

**THE COMPANIES ACT 2006**  
**A PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**MOUNT STREET HOLDINGS LIMITED**

(Adopted by Special Resolution passed on 8 December 2021)

**PRELIMINARY**

1. The Model Articles for Private Companies Limited by Shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008 No 3229) as amended by the Mental Health (Discrimination) Act 2013 (the **Model Articles**) shall apply to the company except in so far as they are excluded or varied hereby.
2. Model Articles 13, 14, 22 and 26(5) do not apply to the Company.

**INTERPRETATION AND LIMITATION OF LIABILITY**

3. **Defined terms**

- (1) In the articles, unless the context requires otherwise

**Acquisition Cost** means the aggregate price paid by a Minority Shareholder to acquire Minority Shares.

**Acting in Concert** means a group of persons who, pursuant to an agreement or understanding (whether formal or informal) actively co-operate, through the acquisition directly or indirectly of shares by any of them, either directly or indirectly, to acquire Control.

**alternate** or **alternate director** has the meaning given in article 20 and article 21 respectively.

**articles** means the company's articles of association, as from time to time amended.

**Asset Sale** means the sale or transfer of such part of the assets or business of the Company and/or any Group Company which represents at least 50% of the net asset value of the Company (in one or a series of related transactions), otherwise than as a result of a bona fide solvent amalgamation, reconstruction or re-organisation.

**Asset Sale Consideration** means:

- (a) where the proposed Asset Sale involves the sale of 100% of the assets or business of the Company, the aggregate value of the consideration to be received (including the present value of any deferred consideration) by the Members in consideration of the transfer of the assets or business of the Company in the proposed Asset Sale, less the amount of all costs (including but not limited to legal and other professional fees) incurred in connection with the proposed Asset Sale, or
- (b) where the proposed Asset Sale involves the sale of less than 100% of the assets or business of the Company, the value of 100% of the assets and business of the Company as determined by the Board on a basis consistent with the accounting principles, practices, policies, treatments and methods as used in the Company's accounts.

**Authorised Buyer** means a person nominated and authorised by the Parent to purchase Minority Shares from a Minority Shareholder.

**Bad Leaver** means an individual who ceases to be an Employee and is not a Good Leaver.

**Board** means the directors at any time or the directors present at a duly convened meeting at which a quorum is present.

**B Shareholder** means the registered holder(s) for the time being of B Shares.

**B Share Percentage** means 3%.

**B Shares** means the B ordinary shares of £1.00 in the capital of the Company.

**business day** means a day (other than a Saturday or a Sunday) when banks are generally open for the transaction of normal banking business in London.

**Cause Leaver** means an individual who ceases to be an Employee as a result of summary dismissal by the Company or the relevant employing company in the Parent Group.

**Companies Act** means the Companies Act 2006 including any statutory modification or re-enactment of it for the time being in force.

**Company** means Mount Street Holdings Limited (registered number 10582880).

**Company Sale** means the acquisition, whether through a single transaction or a series of transactions, by a Purchaser, of a Controlling Interest in the Company.

**Company Value** mean, on any occasion on which Company Value is required to be determined, six times the Parent Group EBITDA for the Parent's immediately preceding Financial Year.

**Compulsory Sale Notice** has the meaning given to that expression in Article 27A.(1).

**Control** has the meaning given in section 1124 of the Corporation Tax Act 2010.

**Controlling Interest** means an interest conferring any of the following:

- (a) Control;
- (b) beneficial ownership of, or the ability to control, directly or indirectly, more than 50% of the ordinary share capital of the relevant company;

- (c) possession of, or entitlement to acquire, rights entitling the holder to receive more than 50% of any distributions that may be made by the relevant company, and
- (d) possession of, or entitlement to acquire, rights that would in the event of the winding up of the relevant company, or in any other circumstances, entitle the holder to receive more than 50% of the assets that would then be available for distribution among the shareholders of the relevant company.

**C Shareholder** means the registered holder(s) for the time being of C Shares.

**C Share Percentage** means 0.75%.

**C Shares** means the C ordinary shares of £1.00 in the capital of the Company.

**Distributable Assets** has the meaning given to that expression in Article 26A.(2).

**D Shareholder** means the registered holder(s) for the time being of D Shares.

**D Share Percentage** means 1%.

**D Shares** means the D ordinary shares of £1.00 in the capital of the Company.

**EBITDA** means earnings before interest, taxes, depreciation and amortisation.

**eligible director** means a director who is entitled to vote on the relevant matter at a directors' meeting but excluding any director whose vote is not to be counted in respect of the relevant matter.

**Employee** means an individual who is an employee or a full-time executive director of the Company or any other member of the Parent Group.

**E Shareholder** means the registered holder(s) for the time being of E Shares.

**E Share Percentage** means 1.5%.

**E Shares** means the E ordinary shares of £0.01 in the capital of the Company.

**Exit** means any of the following events:

- (e) an Asset Sale;
- (f) a Company Sale; and
- (g) a Parent Sale.

**Exit Call Option** has the meaning given to that expression in article 28C(1).

**Exit Call Option Notice** means a notice in writing served on the Minority Shareholder by the Parent in accordance with article 28C notifying the Minority Shareholders of the Parent's requirement that all of the Minority Shares held by each Minority Shareholder are acquired by the Parent or by an Authorised Buyer in accordance with Article 28C.

**Exit Date** means the date of completion of an Exit.

**Exit Notice** has the meaning given to that expression in article 28B.(1).

**Exit Notice Requirements** has the meaning given to that expression in article 28B.(1).

**Exit Percentage** means:

- (a) in the case of a Company Sale, the lower of:
  - (i) the percentage of voting rights in the Company acquired by the Purchaser as a consequence of the Company Sale;
  - (ii) the percentage of the ordinary share capital of the Company of which the Purchaser acquires beneficial ownership, or the ability to control, directly or indirectly, as a consequence of the Company Sale;
  - (iii) the percentage of any distributions that may be made by the Company which the Purchaser is entitled to receive, or has an entitlement to acquire, as a consequence of the Company Sale, and
  - (iv) the percentage of the assets of the Company that the Purchaser is entitled to receive, or has an entitlement to acquire, in the event of the winding up of the Company, or in any other circumstances, as a consequence of the Company Sale.
- (b) in the case of a Parent Sale, the lower of:
  - (i) the percentage of voting rights in the Parent acquired by the Purchaser as a consequence of the Parent Sale;
  - (ii) the percentage of the ordinary share capital of the Parent of which the Purchaser acquires beneficial ownership, or the ability to control, directly or indirectly, as a consequence of the Parent Sale;
  - (iii) the percentage of any distributions that may be made by the Parent which the Purchaser is entitled to receive, or has an entitlement to acquire, as a consequence of the Parent Sale, and
  - (iv) the percentage of the assets of the Parent that the Purchaser is entitled to receive, or has an entitlement to acquire, in the event of the winding up of the Company, or in any other circumstances, as a consequence of the Parent Sale.

**Exit Price** means

- (a) in the event that the Exit is an Asset Sale, the Exit Price payable to a Minority Shareholder for that Minority Shareholders' Minority Shares of a particular class shall be the amount calculated in accordance with the following formula (and for the avoidance of doubt the calculation shall be performed separately in respect of each class of Minority Share held by that Minority Shareholder):

$$X = (A - B) \times C \times D$$

Where:

- X is the amount payable for all that Minority Shareholders' Minority Shares of the particular class, provided that if X is a negative number it shall be deemed to be zero;

- A is the Asset Sale Consideration;
  - B is the relevant Threshold Amount;
  - C is the relevant Minority Share Percentage; and
  - D is the Relevant Proportion applicable to that Minority Shareholder in relation to that Minority Shareholders' Minority Shares of the particular class.
- (b) in the event that the Exit is a Company Sale, the amount calculated in accordance with article 26A(3); and
- (c) in the event that the Exit is a Parent Sale, the Exit Price payable to a Minority Shareholder for that Minority Shareholders' Minority Shares of a particular class shall be the amount calculated in accordance with the following formula (and for the avoidance of doubt the calculation shall be performed separately in respect of each class of Minority Share held by that Minority Shareholder):

$$X = (A - B) \times C \times D$$

Where:

- X is the amount payable for all that Minority Shareholders' Minority Shares of the particular class, provided that if X is a negative number it shall be deemed to be zero;
- A is the Proceeds of Parent Sale;
- B is the relevant Threshold Amount;
- C is the relevant Minority Share Percentage; and
- D is the Relevant Proportion applicable to that Minority Shareholder in relation to that Minority Shareholders' Minority Shares of the particular class.

**Exit Put Option** has the meaning given to that expression in article 28D.(1).

**Exit Put Option Notice** means a notice in writing served on the Parent by a Minority Shareholder in accordance with article 28D notifying the Parent that the Minority Shareholder requires the Parent or an Authorised Buyer to acquire all of the Minority Shares held by that Minority Shareholder in accordance with article 28D.

**Financial Year** has the meaning given to that term in section 390 of the Companies Act.

**F Shareholder** means the registered holder(s) for the time being of F Shares.

**F Share Percentage** means 0.75%.

**F Shares** means the F ordinary shares of £0.01 in the capital of the Company.

**Good Leaver** means an individual who ceases to be an Employee:

- (a) in the case of a B Shareholder, C Shareholder or D Shareholder, three years or more after

the relevant Minority Share Acquisition Date, other than in circumstances where the individual is a Cause Leaver;

- (b) in the case of an E Shareholder, F Shareholder or G Shareholder, on or after 31 December 2024, other than in circumstances where the individual is a Cause Leaver;
- (c) by reason of (i) ill-health or disability (evidenced to the satisfaction of the Board) (except for ill-health or accident which arises as a result of an abuse of alcohol and/or drugs), or (ii) redundancy as defined in the UK Employment Rights Act 1996, or
- (d) who does not fall within paragraphs (a) or (b) above but who is determined by the Board in its absolute discretion to be a Good Leaver.

**Governmental Authority** means any supra-national, national, regional, federal, state, municipal, provincial, regulatory, tax, administrative, or other governmental or quasi-governmental authority, board, commission or agency, including any corresponding foreign agency or any instrumentality or officer acting in an official capacity of any of the foregoing, any court, tribunal or judicial or arbitral body, administrative body, private body or any committee exercising any executive, legislative, regulatory or administrative functions of government with competent jurisdiction, whether local or national.

**Group** the Company and its subsidiaries (if any) from time to time, and “**Group Company**” shall be construed accordingly.

**G Shareholder** means the registered holder(s) for the time being of G Shares.

**G Share Percentage** means 0.75%.

**G Shares** means the G ordinary shares of £0.01 in the capital of the Company.

**inherent conflict** has the meaning given in article 12.

**Member** means a registered holder of a share in the capital of the Company.

**Minority Share Acquisition Date** means, in relation to each separate class of Minority Shares held by a Minority Shareholder, the date on which that Minority Shareholder first acquired Minority Shares of that class.

**Minority Shareholders** means the B Shareholder(s), C Shareholder(s), D Shareholder(s), E Shareholder(s), F Shareholder(s), and G Shareholder(s).

**Minority Share Percentage** mean, as applicable, the B Share Percentage, the C Share Percentage, the D Share Percentage, the E Share Percentage, the F Share Percentage, or the G Share Percentage

**Minority Shares** means the B Shares, C Shares, D Shares, E Shares, F Shares, and G Shares.

**New Holding Company** means a company which has obtained a Controlling Interest in the Parent in circumstances where 51% or more of the voting rights attaching to the New Holdings Company's ordinary shares are held in the same proportion by the same persons who previously had Control of the Parent.

**Ordinary Shareholder** means the registered holder(s) for the time being of Ordinary Shares.

**Ordinary Shares** means the ordinary shares of £1.00 in the capital of the Company.

**Parent** means the holder of the majority of the Ordinary Shares or any New Holding Company.

**Parent Group** means the Company, the Parent and any other body corporate which is a subsidiary of the Parent from time to time, and “**Parent Group Company**” shall be construed accordingly.

**Parent Group EBITDA** means the aggregate of the EBITDA figures of the Parent Group, as set out in the Parent’s audited accounts or, if no such figure is set out in the Parent’s audited accounts for any year, as determined by the Parent on a basis consistent with the accounting principles, practices, policies, treatments and methods as used in the Parent’s accounts.

**Parent Member** means a registered holder of a share in the capital of the Parent.

**Parent Sale** means the acquisition, whether through a single transaction or a series of transactions, by a Purchaser other than a New Holding Company, of a Controlling Interest in the Parent.

**Parent Shares** means a share of any class in the capital of the Parent.

**Proceeds of Company Sale** means

- (a) where the proposed Company Sale involves the acquisition of 100% of the issued share capital of the Company, the aggregate value of the consideration to be received (including the present value of any deferred consideration) by the Members in consideration of the transfer of their shares in the proposed Company Sale, less the amount of all costs (including but not limited to legal and other professional fees) incurred in connection with the proposed Company Sale, or
- (b) where the proposed Company Sale involves the acquisition of less than 100% of the issued share capital of the Company, the amount determined in accordance with the following formula:

$$X = \frac{A}{B}$$

Where:

X is the Proceeds of Company Sale;

A is the aggregate value of the consideration to be received (including the present value of any deferred consideration) by the Sellers in consideration of the transfer of their Ordinary Shares in the proposed Company Sale, less the amount of all costs (including but not limited to legal and other professional fees) incurred in connection with the proposed Company Sale; and

B is the Exit Percentage.

**Proceeds of Parent Sale** means

- (a) where the proposed Parent Sale involves the acquisition of 100% of the issued share capital of the Parent, the aggregate value of the consideration to be received (including the present value of any deferred consideration) by the Parent Members in consideration of the transfer of their shares in the proposed Parent Sale, less the amount of all costs (including but not limited to legal and other professional fees) incurred in connection with the proposed Parent Sale, or
- (b) where the proposed Parent Sale involves the acquisition of less than 100% of the issued share

capital of the Parent, the amount determined in accordance with the following formula:

$$X = \frac{A}{B}$$

Where:

X is the Proceeds of Parent Sale;

A is the aggregate value of the consideration to be received (including the present value of any deferred consideration) by relevant Parent Members in consideration of the transfer of their shares in the Parent in the proposed Parent Sale, less the amount of all costs (including but not limited to legal and other professional fees) incurred in connection with the proposed Parent Sale; and

B is the Exit Percentage.

**Purchaser** means a bona fide arm's length purchaser, or bona fide arm's length purchasers Acting in Concert with each other.

**Regulatory Body** means any Governmental Authority that is concerned with the oversight or regulation of the business of any Parent Group Company, including (without limitation) the Financial Conduct Authority of the United Kingdom.

**relevant situation** has the meaning given in article 13.

**Relevant Proportion** means the proportion that a Minority Shareholder's holding of Minority Shares of a particular class bears to the aggregate number of Minority Shares of that class in issue.

**Seller** means an Ordinary Shareholder who proposes to transfer Ordinary Shares in a proposed Company Sale.

**share** means a share of any class in the capital of the Company.

**Threshold Amount** means:

- (a) in relation to the B Shares, £39,000,000,
- (b) in relation to the C Shares, £37,800,000,
- (c) in relation to the D Shares, £32,175,000,
- (d) in relation to the E Shares, £30,000,000,
- (e) in relation to the F Shares, £30,000,000,
- (f) in relation to the G Shares, £30,000,000,

in each case plus any amounts subscribed after date the amended articles are adopted for Ordinary Shares or for Parent Shares.

**Transfer Event** means the earlier of:

- (a) a Minority Shareholder ceasing to be an Employee for any reason,



- (b) a Minority Shareholder becoming bankrupt, and
- (c) the death of a Minority Shareholder.

**transmittee** means a person entitled to a share by reason of the death or bankruptcy of a Member or otherwise by operation of law.

- (2) Unless the contrary intention appears, words importing the singular number include the plural number and vice versa, words importing one gender include all genders and words importing persons include bodies corporate and unincorporated associations.
- (3) Headings to the articles are inserted for convenience only and shall not affect construction.
- (4) Model Article 1 shall be amended accordingly.

#### 4. **Liability of Members**

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

### **UNRESTRICTED OBJECTS**

- 5. Nothing in these articles shall constitute a restriction on the objects of the company to do (or omit to do) any act and, in accordance with section 31(1) of the Companies Act, the company's objects are unrestricted.

### **DIRECTORS**

#### 6. **Directors' duties**

- (1) The purpose of the company
  - (a) may, if and to the extent that the directors consider it appropriate, and
  - (b) shall, if directed by the holders of the majority of the shares by notice in writing to the company,

include promoting the success of the Parent Group as a whole or of any one or more Parent Group Companies.

- (2) In the exercise of his duties, a director shall not be restricted by any duty of confidentiality to the company from providing information regarding the company to a holding company of the company but a director who is also a director of any holding company of the company shall owe a strict duty of confidentiality to that holding company in relation to confidential information of the holding company.

#### 7. **Unanimous decisions**

Model Article 8 shall be amended by the deletion of paragraph (3) and the re-numbering of existing paragraph (4) as new paragraph (3).

#### 8. **Participation in directors' meetings**

Model Article 10(3) shall be amended by inserting after the first sentence, the sentence "In the absence of such a decision, the meeting is deemed to take place at the location from where the

chairman participates".

**9. Quorum for directors' meetings**

- (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 subject to paragraph (3), it must never be less than two eligible directors, and unless otherwise fixed it is two eligible directors.
- (3) For the purpose of any directors' meeting (or part of a meeting) held in accordance with article 12 to authorise a director's conflict of interest, if only one eligible director is in office, the quorum is one eligible director.
- (4) If the total number of directors for the time being in office is less than the quorum required, the director or directors in office 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.
- (5) Model Article 12(4) shall be amended accordingly.

**10. Chairing of directors' meetings**

Model Article 12(4) shall apply as if the word "may" is substituted for the word "must".

**DIRECTORS' INTERESTS**

**11. Directors' interests in relation to transactions or arrangements with the company**

The relevant provisions of the Companies Act (including, without limitation, sections 177 and 182 of the Companies Act) shall apply in relation to declarations of interests in proposed and existing transactions or arrangements with the company.

**12. Inherent conflicts**

- (a) An inherent conflict is a situation where a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company in circumstances where that situation arises as a direct or indirect result of the director's relationship with the shareholder who appointed him (or any of that shareholder's subsidiaries).
- (b) A director is authorised to have an interest which constitutes an inherent conflict.
- (c) A director who is subject to an inherent conflict may, subject to Article 14, vote as a director (and be counted in the quorum) on a decision concerning any such situation and attend a meeting, or participate in any discussion, relating to that situation and receive information or advice received by the Company on such situation.
- (d) Any reference in paragraph (a) to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

13. **Directors' interests other than in relation to transactions or arrangements with the Company**

- (a) If a situation other than one relating to an inherent conflict (a **relevant situation**) arises in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (which shall include, without limitation, in relation to the authorisation of any entering into, amendment or termination of any services agreement between the Company (or any other Parent Group Company) and any director, the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest) the following provisions shall apply if the conflict of interest does not arise in relation to a transaction or arrangement with the Company)

- (i) if the relevant situation arises from the appointment or proposed appointment of a person as a director of the Company

(A) the directors (other than any director in relation to whom the relevant situation arises, who shall not (i) attend any meeting to discuss or participate in any discussion of that matter, (ii) receive any information or advice received by the Company on such matter, or (iii) vote in relation to such matter), or

(B) the shareholders (by ordinary resolution or by notice in writing given to the Company by the holders of a majority of the shares of the Company, other than any shareholder that has an interest in the relevant situation),

may resolve to authorise the appointment of the director and the relevant situation on such terms as they may determine,

- (ii) if the relevant situation arises in circumstances other than in sub-paragraph (i)

(A) the directors (other than any director in relation to whom the relevant situation arises, who shall not (i) attend any meeting to discuss or participate in any discussion of that matter, (ii) receive any information or advice received by the Company on such matter, or (iii) vote in relation to such matter), or

(B) the shareholders (by ordinary resolution or by notice in writing given to the Company by the holders of a majority of the shares of the Company, other than any shareholder that has an interest in the relevant situation),

may resolve to authorise the relevant situation and the continuing performance by the director of his duties on such terms as they may determine.

- (b) Any reference in paragraph (a) to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

- (c) Any terms determined by the directors or the shareholders (other than any director and/or shareholder with an interest in the relevant situation) under sub-paragraphs (a)(i) or (a)(ii) may be imposed at the time of the authorisation or may be imposed or varied subsequently by either the directors or the shareholders (other than any director and/or shareholder with an interest in the relevant situation) and may include (without limitation)

- (i) whether the interested directors may vote (and be counted in the quorum at any meeting) in relation to any decision relating to the relevant situation, and

- (ii) (without prejudice to the general obligations of confidentiality) the application to the interested directors of a strict duty of confidentiality to the Company for any confidential information of

the Company in relation to the relevant situation.

- (d) Any authorisation given under sub-paragraphs (a)(i) or (a)(ii) may be withdrawn by either the directors or the shareholders (other than any director and/or shareholder with an interest in the relevant situation) by giving notice to the director concerned.
- (e) An interested director must act in accordance with any terms determined by the directors or the shareholders (other than any director and/or shareholder with an interest in the relevant situation) under sub-paragraphs (a)(i) or (a)(ii).
- (f) Except as specified in paragraph (a), any proposal made to the directors and any authorisation by the directors in relation to a relevant situation shall be dealt with in the same way as any other matter may be proposed to and decided by the directors in accordance with the Articles.
- (g) Any authorisation of a relevant situation given by the directors or the shareholders under paragraph (a) may provide that, where the interested director obtains (other than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence.
- (h) If the shareholders (other than any shareholder with an interest in the relevant situation) make an authorisation under paragraph (a), impose or vary the terms of an authorisation under paragraph (c), or withdraw an authorisation under paragraph (d), they shall, as soon as reasonably practicable, notify the directors of this fact and provide, where applicable, any relevant particulars regarding the authorisation or its terms.
- (i)
  - (i) A director shall, as soon as reasonably practicable, declare the nature and extent of his interest in a relevant situation within sub-paragraph (a)(i) or (a)(ii) to the other directors and the shareholders  
  
Failure to comply with this requirement does not affect the underlying duty to make the declaration of interest.
  - (ii) If a declaration of interest in relation to a relevant situation proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.

#### **14. Directors' interests generally and voting**

- (a) Subject to the Companies Act and to Articles 11 and 13, a director notwithstanding his office
  - (i) may be a party to, or otherwise interested or participate in, any transaction or arrangement, with the Company or in which the Company is otherwise interested,
  - (ii) may act by himself or his firm in a professional capacity for the Company (except as auditor) and he or his firm shall be entitled to remuneration as if he were not a director,
  - (iii) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested, and,
  - (iv) shall not, by reason of his office (or of the fiduciary relationship established by holding that office), be accountable to the Company for any remuneration, profit or other benefit resulting from any inherent conflict authorised under Article 12, any relevant situation authorised under

Article 13 or any interest permitted under sub-paragraphs (a)(i), (a)(ii) or (a)(iii) above, and no contract, transaction or arrangement shall be liable to be avoided on the grounds of any Director having an interest authorised under Article 12, Article 13 or permitted under sub-paragraphs (a)(i), (a)(ii) or (a)(iii) above.

- (b) Subject to Articles 11 and 13 and to paragraph (c) below, a director shall be entitled to vote on any decision concerning any matter in which he has, directly or indirectly, an interest or a duty.
- (c) The provisions of paragraph (b) shall not apply if or to the extent that any matter to be decided upon by the directors relates to
  - (i) the Company or any of its subsidiaries enforcing rights under or taking any action against the relevant Shareholder in relation to any matter arising under any agreement from time to time entered into between the Company or any of its subsidiaries and a shareholder,
  - (ii) the Company defending itself against any action taken against it by the relevant shareholder,
  - (iii) the Company taking any action against a director appointed by the relevant shareholder in relation to any (or any alleged) breach of duty by that director, or
  - (iv) the Company defending itself against any action taken against it by a director appointed by the relevant shareholder.

In those circumstances, the director appointed by the relevant shareholder shall not be entitled to

- (i) attend any meeting to discuss or participate in any discussion of that matter,
    - (ii) receive information or advice received by the Company on such matter, or
    - (iii) vote (or be counted in the quorum at any meeting) in relation to such matter.
  - (d) In the case of an alternate director, an interest of his appointor shall be treated as an interest of the alternate in addition to any interest which the alternate otherwise has.
15. Subject to the Companies Act, the Company may, by ordinary resolution or by notice in writing given to the Company by the holders of a majority of the shares of the Company, other than any shareholder that has an interest in any relevant situation, suspend or relax the provisions of this Article to any extent or ratify any contract, transaction or arrangement not duly authorised by reason of a contravention of this Article.

**16. Appointment and termination of appointments of directors by majority shareholders**

The holders of the majority of the shares may appoint any person as a director and may remove any director. Any appointment or removal shall be made by notice in writing to the company signed by the holders or on their behalf and shall take effect when it is lodged at the registered office or produced at any directors' meeting. Model Articles 17 and 18 shall be amended accordingly.

**17. Directors' services and remuneration**

- (1) Subject to Article 13, Directors may undertake any services for the company that the directors decide and the company may enter into a contract of service with any director on such terms as the directors think fit.

- (2) Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of contract of service between the director and the company.
- (3) 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.
- (4) Subject to the articles, a director's remuneration may take any form.
- (5) Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- (6) Model Article 19 shall be amended accordingly.

#### 18. **Directors' expenses**

Model Article 20 shall be amended by inserting in the first line the words ", alternate directors and the company secretary (if any)" after the word "directors".

#### 19. **Directors' pension and other benefits**

The directors may exercise all the powers of the company to

- (a) pay, provide, arrange or procure the grant of pensions or other retirement benefits, death, disability or sickness benefits, health, accident and other insurances or other such benefits, allowances, gratuities or insurances, including in relation to the termination of employment, to or for the benefit of any person who is or has been at any time a director of the company or in the employment or service of the company or of any body corporate which is or was associated with the company or of the predecessors in business of the company or any such associated body corporate, or the relatives or dependants of any such person. For that purpose, the directors may procure the establishment and maintenance of, or participation in, or contribution to, any pension fund, scheme or arrangement and the payment of any insurance premiums,
- (b) establish, maintain, adopt and enable participation in any profit sharing or incentive scheme including shares, share options or cash or any similar schemes for the benefit of any director or employee of the company or of any associated body corporate, and to lend money to any such director or employee or to trustees on their behalf to enable any such schemes to be established, maintained or adopted, and
- (c) support and subscribe to any institution or association which may be for the benefit of the company or associated body corporate or any directors or employees of the company or associated body corporate or their relatives or dependants or connected with any town or place where the company or an associated body corporate carries on business, and to support and subscribe to any charitable or public object whatsoever.

### **ALTERNATE DIRECTORS**

#### 20. **Appointment and removal of directors**

- (1) Any director (the appointor) may appoint as an alternate any other director, or any other person to
  - (a) exercise that director's powers, and

(b) carry out that director's responsibilities

in relation to the taking of decisions by the directors in the absence of the alternate's appointor.

- (2) Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.
- (3) The notice must.
  - (a) identify the proposed alternate, and
  - (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

## **21. Rights and responsibilities of alternate directors**

- (1) Subject to the articles, an alternate may act as an alternate director to more than one director and has the same rights, in relation to any decision of the directors as the alternate's appointor.
- (2) Except as the articles specify otherwise, alternate directors
  - (a) are deemed for all purposes to be directors,
  - (b) are liable for their own acts and omissions,
  - (c) are subject to the same restrictions as their appointors, and
  - (d) are not deemed to be agents of or for their appointors,

and, in particular, each alternate director shall be entitled to receive notice of all directors' meetings and of all committee meetings of directors of which his appointor is a member.

- (3) Subject to the articles, a person who is an alternate director but not a director
  - (a) may be counted as participating for the purposes of determining whether a quorum is present, (but only if that person's appointor is not participating), and
  - (b) may otherwise participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision and is not participating).

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

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

## **22. Alternates voting at directors' meetings**

Subject to the articles, a director who is also an alternate director has an additional vote at a directors' meeting on behalf of each appointor who is

- (a) not participating in the directors' meeting, and
- (b) would have been an eligible director if he were participating in it.

No alternate may be counted as more than one director for the purpose of determining whether a quorum is present.

**23. Termination of alternate directorship**

An alternate director's appointment as an alternate terminates

- (a) when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate,
- (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,
- (c) on the death of the alternate's appointor,
- (d) when the alternate's appointor's appointment as a director terminates, or
- (e) where the directors otherwise decide.

**COMPANY NAME**

**24. Directors' power to change company name**

The directors may change the name of the company.

**SHARES AND DISTRIBUTIONS -SHARES**

**25. Powers to allot shares**

- (1) In accordance with section 550 of the Companies Act, the directors may exercise any power of the company to allot shares or to grant rights to subscribe for or convert any security into shares with such rights and restrictions as they may determine.
- (2) Subject to the articles, but without prejudice to paragraph (1) or to the rights attached to any existing share, the company may issue further classes of shares with such rights or restrictions as may be determined by ordinary resolution.
- (3) Sections 561 and 562 of the Companies Act are excluded.
- (4) 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.
- (5) In the event that rights and restrictions attaching to shares are determined by ordinary resolution or by the directors pursuant to this article, those rights and restrictions shall apply, in particular in place of any rights or restrictions that would otherwise apply by virtue of the Companies Act in the absence of any provisions in the articles of a company, as if those rights and restrictions were set out in the articles.

**26. Share certificates**

Model Article 24(5)(a) shall be amended by the insertion of the following words "or official seal and in the case of an official seal, unless otherwise determined by the directors, the certificate does not need to be signed" after the words "common seal".



## 26A. Share Classes

The Minority Shares shall rank pari passu in all respects with the Ordinary Shares save that:

### (1) As regards income

Any distributions or dividends shall be paid:

- (a) As to the relevant Minority Share Percentage of the distribution or dividend, to the holders of Minority Shares of each class on a pro rata basis according to the number of Minority Shares of that particular class held by them, and
- (b) As to the remaining balance of the distribution or dividend, to the holders of Ordinary Shares on a pro rata basis according to the number of Ordinary Shares held by them.

### (2) As regards capital

On a winding up of the Company, the assets of the Company available for distributions amongst the Members after payment of its liabilities (the “**Distributable Assets**”) shall be applied in the following manner and order of priority:

- (a) First in paying to each Minority Shareholder in respect of that Minority Shareholders’ Minority Shares of a particular class the amount calculated in accordance with the following formula (and for the avoidance of doubt the calculation shall be performed separately in respect of each class of Minority Share held by that Minority Shareholder):

$$X = (A - B) \times C \times D$$

Where:

- X is the amount payable to the Minority Shareholder in respect of that Minority Shareholders’ Minority Shares of the particular class, provided that if X is a negative number it shall be deemed to be zero;
- A is the Distributable Assets;
- B is the relevant Threshold Amount;
- C is the relevant Minority Share Percentage; and
- D is the Relevant Proportion applicable to that Minority Shareholder in relation to that Minority Shareholders’ Minority Shares of the particular class; and

- (b) The balance (if any) of such assets shall be distributed to the Ordinary Shareholders on a pro rate basis according to the number of Ordinary Shares held by them.

### (3) As regards the Proceeds of Company Sale

- (a) First in paying to each Minority Shareholder, as consideration for the sale of all of that Minority Shareholder’s Minority Shares of a particular class, the amount calculated in accordance with the following formula (and for the avoidance of doubt the calculation shall be performed separately in respect of each class of Minority Share held by that Minority Shareholder):

$$X = (A - B) \times C \times D$$

Where:

- X is the amount payable to the Minority Shareholder in respect of that Minority Shareholders' Minority Shares of the particular class, provided that if X is a negative number it shall be deemed to be zero;
- A is the Proceeds of Company Sale;
- B is the relevant Threshold Amount;
- C is the relevant Minority Share Percentage;
- D is the Relevant Proportion applicable to that Minority Shareholder in relation to that Minority Shareholders' Minority Shares of the particular class; and

(b) The balance (if any) of Proceeds of Company Sale shall be distributed to the Ordinary Shareholders on a pro rate basis according to the number of Ordinary Shares held by them.

(4) As regards voting

Without prejudice to article 26B.(1), the Minority Shares shall not entitle the Minority Shareholders to vote at any general meeting of the Company, but shall entitle the Minority Shareholders to receive prior written notice of any general meeting of the Company.

#### **26B Amendment of share rights**

- (1) Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, only with the consent in writing of the holders of more than three-quarters of the issued shares of that class. The provisions of these articles relating to general meetings shall apply, with the necessary modifications, to any separate general meeting of the holders of shares of a class. For this purpose, a separate general meeting at which no holder of a share other than an Ordinary Share may, in his capacity as a member, attend or vote shall also constitute a separate general meeting of the holders of the Ordinary Shares.
- (2) The rights conferred upon the holders of Minority Shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of Ordinary Shares, the issue of further Minority Shares or by the purchase or redemption by the Company of its own shares.
- (3) In the event that the Threshold Amount is increased after date the amended articles are adopted by any amounts subscribed for Ordinary Shares or for Parent Shares, the Board shall notify the Minority Shareholders of the increased Threshold Amount as soon as reasonably practicable thereafter.

#### **27. Share transfers**

- (1) Model Article 26 shall be amended by the deletion of the existing paragraph (5) and the insertion in its place of the following new paragraph (5)

"(5) The directors may refuse to register the transfer of a share unless

- (a) it is lodged at the registered office or at such place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer,

(b) it is in respect of one class of shares only, and

(c) it is in favour of not more than four transferees"

(2) Notwithstanding any other provision contained in these articles or the Model Articles, the directors shall not decline to register any transfer of shares, nor may they suspend such registration, where such transfer is

- (a) to any bank or institution to which such shares have been mortgaged or charged by way of security (whether as lender, or agent and trustee for a group of banks or institutions or otherwise) (a "**Secured Party**"), or to any nominee of such Secured Party, pursuant to any such security, executed by a Secured Party or as nominee pursuant to the power of sale or other power under any such security, or
- (b) executed by a Secured Party or its nominee pursuant to the power of sale or other power under such security, or
- (c) is executed by a receiver or manager by or on behalf of any Secured Party or its nominee, under any such security,

and furthermore, notwithstanding anything to the contrary contained in these articles or the Model Articles, (i) no transferor of any shares in the Company (or proposed transferor of such shares) to a Secured Party or to its nominee, (ii) no Secured Party or its nominee, and (iii) no receiver or manager appointed by or on behalf of a Secured Party or its nominee, shall be required to offer the shares which are or are to be the subject of any such transfer to any of the shareholders for the time being of the Company, and no such shareholder shall have any right under these articles or otherwise howsoever to require such shares to be transferred to them whether for consideration or not.

(3) Unless agreed in writing by the Parent in its absolute discretion from time to time, each Minority Shareholder shall not:

- (a) mortgage, charge (whether by way of fixed or floating charge), pledge or otherwise encumber the legal or beneficial (as the case may be) title to his Minority Shares or any interest in them;
- (b) otherwise than as expressly permitted by these articles, sell, transfer or otherwise dispose of the legal or beneficial (as the case may be) title to any of his Minority Shares or any interest in them;
- (c) enter into any agreement in respect of the rights attached to his shares; or
- (d) agree, whether or not subject to any condition precedent or subsequent, to do any of the foregoing.

(4) Notwithstanding anything contained in these articles or the Model Articles, the Company and the directors shall not be entitled to exercise any lien which the Company may have in respect of any shares which have been mortgaged or charged by way of security to a Secured Party.

## 28. **Transmittees bound by prior notices**

If a notice is given to a shareholder in respect of shares and a transmittee (or a transferee nominated by such transmittee pursuant to Model Article 28) is entitled to those shares, the transmittee (or transferee) is bound by the notice if it was given to the shareholder before the transmittee's (or transferee's) name has been entered in the register of members. Model Article 29 shall be amended accordingly.

## 28A. Compulsory Transfers

- (1) The Board shall as soon as reasonably practicable following a Transfer Event serve a written notice (the “**Compulsory Sale Notice**”) on the relevant Minority Shareholder (including for the avoidance of doubt a Minority Shareholder’s transmittee) in respect of all Minority Shares held by that Minority Shareholder. The Minority Shareholder shall, within 10 business days of the Compulsory Sale Notice transfer all Minority Shares held by such Minority Shareholder to such other shareholder or such other persons as the Board may direct for the consideration determined in accordance with Article 28A.(2).
- (2) The price payable for the Minority Shares under the Compulsory Sale Notice shall be calculated in accordance with the following provisions of this Article 28A.(2).
  - (a) Where the Transfer Event is (i) the Minority Shareholder ceasing to be an Employee in circumstances where the Minority Shareholder is a Good Leaver in relation to a class of Minority Shares, or (ii) the death of the Minority Shareholder, the aggregate price payable for all the Minority Shareholders’ Minority Shares of a particular class shall be the amount calculated in accordance with the following formula (and for the avoidance of doubt the determination as to whether a Minority Shareholder is a Good Leaver in relation to a particular class of Minority Shares shall be made, and the calculation below shall be performed, separately in respect of each class of Minority Share held by that Minority Shareholder):

$$X = (A - B) \times C \times D$$

Where:

- X is the price payable for all that Minority Shareholders’ Minority Shares of the particular class, provided that if X is a negative number it shall be deemed to be zero,
  - A is the Company Value,
  - B is the relevant Threshold Amount,
  - C is the relevant Minority Share Percentage, and
  - D is the Relevant Proportion applicable to that Minority Shareholder in relation to that Minority Shareholders’ Minority Shares of the particular class.
- (b) Where the Transfer Event is (i) the Minority Shareholder ceasing to be an Employee in circumstances where the Minority Shareholder is a Bad Leaver in relation to a class of Minority Shares, or (ii) where the Minority Shareholder has become bankrupt, the aggregate price payable for all of that Minority Shareholder’s Minority Shares shall be the lower of the amount calculated under Article 28A.(2)(a) and the Acquisition Cost of that Minority Shareholder’s Minority Shares.

## 28B Exit

- (1) The Parent shall notify each Minority Shareholder in writing (the “**Exit Notice Requirements**”) within 30 business days of becoming aware that an Exit is likely to take place (the “**Exit Notice**”).
- (2) No Exit which is a Company Sale shall be effected (and the directors shall refuse to register any transfer of shares in connection with a Company Sale) unless (i) an Exit Notice has been validly served in accordance with the Exit Notice Requirement as least 30 days prior to the date of such Company Sale being effected and (ii) if any Exit Call Option Notice has been served pursuant to Article 28C or any

Exit Put Option Notice has been served pursuant to article 28D, the transfer of all Minority Shares that are the subject of each such Exit Call Option Notice or Exit Put Option Notice has first been completed pursuant to and in accordance with Article 28C or Article 28D (as the case may be).

#### **28C Exit Call Option**

- (1) Notwithstanding the provisions of article 28D, following the circulation of an Exit Notice in accordance with article 28B.(1), the Parent shall have the right (conditional upon completion of the Exit) to require that all of the Minority Shares held by each Minority Shareholder shall be transferred to the Parent (or an Authorised Buyer) (“**Exit Call Option**”) in consideration for payment of the Exit Price in respect of such Minority Shares held by each Minority Shareholder.
- (2) An Exit Call Option shall be exercisable by the Parent following the circulation of an Exit Notice by serving an irrevocable Exit Call Option Notice on all Minority Shareholders within 20 business days of the date of circulation, in respect of all of the Minority Shares held by each Minority Shareholder whereupon each Minority Shareholder shall sell and the Parent (or an Authorised Buyer) shall purchase such Minority Shares free from all liens, charges and encumbrances together with all rights attaching to them in accordance with these articles (including, without limitation) article 28C.(3).
- (3) Completion of the transfer of such Minority Shares shall take place at the registered office of the Company (or at such other place as the parties shall mutually agree in writing) on the Exit Date, when:
  - (a) the Parent (or an Authorised Buyer) shall, subject to Article 28E, pay or procure the payment to each Minority Shareholder of the Exit Price in respect of the Minority Shares held by each Minority Shareholder;
  - (b) each Minority Shareholder shall deliver to the Parent (or an Authorised Buyer):
    - (i) duly executed stock transfer forms in respect of such Minority Shares together with the relevant share certificates (or an indemnity in respect of any lost or destroyed share certificates in such form as the Parent may reasonably require); and
    - (ii) such other deeds and documents as are necessary to transfer to the Parent (or an Authorised Buyer) the unencumbered legal ownership of the relevant Minority Shares. For the avoidance of doubt, no Minority Shareholder shall be required to give any warranties or indemnities in any such transfer document(s) beyond customary warranties relating to his title to and capacity to sell the relevant Minority Shares.

#### **28D Exit Put Option**

- (1) Each Minority Shareholder shall be entitled to require the Parent (or an Authorised Buyer) to purchase from such Minority Shareholder (conditional upon completion of the Exit) all of the Minority Shares held by such Minority Shareholder at a price equal to the Exit Price prevailing at the time such Minority Shareholder exercises such right in accordance with article 28D.(2) (the “**Exit Put Option**”).
- (2) The Exit Put Option shall be exercisable by each Minority Shareholder following the circulation of an Exit Notice, by serving an irrevocable Exit Put Option Exercise Notice on the Parent within 20 business days of the date of circulation, in respect of all of the Minority Shares held by such Minority Shareholder(s) whereupon those Minority Shareholder(s) shall sell and the Parent (or an Authorised Buyer) shall purchase such Minority Shares free from all liens, charges and encumbrances together with all rights attaching to them in accordance with these articles (including, without limitation) article 28D.(3).
- (3) Completion of the transfer of such Minority Shares shall take place at the registered office of the Company (or at such other place as the parties shall mutually agree in writing) on the Exit Date, when.

- (a) the Parent (or an Authorised Buyer) shall, subject to Article 28E, pay or procure the payment to each Minority Shareholder of the Exit Price in respect of the Minority Shares held by each Minority Shareholder; and
- (b) each Minority Shareholder shall deliver to the Parent (or an Authorised Buyer):
  - (i) duly executed stock transfer forms in respect of such Minority Shares together with the relevant share certificates (or an indemnity in respect of any lost or destroyed share certificates in such form as the Parent may reasonably require); and
  - (ii) such other deeds and documents as are necessary to transfer to the Parent (or an Authorised Buyer) the unencumbered legal ownership of the relevant Minority Shares. For the avoidance of doubt, no Minority Shareholder shall be required to give any warranties or indemnities in any such transfer document(s) beyond customary warranties relating to his title to and capacity to sell the relevant Minority Shares.

## **28E Payment of Exit Price**

- (1) The Parent (or the Authorised Buyer) may, in its absolute discretion, choose to pay the Exit Price to each of the Minority Shareholders in three instalments:
  - (a) on the Exit Date, the lower of:
    - (i) the Exit Price, and
    - (ii) and amount which is the sum of (a) the higher of (i) one third of the Exit Price and (ii) that Minority Shareholder's Acquisition Cost, and (b) the tax liability of that Minority Shareholder arising as a consequence of the sale of that Minority Shareholder's Minority Shares; and
  - (b) as to half of any remaining balance of the Exit Price, subject to Article 28E.(2), on the first anniversary of the Exit Date; and
  - (c) as to the remaining balance of the Exit Price, subject to Article 28E.(2), on the second anniversary of the Exit Date.
- (2) In the event that a Minority Shareholder is a Cause Leaver between the Exit Date and the second anniversary of the Exit Date, that Minority Shareholder shall forfeit any right to receive the payments otherwise due to that Minority Shareholder under Article 28E.(1)(b) and (c).
- (3) The balance of the Exit Price remaining outstanding after the Exit Date shall accrue interest at a rate of fifteen (15) percent per annum, which shall be paid to the Minority Shareholder at the same time as the corresponding instalment of the Exit Price.

## **SHARE BUYBACKS**

### **29. Buybacks out of capital**

The company may purchase its own shares in accordance with (and up to the maximum limits set out in section 692(1ZA) of the Companies Act.

## **DECISION-MAKING BY SHAREHOLDERS – ORGANISATION OF GENERAL**

## MEETINGS

### 30. Notice of general meeting

A shareholder present either in person or by proxy, at any general meeting of the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which the meeting, was convened.

### 31. Chairing general meetings

Model Article 39(2) shall be amended by the insertion of the following words "(including a proxy or a corporate representative)" after the word "shareholder".

### 32. Content of proxy notices

Model Article 45(1)(d) shall be amended by the insertion of the words "(or adjourned meeting)" after the word "meeting".

## ADMINISTRATIVE ARRANGEMENTS

### 33. When a communication from the company is deemed received

- (1) Any document or information, if sent by first class post, shall be deemed to have been received on the day following that on which the envelope containing it is put into the post, or, if sent by second class post, shall be deemed to have been received on the second day following that on which the envelope containing it is put into the post and in proving that a document or information has been received it shall be sufficient to prove that the letter, envelope or wrapper containing the document or information was properly addressed, prepaid and put into the post.
- (2) Any document or information not sent by post but left at a registered address or address at which a document or information may be received shall be deemed to have been received on the day it was so left.
- (3) Any document or information, if sent or supplied by electronic means, shall be deemed to have been received on the day on which the document or information was sent or supplied by or on behalf of the company.
- (4) If the company receives a delivery failure notification following a communication by electronic means in accordance with paragraph (3), the company shall send or supply the document or information in hard copy or electronic form (but not by electronic means) to the shareholder either personally or by post addressed to the shareholder at his registered address or by leaving it at that address. This shall not affect when the document or information was deemed to be received in accordance with paragraph (3).
- (5) Where a document or information is sent or supplied by means of a website, it shall be deemed to have been received
  - (a) when the material was first made available on the website, or
  - (b) if later, when the recipient was deemed to have received notice of the fact that the material was available on the website.
- (6) Every person who becomes entitled to a share shall be bound by every notice in respect of that share which before his name is entered in the register of members was given to the person from whom he derives his title to the share.

**34. Notices in writing given to the company by majority shareholders**

Any notice in writing given to the company by the holders of a majority of the shares shall take effect when it is lodged at the registered office or produced to any directors' meeting.

**35. Company seals**

Model Article 49 shall be amended by the insertion of the following words at the end of paragraph (1) "or of a committee of the directors" and the insertion of the following new paragraph (5)

"(5) The company may exercise the powers conferred by the Companies Act with regard to having official seals and those powers shall be vested in the directors. Subject to the Companies Act, any instrument to which an official seal is affixed shall be signed by such persons, if any, and affixed in such manner as the directors may from time to time determine."

**WINDING UP**

**36. Winding up**

If the company is wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Companies Act, divide among the shareholders *in specie* the whole or any part of the assets of the company and may, for that purpose, value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the shareholders as he with like sanction determines, but no shareholder shall be compelled to accept any assets upon which there is liability.

**DIRECTORS' INDEMNITY**

**37. Indemnity**

- (1) Subject to paragraph (5), a relevant director of the company or of 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 articles 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),
  - (c) any other liability incurred by that director as an officer of the company or an associated company.
- (2) The company may fund the expenditure of a relevant director of the company or of any associated company for the purposes permitted under the Companies Act and may do anything to enable such relevant director to avoid incurring such expenditure as provided in the Companies Act.
- (3) No relevant director of the company or of any associated company shall be accountable to the company or the shareholders for any benefit provided pursuant to this article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the company.
- (4) The powers given by this article shall not limit any general powers of the company to grant indemnities, purchase and maintain insurance or provide funds (whether by way of loan or otherwise) to any person



in connection with any legal or regulatory proceedings or applications for relief.

- (5) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Act or by any other provision of law.
- (6) In this article
  - (a) companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate,
  - (b) a **relevant director** means any director or former director of the company or of an associated company.
- (7) Model Article 52 shall be amended accordingly.