties) which are proposed by the Lead Investor to implement the provisions of this Article 15 11 (including the disapplication of any pre-emption rights)

- 15 12 As soon as reasonably practicable following the issue of new Shares pursuant to Article 15 11, and in any event no later than 10 Business Days after the issue of new Shares pursuant to Article 15 11 (the "Additional Shares"), the Company shall offer to the holders of the A Ordinary Shares, B1 Ordinary Shares, the B2 Ordinary Shares, the C Ordinary Shares and the G Ordinary Shares (other than any Shareholder who has been allotted new Shares under Article 15 11) (the "Subsequent Offer") the right to subscribe for or acquire such number of Shares for the same subscription price as the Additional Shares to the effect that, if the Subsequent Offer were accepted in full, such offeree would hold the equivalent proportion of Shares that it held prior to the issue of Shares pursuant to Article 15 11

15 13 The Company shall, when making the Subsequent Offer, invite each holder of A Ordinary Shares, B1 Ordinary Shares, B2 Ordinary Shares, C Ordinary Shares and G Ordinary Shares (other than any Shareholder who has been allotted new Shares under Article 15 11) to state in writing within 10 Business Days from the date of making the Subsequent Offer, whether he is willing to subscribe for any and, if so, how many Shares

15 14 The Shares proposed to be issued pursuant to Article 15 11 shall be issued to a holder accepting the Subsequent Offer in the same proportion (as nearly as may be) to the proportion which Shares held by such holder bear to the total number of Shares held by all such holders accepting the Subsequent Offer ("**Proportionate Element**") provided that such holder shall not be allocated more Shares than he shall have stated himself willing to take. It shall be open to each such holder to specify if he is willing to subscribe for Shares in excess of his Proportionate Element ("**Additional Shares**") and, if the holder does so specify, he shall state the number of Additional Shares

15 15 Within 10 Business Days of the making of the Subsequent Offer pursuant to Article 15 12 (or sooner if all holders have responded to the invitation and all the Shares proposed to be issued have been accepted in the manner provided for in Article 15 14), the Board shall allocate the Shares in the following manner

(a) if the total number of Shares applied for is equal to or less than the available number of Shares to be issued the Company shall allocate the number applied for in accordance with the applications, or

(b) if the total number of Shares applied for is more than the available number of Shares to be issued, each holder shall be allocated his Proportionate Element (or such lesser number of Shares to be issued for which he may have applied) and applications for Additional Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each holder applying for Additional Shares in his/its Proportionate Element,

and in either case the Company shall forthwith give notice of each such allocation (an "**Issue Notice**") to each of the persons to whom Shares are to be issued (a "**Member Subscriber**") and shall specify in the Issue Notice the time (being not later than 10 Business Days after the date of the Issue Notice) at which the allotment of the Shares shall be made

15 16 Upon such allocations being made as set out in Article 15 15, the Board shall be bound, on payment of the subscription price, to issue the Shares comprised in the Issue Notice to the Member Subscriber named therein at the time therein specified free from any lien, charge or encumbrance

## **TRANSFER OF SHARES**

### **16 GENERAL**

16 1 No transfer of any Share shall be made or registered unless it is expressly permitted under Article 17

16 2 No transfer of any Share shall be made or registered unless such transfer complies with the provisions of these Articles and the transferee has first entered into a Joint Election if required to do so by the Club, or in the absence of the Club being a Shareholder, the Investor Majority and a deed of adherence if so required by the Investment Agreement. Subject thereto, the Board shall sanction any transfer so made unless (i) the registration thereof would permit the registration of a transfer of Shares on which the Company has a lien (ii) the transfer is to a minor or (iii) the Board is otherwise entitled to refuse to register such transfer pursuant to these Articles

16 3 For the purposes of these Articles the following shall be deemed (but without limitation) to be a transfer of Shares

- (a) any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of Shares that a Share be allotted, issued or transferred to some person other than himself, and
- (b) any sale or any other disposition of any legal or equitable interest in a Share (including any voting right attached to it), (i) whether or not by the relevant holder, (ii) whether or not for consideration, and (iii) whether or not effected by a written instrument

## 17 PERMITTED TRANSFERS

Notwithstanding the provisions of any other Article, the transfers set out in this Article 17 shall be permitted without restriction and the provisions of Article 18 (Change of Control) shall have no application in respect of any such transfer or transfers

### 17.1 Permitted transfers by Investors

- (a) Any Investor ("**Original Holder**") shall be entitled to transfer all or any of its Shares to any member of its Investor Group but if a member of the Investor Group whilst it is a holder of such Shares shall cease to be a member of the Investor Group of the Original Holder it shall, within 15 Business Days of so ceasing, transfer the Shares held by it to the Original Holder or any member of the Investor Group of the Original Holder and failing such transfer the provisions of Article 17.4 shall apply
- (b) Any Shares which are held by an Investor on behalf of any collective investment scheme (within the meaning of section 235 of FSMA), may be transferred to participants (within the meaning of that section), in the scheme in question
- (c) Any person holding Shares as nominee for an Investor may transfer those Shares to the Investor who is the beneficial owner of the relevant Shares

### 17.2 Permitted Transfers by non-Investors

- (a) Subject to Articles 17.2(b) to 17.2(f) inclusive, any holder who is an individual may at any time transfer Shares (other than G Ordinary Shares) held by him to a person or persons shown to the reasonable satisfaction of the Board (with Investor Consent) to be
  - (i) a Family Member of his, or
  - (ii) trustees to be held under a Family Trust in relation to that individual
- (b) Subject to Article 17.2(d), no Shares shall be transferred under Article 17.2(a) by an individual who previously acquired those Shares by way of transfer under Article 17.2(a) save to the original holder of such Shares or to another individual who is a Family Member of the original holder of such Shares or to trustees to be held under a Family Trust in relation to the original holder of such Shares
- (c) No transfer of Shares shall be made by a holder under Article 17.2(a)(ii) unless Investor Consent has been provided to the Company that the Investors are satisfied
  - (i) that none of the costs incurred in establishing or maintaining the relevant Family Trust will be payable by any member of the Group, and
  - (ii) with the terms of the instrument constituting such trust and with the identity of the trustees (with the Investors acting reasonably in deciding to give or to withhold such Investor Consent)
- (d) Where Shares are held by trustees under a Family Trust
  - (i) those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that Family Trust whose identity has been approved by an Investor Consent (with the Investors acting reasonably in deciding to give or to withhold such Investor Consent),



- (ii) those Shares may at any time be transferred by those trustees to the settlor of that trust or any person to whom that settlor could have transferred them under Article 17 2(a) if he had remained the holder of them, and
- (iii) ~~if any of those Shares cease to be held under a Family Trust (other than by virtue of a transfer made under Articles 17 2(d)(i) or 17 2(d)(ii)), the trustees shall forthwith transfer all the Shares held by the trustees back to the original holder, for such consideration as they agree, within 15 Business Days of the cessation, or, failing such transfer the provisions of Article 17 4 shall apply~~
- (e) If
  - (i) any person has acquired Shares as a Family Member of a holder by way of one or more transfers permitted under this Article 17 2,
  - (ii) that person ceases to be a Family Member of that holder,
 that person shall forthwith transfer all the Shares then held by that person back to that holder, for such consideration as they agree, within 15 Business Days of the cessation, or, failing such transfer the provisions of Article 17 4 shall apply.
- (f) Subject to the provisions of Article 19, if the personal representatives of a deceased holder are permitted under these Articles to become registered as the holders of any of the deceased holder's Shares and elect to do so, those Shares may at any time be transferred by those personal representatives under Article 17 2 to any person to whom the deceased holder could have transferred such Shares under this Article if he had remained the holder of them. No other transfer of such Shares by personal representatives shall be permitted under this Article 17
- (g) The trustees of any Employee Trust may transfer Shares held by them to the beneficiaries of such Employee Trust with Investor Consent

### 17 3 Permitted Transfers by all Shareholders

- (a) Subject to Article 14 3(b) any holder may at any time transfer any Shares, in accordance with the provisions of the Statutes, to the Company
- (b) Any holder (other than an Investor) may at any time transfer all or any of his Shares to any other person with the prior written consent of the Remuneration Committee
- (c) Any Shares may be transferred pursuant to Article 18 1 (Tag along) and/or Articles 18 5 to 18 7 (Drag along) and/or Article 19 (Compulsory Transfers). The holders of the A Ordinary Shares wishing to transfer Shares conferring a Controlling Interest and entitling them to issue a Drag Along Notice (as defined in Article 18 5) under Article 18 5 shall be entitled to transfer their Shares notwithstanding any other provisions of these Articles provided that they have first complied with the provisions of Article 18 1 (Tag Along)

### 17 4 If any person makes default in transferring Shares pursuant to the provisions of Articles 17 1(a), 17 2(d)(iii) or 17 2(e) or Articles 18 5 to 18 7 (the "Default Party"), the Company, or some other person duly nominated by the Remuneration Committee for that purpose, shall forthwith be deemed to be the duly appointed agent or attorney on behalf of the Default Party with full power to give, execute, complete and deliver in the name and on behalf of the Default Party

- (i) in the case of Articles 17 1(a), 17 2(d)(iii) or 17 2(e), a transfer of the relevant Shares to the original holders, or
- (ii) in the case of Articles 18 5 to 18 7, a transfer of the relevant Shares to the Buyer, and
- (iii) all such consents, written resolutions and proxies as the appointed agent or attorney shall consider to be necessary or desirable for the purposes of any

general meeting of the Company relating to or associated with or required to enable the transfer of the Shares to proceed,

- (b) the Company may receive and give a good discharge for the purchase money on behalf of the Default Party and, (subject to the transfer being duly stamped), enter the name of the original holder (or the Buyer, as the case may be) in the register of members as the holder or holders by transfer of the Shares so purchased by him or them, and
- (c) the Company shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Default Seller until he shall deliver up his certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate) to the Company when he shall thereupon be paid the purchase money.

## 18 CHANGE OF CONTROL

### Tag along

18 1 Subject to Article 18 2, if the effect of any transfer of Shares by a Seller would, if completed, result in the transferee together with persons acting in concert or connected with that transferee obtaining a Controlling Interest, the Seller shall procure the making by such transferee of a Tag Along Offer to all of the other holders. Every holder or recipient of such offer, on receipt of a Tag Along Offer, shall be bound within 20 Business Days of the date of such offer (or within such longer period as the offer may specify) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer). Until such Tag Along Offer has been made and completed the Board shall not sanction the making and registration of the relevant transfer or transfers

18 2 The provisions of Article 18 1 shall not apply to any transfer of Shares pursuant to Article 17 (other than Article 17 3(c))

18 3 "Tag Along Offer" means an unconditional offer, open for acceptance for not less than 20 Business Days, to purchase (i) Shares held by the recipients of a Tag Along Offer and (ii) any Shares for which such recipients may subscribe, free from all liens, charges and encumbrances, in each case at a price per Share equal to

- (a) in respect of Shares which are not G Ordinary Shares, the highest price per Share (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by any transferee referred to in Article 18 1 (or any person with whom such transferee is connected with or with whom such transferee is acting in concert) for Shares (inclusive of the Shares giving rise to the obligation to make the Tag Along Offer) within the period of one year ending on the proposed date of completion of such transfer of Shares, and
- (b) in respect of G Ordinary Shares, the highest price per G Ordinary Share (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by any transferee referred to in Article 18 1 (or any person with whom such transferee is connected with or with whom such transferee is acting in concert) for G Ordinary Shares (inclusive of the G Ordinary Shares giving rise to the obligation to make the Tag Along Offer) within the period of one year ending on the proposed date of completion of such transfer of G Ordinary Shares

18 4 In the event of disagreement, the calculation of the relevant Tag Along Offer price shall be referred to the Independent Valuers and Article 26 shall apply

### Drag along

18 5 If holders (which must for the purposes of this Article include the Club or in the absence of the Club being a Shareholder, an Investor Majority) of the A Ordinary Shares (in Articles 18 5 and 18 6, the "Investor Sellers") wish to transfer Shares conferring a Controlling Interest ("Investor Sellers' Shares") to any person (the "Buyer"), pursuant to the terms of a bona fide



arm's length transaction, then the Investor Sellers shall also have the option (the "**Drag Along Option**"), exercisable by the Investor Sellers giving written notice to that effect (a "**Drag Along Notice**"), to require all other holders and any persons who would become holders upon the exercise of any options, warrants or other rights to subscribe for Shares which exist at the date the Drag Along Notice is given (the "**Called Shareholders**") to transfer with full title guarantee all their Shares (including any such Shares issued or to be issued pursuant to any options, warrants or rights to subscribe existing at the date the Drag Along Option is exercised) (together the "**Called Shares**") to the Buyer, or as the Buyer directs. The Drag Along Option must provide for terms such that the sale and purchase of the Called Shares and the Investor Sellers' Shares will be completed at the same time. A Drag Along Notice shall be given by the Investor Sellers to each Called Shareholder and shall specify

- (a) that the Called Shareholders are, or will, in accordance with this Article 18 5 and Articles 18 7 and 18 8, be required to transfer with full title guarantee all their Called Shares free from all liens, charges and encumbrances,
- (b) that a Called Shareholder shall not be required to give any warranties or indemnities in the context of the transaction other than warranties that such Called Shareholder has title to the Called Shares to be transferred by him,
- (c) (i) the price at which the Called Shares are to be transferred, which shall be a consideration (whether in cash, securities or otherwise, or in any combination) per Called Share equivalent to (a) in respect of Called Shares which are not G Ordinary Shares, that consideration offered by the Buyer for each Investor Sellers' Share (excluding any G Ordinary Shares) and (b) in respect of Called Shares which are G Ordinary Shares, that consideration offered by the Buyer for each Investor Sellers' Share which are G Ordinary Shares, together with an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Investor Sellers which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for the Investor Sellers' Shares and (ii) whether the consideration is to be paid in cash, securities or otherwise, or in any combination. The form of consideration payable to any Investor under this clause shall be the same as for the Investor Sellers' Shares and the form of consideration payable to the Called Shareholders (other than any Investor) shall either be the same as for the Investor Sellers' Shares or shall be in cash,
- (d) the documents required to be executed by the Called Shareholder and the time period within which those documents should be delivered to the Company, and
- (e) the proposed date of completion of the sale of the Called Shares the subject of the Drag Along Notice

18 6 Upon any person, following the issue of a Drag Along Notice, becoming a holder of Called Shares pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Called Shares ("a New Member"), a Drag Along Notice, on the same terms as the previous Drag Along Notice, shall be deemed to have been served upon the New Member who shall thereupon be bound to sell and transfer all such Called Shares acquired by him to the Buyer or as the Buyer may direct and the provisions of Article 18 5 shall apply mutatis mutandis to the New Member save that completion of the sale of such Called Shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Member or, if later, upon the date of completion under the previous Drag Along Notice

18 7 If the Called Shareholders (or any of them which shall include any New Member) shall make default in transferring their Called Shares within any time period specified in the Drag Along Notice (including any Called Shares issued pursuant to any options, warrants or rights to subscribe existing at the date of the Drag Along Notice once exercised) in accordance with the provisions of any Drag Along Notice and pursuant to Articles 18 5 and 18 6, the provisions of

Article 17 4 shall apply to the transfer of such Called Shares save that the transfer price shall be the price offered for such Called Shares as set out in Article 18 5

18 8 A Drag Along Notice shall be served in accordance with Article 27

18 9 A Drag Along Notice may be revoked at any time prior to the completion of the sale of the Called Shares by the service of a written notice by the Investor Sellers on all the Called Shareholders

## 19 COMPULSORY TRANSFERS

### Bad Leaver Transfer Event

19 1 In Article 19 2, "Bad Leaver Transfer Event" means, in relation to any holder of Shares

(a) such holder becoming a Bad Leaver, and the date upon which the relevant holder becomes a Bad Leaver (or a Leaver, for purposes of Article 13 3) shall be the date on which his contract of employment terminates in accordance with its terms or, if earlier, the date on which he is placed on garden leave in accordance with the terms of his contract of employment, or

(b) where a holder has acquired the Shares pursuant to a permitted transfer under Article 17 2 and the original holder of such Shares becomes a Bad Leaver

19 2 The Remuneration Committee may, from any time following the date of a Bad Leaver Transfer Event, serve notice on the Company and the relevant holder notifying them that the mandatory transfer provisions of this Article 19 shall apply ("Compulsory Transfer Notice") in respect of all of that holder's Shares (the "Sale Shares") The Sale Shares shall be sold together with all rights attaching thereto as at the date of completion of the transfer of Sale Shares in accordance with this Article 19

19 3 The price at which the Sale Shares shall be transferred pursuant to the Compulsory Transfer Notice (the "Bad Leaver Sale Price") shall be the lower of

(a) their Fair Value, and

(b) the amount of £1 00 (one Pound Sterling) in cash, plus any Tax paid or payable and not recoverable by the Bad Leaver in respect of those Sale Shares,

provided that in each case the price at which any G Ordinary Shares shall be transferred shall be their nominal value

19 4 The Company shall be constituted as the agent of the Seller with effect from the date of the Compulsory Transfer Notice for the sale of the Sale Shares upon the following terms

(a) the price for each Sale Share is the Bad Leaver Sale Price, and

(b) the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them

19 5 Within five Business Days of the date of the Compulsory Transfer Notice, the Shares deemed to be comprised in such Compulsory Transfer Notice shall be offered by the Company to such transferees as directed by the Remuneration Committee (each a "Designated Transferee") and

(a) the Seller shall be bound, on payment of the Bad Leaver Sale Price, to transfer the Sale Shares comprised in the Compulsory Transfer Notice to the Designated Transferee free from any lien, charge or encumbrance,

(b) if the Seller makes default in so doing, the Company, or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed agent or attorney on behalf of the Seller with full power to give, execute, complete and deliver in the name and on behalf of the Seller

(i) a transfer of the relevant Sale Shares to the Designated Transferee, and

- (ii) all such consents, written resolutions and proxies as the appointed agent or attorney shall consider to be necessary or desirable for the purposes of any general meeting of the Company relating to or associated with or required to enable the sale of the Sale Shares to proceed,
  - (c) the Company may receive and give a good discharge for the purchase money on behalf of the Seller and (subject to the transfer being duly stamped) enter the name of the Designated Transferee in the register of members as the holder or holders by transfer of the Sale Shares so purchased by him or them, and
  - (d) the Company shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on-trust (but without interest) for the Seller until he shall deliver up his certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate) to the Company when he shall thereupon be paid the purchase money
- 19 6 Where a Leaver is not a Bad Leaver pursuant to Articles 19 1 to 19 5, he is entitled to retain any Shares (the "Retained Shares") If the Leaver subsequently joins or becomes interested in (whether directly or indirectly) a competitor of any member of the Group, at the written direction of the Remuneration Committee a Compulsory Transfer Notice shall be given in respect of the Retained Shares and the provisions of Articles 19 1 to 19 5 shall apply save that references to Sale Shares shall instead be referred to as Retained Shares and the Bad Leaver Sale Price of the Retained Shares shall be their Fair Value as at the date the Leaver joins or becomes interested in (whether directly or indirectly) a competitor of any member of the Group (or, in the case of G Ordinary Shares, their nominal value)
- 19 7 If a Leaver breaches the provisions of paragraph 1 of Schedule 5 of the Investment Agreement the Leaver shall be treated as a Bad Leaver for the purposes of these Articles

#### Other Transfer Event

- 19 8 In Articles 19 8 to 19 10, "**Other Transfer Event**" means, in relation to any holder of Shares
- (a) a holder who is an individual becoming bankrupt,
  - (b) a holder making any proposal for the adoption of a voluntary arrangement under the Insolvency Act 1986, or
  - (c) a holder attempting to deal with or dispose of any Share or any interest in it otherwise than in accordance with these Articles
- 19 9 The Remuneration Committee may, at any time following the date of an Other Transfer Event falling within any of Articles 19 8(a) to 19 8(c), serve notice on the Company and the relevant holder notifying them that the mandatory transfer provisions of this Article 19 9 shall apply ("**Compulsory Transfer Notice**") Upon the date of service of such Compulsory Transfer Notice (as determined in accordance with Article 27), the relevant holder and any other holder who has acquired from him under a permitted transfer (directly or by means of a series of two or more permitted transfers) under Article 17 2 shall be deemed to have immediately given notice to the Company in respect of Shares held by them (the "**Sale Shares**") The Sale Shares shall be sold together with all rights attaching thereto as at the completion of the transfer of Sale Shares in accordance with this Article
- 19 10 The price at which the Sale Shares shall be transferred pursuant to the Compulsory Transfer Notice (the "**Compulsory Sale Price**") shall be, for Sale Shares which are not G Ordinary Shares, the higher of their nominal value and their Fair Value, and for Sale Shares which are G Ordinary Shares, their nominal value
- 19 11 The Company shall be constituted as the agent of the Seller with effect from the date of the Compulsory Transfer Notice for the sale of the Sale Shares upon the following terms
- (a) the price for each Sale Share is the Compulsory Sale Price, and

- (b) the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them

19 12 Within five Business Days of the date of the Compulsory Transfer Notice, the Shares deemed to be comprised in such Compulsory Transfer Notice shall be offered by the Company to such transferees as may be directed by the Remuneration Committee (each a "Designated Transferee")

- (a) the Seller shall be bound, on payment of the Compulsory Sale Price, to transfer the Sale Shares comprised in the Compulsory Transfer Notice to the Designated Transferee free from any lien, charge or encumbrance,
- (b) if the Seller makes default in so doing, the Company, or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed agent or attorney on behalf of the Seller with full power to give, execute, complete and deliver in the name and on behalf of the Seller
  - (i) a transfer of the relevant Sale Shares to the Designated Transferee, and
  - (ii) all such consents, written resolutions and proxies as the appointed agent or attorney shall consider to be necessary or desirable for the purposes of any general meeting of the Company relating to or associated with or required to enable the sale of the Sale Shares to proceed,
- (c) the Company may receive and give a good discharge for the purchase money on behalf of the Seller and (subject to the transfer being duly stamped) enter the name of the Designated Transferee in the register of members as the holder or holders by transfer of the Sale Shares so purchased by him or them, and
- (d) the Company shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Seller until he shall deliver up his certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate) to the Company when he shall thereupon be paid the purchase money

#### General

19 13 No Compulsory Transfer Notice once given in accordance with these Articles may be withdrawn without Investor Consent

19 14 In the event of all the Sale Shares not being sold under the preceding paragraphs of this Article 19, the Seller may not sell or transfer any remaining Sale Shares otherwise than in accordance with the provisions of Articles 17 or 18

#### 20 VALUATION OF SHARES

20 1 In the event that the Independent Valuers are required to determine the price at which Shares (other than G Ordinary Shares) are to be transferred pursuant to these Articles, the Company shall engage and instruct the Independent Valuers (which instructions shall be made as soon as practicable following the time it becomes apparent that a valuation pursuant to this Article 20 is required), to give their written opinion as to the price which represents a fair value for such Shares by valuing each Share (other than G Ordinary Shares) on the basis of the value of the Company as a going concern at the date of the relevant Compulsory Transfer Event or Other Transfer Event in respect of which it is deemed to have been given and multiplying such valuation of the Company by the fraction the numerator of which shall be the number of Shares (other than G Ordinary Shares) comprised in such Compulsory Transfer Notice and the denominator of which shall be the number of all the Shares in issue (other than G Ordinary Shares) at such date

20 2 Articles 26 1 and 26 2 shall apply to any determination under this Article by the Independent Valuers

**21 COMPLIANCE**

21 1 For the purpose of ensuring (i) that a transfer of Shares is duly authorised under these Articles or (ii) that no circumstances have arisen whereby a Shareholder should have transferred their shares under these Articles or (iii) whether an offer is required to be or ought to have been made under Article 18 1, the Board may from time to time require any shareholder or past shareholder or the personal representatives, trustee in bankruptcy, receiver, administrative receiver, liquidator, administrator or similar officer of any shareholder or any person named as transferee in any transfer lodged for registration or such other person as the Board may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Board may reasonably think fit regarding any matter which they deem relevant to such purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the Shares from time to time registered in the holder's name

21 2 Failing such information or evidence being furnished to enable the Board to determine to its reasonable satisfaction that no such transfer of shares is required to be or ought to have been made, or that no offer is required to be or ought to have been made under Article 18 1, or that as a result of such information and evidence the Board is reasonably satisfied that such transfer of shares is required, or that an offer is required to be or ought to have been made under Article 18

- (a) where the purpose of the enquiry by the Board was to establish whether a Compulsory Transfer Notice is required to be or ought to have been given, then a Compulsory Transfer Notice shall be deemed to have been given by the holder of the relevant Shares in respect of such Shares, or
- (b) where the purpose of the enquiry by the Board was to establish whether an offer is required to be or ought to have been made under Article 18 1, then the Shares held by or on behalf of the person or persons connected with each other or acting in concert with each other (who has or have (as the case may be) obtained a Controlling Interest as is referred to in Article 18 1), shall cease to entitle the holders thereof (or any proxy)
  - (i) to receive notice of any meeting, or
  - (ii) to any voting rights (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at a separate meeting of the class in question) otherwise attaching to such Shares, or
  - (iii) to any further Shares issued in right of such Shares or in pursuance of an offer made to the relevant holders,

to the extent that such person or persons shall only be able to control the percentage of the voting rights, attaching to Shares, which they controlled prior to their obligation arising to procure the making of such offer

**22 TRANSMITTEES BOUND BY PRIOR NOTICES**

Model Article 29 shall be amended by the insertion of the words ", or the name of any person nominated under Model Article 27(2)", after the words "the transmittee's name"

**GENERAL MEETINGS****23 NOTICE OF GENERAL MEETINGS**

23 1 Every notice convening a general meeting shall

- (a) comply with section 325(1) of the 2006 Act as to giving information to shareholders relating to their right to appoint proxies, and
- (b) be given in accordance with section 308 of the 2006 Act, that is in hard copy form, electronic form or by means of a website



- 23 2 A notice convening a general meeting (other than an adjourned meeting) must be called by at least 14 days notice but a general meeting can be called by shorter notice if it is so agreed by a majority in-number of the members having a right to attend and vote at the meeting being a majority who together hold not less than 90 per cent by nominal value of the Shares giving that right. The notice must state the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting

24 **PROCEEDINGS AT GENERAL MEETINGS**

- 24 1 No resolution shall be voted on and no other business shall be transacted at any general meeting of the Company unless a quorum is present when such vote is taken or other business is transacted and no resolution or transaction shall be effective unless a quorum is so present. Two persons, being holders (at least one of whom must be a holder of G Ordinary Shares who also holds A Ordinary Shares) present in person, by proxy or by duly authorised representative (if a corporation), shall be the quorum at any general meeting

- 24 2 If a quorum is not present within half an hour from the time appointed for a general meeting or if, during any general meeting, a quorum ceases to be present, the general 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 place as the directors (with Investor Consent) may determine, and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed for the same the shareholders present shall form a quorum. Model Article 41(1) to (5) inclusive shall not apply to the Company

25 **WRITTEN RESOLUTIONS**

- 25 1 A written resolution, proposed in accordance with section 288(3) of the 2006 Act, will lapse if it is not passed before the end of the period of 45 days beginning with the circulation date
- 25 2 For the purposes of this Article 25 "circulation date" is the date on which copies of the written resolution are sent or submitted to members or, if copies are sent or submitted on different days, the last of those days

**ADMINISTRATIVE ARRANGEMENTS**

26 **INDEPENDENT VALUERS**

Independent Valuers' determination

- 26 1 If any matter under these Articles is referred to the Independent Valuers for determination then the Independent Valuers shall act as experts and not as arbitrators or arbiters and their decision shall be final and binding on the Company and all the holders (in the absence of fraud or manifest error)
- 26 2 Subject to Article 28 4, the Independent Valuers' costs in making any such determination referred to in Article 26 1 or 28 3 shall be borne by the Company
- 26 3 The Independent Valuers where required by these Articles shall determine the valuation of Shares in accordance with Article 21
- 26 4 The costs in making any determination pursuant to Article 20 shall be borne by the relevant Shareholder if the valuation determined by the Independent Valuers is less than or equal to 115% of the offer made to the relevant Shareholder by the Company for the acquisition of his Shares

**Auditors' appointment and re-appointment**

- 26 5 Auditors must be appointed for each financial year of the Company. Other than the Company's first financial year, the appointment must be made in the period for appointing Auditors as defined in section 485 of the 2006 Act
- 26 6 Auditors cease to hold office at the end of the next period for appointing Auditors unless and until they are re-appointed

**27 COMPANY COMMUNICATION PROVISIONS**

**27 1 Where**

(a) a document or information is sent by post (whether in hard copy or electronic form) to an address in the United Kingdom, and

(b) the Company is able to show that it was properly addressed, prepaid and posted, it is deemed to have been received by the intended recipient 24 hours after it was posted

**27 2 Where**

(a) a document or information is sent or supplied by electronic means, and

(b) the Company is able to show that it was properly addressed, it is deemed to have been received by the intended recipient immediately after it was sent

**27 3 Where a document or information is sent or supplied by means of a website, it is deemed to have been received by the intended recipient**

(a) when the material was first made available on the website, or

(b) if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website

**27 4 Pursuant to section 1147(6) of the 2006 Act, subsections (2) (3) and (4) of that section shall be deemed modified by Articles 27 1, 27 2 and 27 3**

**27 5 Subject to any requirements of the 2006 Act, only such documents and notices as are specified by the Company may be sent to the Company in electronic form to the address specified by the Company for that purpose and such documents or notices sent to the Company are sufficiently authenticated if the identity of the sender is confirmed in the way the Company has specified**

**28 INDEMNITIES FOR DIRECTORS**

**28 1 Subject to, and so far as may be permitted by, the 2006 Act and without prejudice to any indemnity to which the person concerned may be otherwise entitled, the Company may indemnify every director, former director, alternate director, secretary or other officer of the Company or of any associated company (as defined in section 256 of the 2006 Act) against any liabilities incurred by him in the execution and discharge of his duties or the exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, including any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust in relation to anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director, former director, alternate director, secretary or other officer of the Company or of any associated company**

**28 2 Subject to the 2006 Act, the directors may purchase and maintain at the cost of the Company insurance cover for or for the benefit of every director, former director, alternate director, Auditor, secretary or other officer of the Company or of any associated company (as defined in section 256 of the 2006 Act) against any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust by him in relation to the Company (or such associated company), including anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director, former director, alternate director, Auditor, secretary or other officer of the Company or of any associated company**

**28 3 Subject to, and so far as may be permitted by, the 2006 Act, the Company shall be entitled to fund the expenditure of every director, alternate director or other officer of the Company incurred or to be incurred**

(a) in defending any criminal or civil proceedings, or

(b) in connection with any application under sections 661(3) or 661(4) or under section 1157 of the 2006 Act

29

**REGISTERED OFFICE**

The Company's registered office is to be situated in England and Wales

## **APPENDIX 1**

### **Model Articles**



## SCHEDULE 1

Regulation 2

# MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

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## PART 1

### INTERPRETATION AND LIMITATION OF LIABILITY

#### **Defined terms**

1. In the articles, unless the context requires otherwise—

“articles” means the company’s articles of association,

“bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy,

“chairman” has the meaning given in article 12,

“chairman of the meeting” has the meaning given in article 39;

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company,

“director” means a director of the company, and includes any person occupying the position of director, by whatever name called,

“distribution recipient” has the meaning given in article 31,

“document” includes, unless otherwise specified, any document sent or supplied in electronic form,

“electronic form” has the meaning given in section 1168 of the Companies Act 2006,

“fully paid” in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company,

“hard copy form” has the meaning given in section 1168 of the Companies Act 2006,

“holder” in relation to shares means the person whose name is entered in the register of

members as the holder of the shares,

“instrument” means a document in hard copy form,

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006,

“paid” means paid or credited as paid,

“participate”, in relation to a directors’ meeting, has the meaning given in article 10;

“proxy notice” has the meaning given in article 45,



"shareholder" means a person who is the holder of a share,

"shares" means shares in the company;

"special resolution" has the meaning given in section 283 of the Companies Act 2006,

"subsidiary" has the meaning given in section 1159 of the Companies Act 2006,

"transmittee" means a person entitled to a share by reason of the death or bankruptcy of a

shareholder or otherwise by operation of law, and

"writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company

#### **Liability of members**

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

## **PART 2**

### **DIRECTORS**

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

##### **Directors' general authority**

3. Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company

##### **Shareholders' reserve power**

- 4.—(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.  
(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution

##### **Directors may delegate**

- 5.—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—
  - (a) to such person or committee;
  - (b) by such means (including by power of attorney),

- (c) to such an extent;
- (d) in relation to such matters or territories, and
- (e) on such terms and conditions;  
as they think fit.

- (2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- (3) The directors may revoke any delegation in whole or part, or alter its terms and conditions

### **Committees**

6.—(1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors

- (2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them

## **DECISION-MAKING BY DIRECTORS**

### **Directors to take decisions collectively**

7.—(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

(2) If—

- (a) the company only has one director, and
  - (b) no provision of the articles requires it to have more than one director,
- the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

### **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

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting

(4) 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

### **Calling a directors' meeting**

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

(2) Notice of any directors' meeting must indicate—

(a) its proposed date and time,

(b) where it is to take place, and

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

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

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

### **Participation in directors' meetings**

10.—(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—

(a) the meeting has been called and takes place in accordance with the articles, and

(b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting

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

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

### **Quorum for directors' meetings**

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

(2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two

(3) If the total number of directors for the time being is less than the quorum required, the

directors must not take any decision other than a decision—

(a) to appoint further directors, or

(b) to call a general meeting so as to enable the shareholders to appoint further directors

### **Chairing of directors' meetings**

12.—(1) The directors may appoint a director to chair their meetings.

(2) The person so appointed for the time being is known as the chairman

(3) The directors may terminate the chairman's appointment at any time

(4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it

## **Casting vote**

13. (1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote

(2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes

## **Conflicts of interest**

14. (1) If a proposed decision of the directors is concerned with an actual or proposed

transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes

(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes

(3) This paragraph applies when—

(a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process,

(b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest, or

(c) the director's conflict of interest arises from a permitted cause.

(4) For the purposes of this article, the following are permitted causes—

(a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries,

(b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and

(c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors

(5) For the purposes of this article, references to proposed decisions and decision-making

processes include any directors' meeting or part of a directors' meeting.

(6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive

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

### **Records of decisions to be kept**

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

### **Directors' discretion to make further rules**

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

## **APPOINTMENT OF DIRECTORS**

### **Methods of appointing directors**

17.—(1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

- (a) by ordinary resolution, or
- (b) by a decision of the directors

(2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.

(3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances

rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder

### **Termination of director's appointment**

18. A person ceases to be a director as soon as—

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person,
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,
- (e) [paragraph omitted pursuant to The Mental Health (Discrimination) Act 2013]
- (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms

### **Directors' remuneration**



19.—(1) Directors may undertake any services for the company that the directors decide

(2) Directors are entitled to such remuneration as the directors determine—

(a) for their services to the company as directors, and

(b) for any other service which they undertake for the company

(3) Subject to the articles, a director's remuneration may—

(a) take any form; and

(b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

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

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

#### **Directors' expenses**

20. The company may pay any reasonable expenses which the directors properly incur in

connection with their attendance at—

(a) meetings of directors or committees of directors;

(b) general meetings, or

(c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company

### **PART 3**

## **SHARES AND DISTRIBUTIONS**

### **SHARES**

#### **All shares to be fully paid up**

21.—(1) No share is to be issued for less than the aggregate of its nominal value and any

premium to be paid to the company in consideration for its issue

(2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum

#### **Powers to issue different classes of share**

22.—(1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution

(2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

#### **Company not bound by less than absolute interests**

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

#### **Share certificates**

24.—(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

(2) Every certificate must specify—

- (a) in respect of how many shares, of what class, it is issued;
- (b) the nominal value of those shares,
- (c) that the shares are fully paid, and
- (d) any distinguishing numbers assigned to them.

(3) No certificate may be issued in respect of shares of more than one class.

(4) If more than one person holds a share, only one certificate may be issued in respect of it.

(5) Certificates must—

- (a) have affixed to them the company's common seal, or
- (b) be otherwise executed in accordance with the Companies Acts

#### **Replacement share certificates**

25.—(1) If a certificate issued in respect of a shareholder's shares is—

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares

(2) A shareholder exercising the right to be issued with such a replacement certificate—

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates,
- (b) must return the certificate which is to be replaced to the company if it is damaged or defaced, and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide

#### **Share transfers**

26.—(1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor



- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share
- (3) The company may retain any instrument of transfer which is registered.
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it
- (5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

#### **Transmission of shares**

- 27.—(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- (2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—
- (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
  - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had
- (3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares

#### **Exercise of transmittees' rights**

- 28.—(1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish
- (2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- (3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred

#### **Transmittees bound by prior notices**

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

### **DIVIDENDS AND OTHER DISTRIBUTIONS**

#### **Procedure for declaring dividends**

- 30.—(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends



- (2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- (3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- (4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- (5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- (6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- (7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

#### **Payment of dividends and other distributions**

31.—(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—

- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide,
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide, or
- (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

(2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

- (a) the holder of the share, or
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

#### **No interest on distributions**

32. The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

- (a) the terms on which the share was issued, or



(b) the provisions of another agreement between the holder of that share and the company

#### **Unclaimed distributions**

33.—(1) All dividends or other sums which are—

(a) payable in respect of shares, and

(b) unclaimed after having been declared or become payable,

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

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

(3) If—

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

(b) the distribution recipient has not claimed it,

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

#### **Non-cash distributions**

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

(2) For the purposes of paying a non-cash distribution, the directors may make whatever

arrangements they think fit, including, where any difficulty arises regarding the distribution—

(a) fixing the value of any assets,

(b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and

(c) vesting any assets in trustees

#### **Waiver of distributions**

35. Distribution recipients may waive their entitlement to a dividend or other distribution

payable in respect of a share by giving the company notice in writing to that effect, but if—

(a) the share has more than one holder, or

(b) more than one person is entitled to the share, whether by reason of the death or

bankruptcy of one or more joint holders, or otherwise,

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

### **CAPITALISATION OF PROFITS**

### **Authority to capitalise and appropriation of capitalised sums**

36.—(1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

(a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend or any sum standing to the credit of the company's share premium account or capital redemption reserve, and

(b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions

(2) Capitalised sums must be applied—

(a) on behalf of the persons entitled, and

(b) in the same proportions as a dividend would have been distributed to them

(3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct

(4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct

(5) Subject to the articles the directors may—

(a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another,

(b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments), and

(c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article

## **PART 4.**

### **DECISION-MAKING BY SHAREHOLDERS**

#### **ORGANISATION OF GENERAL MEETINGS**

#### **Attendance and speaking at general meetings**

37.—(1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting

(2) A person is able to exercise the right to vote at a general meeting when—

(a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

(b) that person's vote can be taken into account in determining whether or not such

resolutions are passed at the same time as the votes of all the other persons attending the meeting

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

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

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

### **Quorum for general meetings**

**38.** No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum

### **Chairing general meetings**

**39.**—(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so

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

(a) the directors present, or

(b) (if no directors are present), the meeting,

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

(3) The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”

### **Attendance and speaking by directors and non-shareholders**

**40.**—(1) Directors may attend and speak at general meetings, whether or not they are shareholders

(2) The chairman of the meeting may permit other persons who are not—

(a) shareholders of the company, or

(b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting

### **Adjournment**

**41.**—(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it

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

(a) the meeting consents to an adjournment, or

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

## VOTING AT GENERAL MEETINGS

### Voting: general

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

### Errors and disputes

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

### Poll votes

- 44.—**(1) A poll on a resolution may be demanded—
  - (a) in advance of the general meeting where it is to be put to the vote, or
  - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared
- (2) A poll may be demanded by—
  - (a) the chairman of the meeting,
  - (b) the directors,
  - (c) two or more persons having the right to vote on the resolution, or



(d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.

(3) A demand for a poll may be withdrawn if—

(a) the poll has not yet been taken, and

(b) the chairman of the meeting consents to the withdrawal.

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

### **Content of proxy notices**

**45.**—(1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”)

which—

(a) states the name and address of the shareholder appointing the proxy,

(b) identifies the person appointed to be that shareholder’s proxy and the general meeting in relation to which that person is appointed,

(c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and

(d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate

(2) The company may require proxy notices to be delivered in a particular form, and may

specify different forms for different purposes

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

(4) Unless a proxy notice indicates otherwise, it must be treated as—

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

(b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

### **Delivery of proxy notices**

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

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

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

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

### **Amendments to resolutions**

**47.**—(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
  - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
  - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution
- (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

## PART 5

### ADMINISTRATIVE ARRANGEMENTS

#### Means of communication to be used

- 48.**—(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company
- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- (3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours

#### Company seals

- 49.**—(1) Any common seal may only be used by the authority of the directors
- (2) The directors may decide by what means and in what form any common seal is to be used
- (3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature
- (4) For the purposes of this article, an authorised person is—
- (a) any director of the company,
  - (b) the company secretary (if any), or
  - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

### **No right to inspect accounts and other records**

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

### **Provision for employees on cessation of business**

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

## **DIRECTORS' INDEMNITY AND INSURANCE**

### **Indemnity**

52.—(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—

- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
- (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
- (c) any other liability incurred by that director as an officer of the company or an associated company.

(2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

(3) In this article—

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant director" means any director or former director of the company or an associated company

### **Insurance**

53.—(1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss

(2) In this article—

- (a) a "relevant director" means any director or former director of the company or an associated company,
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director'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
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate