

COMPANY NUMBER 10899906

**THE COMPANIES ACT 2006
PRIVATE COMPANIES LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION
OF
GREAT SUTTON LIMITED**

(Adopted by special resolution passed on 10 September 2020)



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PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

GREAT SUTTON LIMITED

(Incorporated in England and Wales under registered no. 10899906)

(Adopted by Special Resolution passed on

2020)

1 Model Articles

- 1.1 The Model Articles shall apply to the Company, except insofar as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 1.2 The whole of Model Articles 6(2), 7, 8, 9 (1) and (3), 11 (2) and (3), 13, 14(1), 14(2), 14(3), 14(4), 14(5), 16, 17, 18, 26(5), 43, 44(2), 50, 51, 52 and 53 shall not apply to the Company.

2 Definitions and Interpretation

- 2.1 In these Articles, unless the context otherwise requires, the following expressions shall have the following meanings:

Allocation Notice	shall be as defined in Article 15.11;
Applicant	shall be as defined in Article 15.11;
Articles	means these articles of association of the Company as constituted under Article 1.1 (as amended from time to time);
Board	means the board of directors of the Company from time to time;
Business Day	means a day, other than a Saturday, Sunday or public holiday, on which clearing banks are open for non-automated commercial business in the City of London;
Companies Act	means the Companies Act 2006;
Company	means Great Sutton Limited, registered number 10899906;
Consideration	shall be as defined in Article 15.11;
Continuing Shareholder	shall be as defined in Article 15.6;
Deemed Transfer Notice	a Transfer Notice that is deemed to have been served under any provisions of these Articles;
Director	means a director of the Company from time to time by

	whatever name called;
Eligible Director	means a Director who would be entitled to vote on the matter if proposed as a resolution at a meeting of Directors;
Fair Value	shall be as defined in Article 17;
First Offer Period	shall be as defined in Article 15.6;
Model Articles	means the model articles for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229), as at the date of adoption of these Articles, a copy of which is attached in the Schedule to these Articles;
Ordinary Shares	means the ordinary shares of £1 each in the capital of the Company;
Original Shareholders	means Dr Crofts, Dr Francey, Dr McAlavey, Dr Merriman and Dr Thorburn
Proposed Sale Price	shall be as defined in Article 15.1.2;
Sale Shares	shall be as defined in Article 15.1;
Second Offer Period	shall be as defined in Article 15.8;
Second Surplus Shares	shall be as defined in Article 15.10;
Seller	shall be as defined in Article 15.1;
Share	means a share in the capital of the Company;
Shareholder	means any holder of any Share from time to time;
Shareholder Communication	means any notice, resolution, document or information which the Company wishes or is required to communicate with Shareholders or other persons;
Transfer Notice	shall be as defined in Article 15.1;
Transfer Price	shall be as defined in Article 15.4;
Valuers	an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within twenty Business Days of the date of service of the Deemed Transfer Notice, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator).

2.2 Unless the context otherwise requires:

2.2.1 each gender includes the other genders;

- 2.2.2 the singular includes the plural and vice versa;
- 2.2.3 references to persons include individuals, unincorporated bodies and partnerships (whether or not having a separate legal personality), governments, government entities, companies and corporations and any of their successors, permitted transferees or permitted assignees;
- 2.2.4 the words 'include', 'includes' and 'including' are deemed to be followed by the words 'without limitation';
- 2.2.5 the words and phrases 'other', 'including' and 'in particular' or similar words shall not restrict the generality of any preceding words or be construed as being limited to the same class, acts, things or matters as the preceding words where a wider construction is possible;
- 2.2.6 the contents table and the descriptive headings to provisions in these Articles are inserted for convenience only, have no legal effect and shall be ignored in the interpretation of these Articles;
- 2.2.7 references to legislation include any modification or re-enactment thereof and any subordinate legislation from time to time made under it;
- 2.2.8 references to 'writing' or 'written' include faxes and any other method of reproducing words in a legible and non-transitory form, including email;
- 2.2.9 a person shall be deemed to be 'connected' with another if that person is connected with such other within the meaning of section 1122 of the Corporation Tax Act 2010;

Directors

3 Number of Directors

Unless otherwise determined by ordinary resolution, the number of Directors (excluding alternate directors) shall not be subject to any maximum but shall not be less than three in number.

4 Calling a Directors' meeting

- 4.1 Any Director may call a Directors' meeting by giving not less than five Business Days' notice of the meeting (or such lesser notice as the Directors may agree) to the Directors or by authorising the company secretary (if any) to give such notice.
- 4.2 Notice of a Directors' meeting shall be given to each Director, but need not be in writing.

5 Proceedings of Directors

- 5.1 Subject to the provisions of these Articles, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 5.2 All business arising at any meeting of the Directors or of any committee of the Directors shall be determined only by resolution and no resolution shall be effective unless carried by a majority. No resolution may be proposed or passed at any such meeting unless the nature of the business to which the resolution relates is included in the agenda for the meeting or unless all the Directors agree in writing.

- 5.3 A decision of the Directors may also take the form of a resolution in writing, copies of which have been signed by each Eligible Director, provided that such Eligible Directors would have formed a quorum if the matter had been proposed as a resolution at a meeting of Directors.
- 5.4 Subject to article 5.5, unless otherwise unanimously agreed by the Directors, the quorum for a meeting of the Directors shall throughout the meeting be all Directors. If a quorum is not present within 30 minutes of the time fixed for the relevant meeting, the meeting shall be adjourned for five Business Days at the same time and place. If a quorum is not present within 30 minutes of the time fixed for the adjourned meeting, those Eligible Directors present will constitute a quorum.
- 5.5 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a Director's conflict, if there is only one Eligible Director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 5.6 Subject to article 5.5, if the total number of Directors in office for the time being is less than the quorum required by article 5.4, the directors must not take any decision other than a decision:
- 5.6.1 to appoint further Directors; or
- 5.6.2 to call a general meeting so as to enable the Shareholders to appoint further Directors.
- 5.7 If the numbers of votes for and against a proposal at a meeting of Directors are equal, the chairman or other director chairing the meeting shall not have a casting vote.
- 5.8 Any Director or alternate director may validly participate in a meeting of the Board through telephone conference or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Companies Act, all business transacted in such manner by the Board or a committee of the Board shall for the purpose of these Articles be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board notwithstanding that a quorum of Directors is not physically present in the same place. If the Directors cannot or do not decide upon where such a meeting shall be deemed to take place, then it shall be where the chairman of the meeting then is located.
- 5.9 A Director who is absent from the United Kingdom shall be entitled to receive notice of all meetings of Directors and meetings of committees of Directors.

6 Transactions or other arrangements with the Company

- 6.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Companies Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 6.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 6.1.2 shall be an eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;

- 6.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- 6.1.4 may act by himself or his business in a professional capacity for the Company (otherwise than as auditor) and he or his business shall be entitled to remuneration for professional services as if he were not a Director;
- 6.1.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 6.1.6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Companies Act.

7 Directors' Conflicts of Interest

- 7.1 The Directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 7.2 Any authorisation under this Article 7 will be effective only if:
 - 7.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
 - 7.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested Director; and
 - 7.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested Director's vote had not been counted.
- 7.3 Any authorisation of a Conflict under this Article 7 may (whether at the time of giving the authorisation or subsequently):
 - 7.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 7.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
 - 7.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;

- 7.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - 7.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - 7.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 7.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 7.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 7.6 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 7.7 The Directors shall not be in breach of the duties he owes to the Company (and shall be entitled to act and count in a quorum) notwithstanding that there may otherwise be Conflict which arises from the following relationships:
- 7.7.1 that the Director may be an employee, consultant, director or shareholder of the Company or of any subsidiary of the Company;
 - 7.7.2 that the Director may be a director or other officer of, or be employed by, or otherwise involved in the business of any subsidiary of the Company or in any other entities in which the Company has or may have an interest from time to time, including (without limitation) in relation to proposals for financing or otherwise promoting the business of any such other entity.
- 7.8 The Directors shall not be in breach of the duties he owes to the Company (and shall be entitled to act and count in a quorum) if the Conflict has been authorised by the Company in general meeting.

8 Record of decisions to be kept

- 8.1 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they can be read with the naked eye.

9 Appointment and Removal of Directors

- 9.1 Subject to Article 10 each Original Shareholder shall be a Director. On the admission of a new Shareholder, the other Shareholders shall determine whether or not the new Shareholder shall be appointed as a Director and any appointment shall be notified to the Company in writing.

- 9.2 Subject to obtaining the prior written consent of all Shareholders, 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 either by ordinary resolution or by a decision of the directors and it is not mandatory that that person also be a Shareholder.
- 9.3 The Directors shall not be required to retire by rotation.
- 9.4 In any case where, as a result of death or bankruptcy, the company has no Shareholders and no Directors, the transmittee(s) of the last Shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a Director.

10 Termination of a Director's office

- 10.1 A person shall also cease to be a Director as soon as:
- 10.1.1 that person ceases to be a Director by virtue of any provision of the Companies Act or is prohibited from being a Director by law;
 - 10.1.2 a bankruptcy order is made against that person;
 - 10.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 10.1.4 a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months;
 - 10.1.5 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;
 - 10.1.6 the Director accepts or begins performance of a clinical role in any practice or organisation that does not form part of the Company. On acceptance or commencement of performance of the clinical role, the Director shall automatically cease to be a Director;
 - 10.1.7 the Director retires from the Company and (subject to obtaining the prior written consent of all Shareholders (with the exception of the Director who is the subject of the vote if he/she is also a Shareholder)) the Board resolves to remove the Director from the Board;
 - 10.1.8 that person is absent from three consecutive board meetings without apology and (subject to obtaining the prior written consent of all Shareholders (with the exception of the Director who is the subject of the vote if he/she is also a Shareholder)) the Board resolves that he be removed from office; and
 - 10.1.9 at a fully constituted Board meeting, (subject to obtaining the prior written consent of all Shareholders (with the exception of the Director who is the subject of the vote if he/she is also a Shareholder)) the Board resolves that such person be removed from office.

11 Company Secretary

- 11.1 The Directors may appoint a company secretary for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them.

12 Alternate Directors

- 12.1 Any Director (other than an alternate director) (the **appointor**) may appoint any other Director or any other person whomsoever (except for an existing Director representing the other class of Shares) to be an alternate director and may remove from office an alternate director so appointed. 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.
- 12.2 An alternate director has the same rights, in relation to any Directors' meeting or Directors' written resolution, as the alternate's appointor.
- 12.3 Except as these Articles specify otherwise, alternate directors are:
- 12.3.1 deemed for all purposes to be Directors;
 - 12.3.2 liable for their own acts and omissions;
 - 12.3.3 subject to the same restrictions as their appointors; and
 - 12.3.4 not deemed to be agents of or for their appointors.
- 12.4 An alternate director may be paid expenses as if he were a Director but shall not be entitled to receive from the Company any fee in his capacity as an alternate director except only such part (if any) of the remuneration otherwise payable to the Director appointing him as such Director may by notice in writing to the Company from time to time direct.
- 12.5 An alternate director's appointment as an alternate terminates:
- 12.5.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - 12.5.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a Director;
 - 12.5.3 on the death of the alternate's appointor; or
 - 12.5.4 when the alternate's appointor's appointment as a Director terminates.

Shares

13 Purchase of own Shares

- 13.1 Subject to the Companies Act but without prejudice to any other provision of these Articles and subject to first obtaining the written consent of all other Shareholders, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:
- 13.1.1 £15,000; and

13.1.2 The nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

14 Share transfers: general

14.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.

14.2 No Shareholder shall transfer any Share except:

14.2.1 a Shareholder may transfer all (but not some only) of his Shares in the Company for cash and not on deferred terms in accordance with the procedure set out in Article 15; or

14.2.2 in accordance with Article 16.

14.3 Subject to Article 14.4, the Directors must register any duly stamped or certified exempt transfer made in accordance with these Articles and shall not have any discretion to register any transfer of Shares which has not been made in compliance with these Articles.

14.4 The Directors may, as a condition to the registration of any transfer of Shares in the Company (whether to a Permitted Transferee or otherwise) require the transferee to provide the Company with the required particulars under section 790K of the CA 2006 if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006 and to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the Shareholders in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this Article 14.4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee and the Company has received all of the required particulars under section 790K of the CA 2006 if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006.

14.5 To enable the Directors to determine whether or not there has been a transfer of shares in the Company in breach of these Articles, the Directors may from time to time require any Shareholder to provide the Company with such information and evidence as they may reasonably require relevant to that purpose. If a Shareholder fails to provide information or evidence in respect of any shares registered in his name to the reasonable satisfaction of such Directors within 14 days of their request or, as a result of the information and evidence provided such Directors are reasonably satisfied that a breach has occurred, then such Directors may serve a notice on the Shareholder stating that the Shareholder shall not in relation to all Shares held by that Shareholder be entitled to be present or to vote in person or by proxy at any general meeting of the Company, or to vote on a written resolution of the Shareholders or to receive dividends on the Shares. Such directors may reinstate these rights at any time.

14.6 Any transfer of Shares by way of a sale under these Articles shall be deemed to include a warranty that the transferor sells the Shares with full title guarantee.

15 Pre-emption rights on the transfer of Shares

- 15.1 Except where the provisions of Article 16 apply, a Shareholder (**Seller**) wishing to transfer all (but not some) his shares (**Sale Shares**) must give notice in writing (a **Transfer Notice**) to the Company giving details of the proposed transfer including:
- 15.1.1 if he wishes to sell the Sale Shares to a third party, the name of the proposed buyer (**Proposed Buyer**); and
- 15.1.2 the price (in cash) at which he wishes to sell the Sale Shares.
- 15.2 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn.
- 15.3 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 15.4 The Transfer Price for the Sale Shares shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Seller and the Shareholders or, in default of agreement within ten Business Days of the date of service of the Transfer Notice, the Fair Value of each Sale Share determined in accordance with Article 17.
- 15.5 As soon as practicable following receipt of a Transfer Notice, the Board shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this Article at the Transfer Price. Each offer shall be in writing and give details of the number (being the total number of Shares held by the Seller) and Transfer Price of the Sale Shares offered.
- 15.6 The Board shall offer the Sale Shares to all Shareholders other than the Seller (the **Continuing Shareholders**), inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.
- 15.7 If:
- 15.7.1 at the end of the First Offer Period the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion to which the Continuing Shareholder's existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for the Sale Shares. Fractional entitlements shall be rounded down to the nearest whole number (save where any such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the Continuing Shareholders who have applied for Sale Shares shall be determined by the Board). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which it has stated it is willing to buy;
- 15.7.2 not all Sale Shares are allocated following allocations in accordance with Article 15.7.1, but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in Article 15.7.1. The procedure set out in Article 15.7.1 shall apply on any number of consecutive occasions until either all the Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and

- 15.7.3 at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with article 15.8.
- 15.8 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares (if any) to all the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy,
- 15.9 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to each Continuing Shareholder who has applied for Initial Surplus Shares in the proportion that the Continuing Shareholder's existing holding of shares (including any Sale Shares) bears to the total number of shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the Continuing Shareholders shall be determined by the Board). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Initial Surplus Shares which it has stated it is willing to buy.
- 15.10 If, at the end of the Second Offer Period, the total number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Directors shall follow Article 15.15.
- 15.11 No allocations as set out in this clause 15 shall be completed unless allocations under Articles 15.7 to 15.10 have been made in respect of all of the Sale Shares. If allocations under Articles 15.7 to 15.10 have been made in respect of all of the Sale Shares, the Board shall give written notice of allocation (an **Allocation Notice**) to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to them (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall be at least ten Business Days, but not more than 20 Business Days, after the date of the Allocation Notice).
- 15.12 On the date specified for completion in the Allocation Notice, the Seller shall:
- 15.12.1 against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to support such Applicant, in accordance with the requirements specified in the Allocation Notice;
- 15.12.2 deliver the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Applicant or the Company may reasonably require to show good title to the Sale Shares, or to enable the Applicant to be registered as the holder of the Sale Shares;
- 15.12.3 if required by the Company or the Continuing Shareholders, a duly executed voting power of attorney to allow the Applicant to exercise voting rights attaching to the relevant Sale Shares pending transfer; and
- 15.13 On the transfer of the Sale Shares, as the Seller shall hold no further shares in the Company, the Seller shall deliver, or procure that there is delivered to the Company his resignation as a Director without claim for compensation.

15.14 If the Seller fails to comply with Article 15.12:

15.14.1 the chairperson of the Company (or, failing the chairperson, one of the other directors, or some other person nominated by a resolution of the Board) may, as agent on behalf of the Seller;

- a) complete, execute and deliver in the Seller's name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
- b) receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration); and
- c) (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them; and

15.14.2 the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until the Seller has delivered its certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company.

15.15 If allocations under Articles 15.7 to 15.10 do not relate to all of the Sale Shares then, subject to Article 15.16 and within two weeks of the end of the Second Option Period, all allocations made under Articles 15.7 to 15.10 shall expire and the Seller may transfer all Sale Shares to the Proposed Buyer at a price equal to or higher than the Transfer Price.

15.16 The Seller's right to transfer Sale Shares under Article 15.15 does not apply if the Board reasonably considers that:

15.16.1 the transferee is a person (or a nominee for a person) who is a competitor with (or an Associate of a competitor with) the business of the Company; or

15.16.2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or

15.16.3 the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the Board to enable it to form the opinion mentioned above.

15.17 The restrictions imposed by this Article may be waived in relation to any proposed transfer of Sale Shares with the consent of the Shareholders who, but for the waiver, would or might have been entitled to have such Sale Shares offered to them in accordance with this Article.

16 Compulsory Transfers

16.1 A Shareholder is deemed to have served a Transfer Notice under Article 15.1 immediately before any of the following events:

16.1.1 an order being made for the Shareholder's bankruptcy;

16.1.2 an arrangement or composition with any of the Shareholder's creditors being made;

- 16.1.3 the Shareholder convening a meeting of his creditors, or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally; or
 - 16.1.4 the Shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or
 - 16.1.5 a receiver being appointed over or in relation to, all or any material part, of the Shareholder's assets; or
 - 16.1.6 the happening in relation to a Shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets; or
 - 16.1.7 an independent registered medical practitioner (not being a registered medical practitioner working within the practice of the Company) who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of making decisions in relation to the Company or his shareholding and all other Shareholders agree that the Shareholder subject to the opinion should no longer be a Shareholder;
 - 16.1.8 the Shareholder's death;
 - 16.1.9 unless all other Shareholders unanimously agree otherwise, the 15 year anniversary of the retirement of the Shareholder from the practice;
 - 16.1.10 the Shareholder accepts or begins performance of a clinical role in any practice or organisation that does not form part of the Company;
 - 16.1.11 the Shareholder retires from the Company and all other Shareholders agree in writing that the retiring Shareholders' shares shall be subject to a compulsory transfer under this clause; or
 - 16.1.12 the Shareholder committing a material or persistent breach of any shareholders' agreement to which he is a party in relation to the Shares in the Company which if capable of remedy has not been so remedied within 20 Business Days of the holder(s) of a majority of the Shares (not including the Shares held by such Shareholder) requiring such remedy.
- 16.2 Unless Article 16.3 applies, the Deemed Transfer Notice has the same effect as a Transfer Notice, except that:
- 16.2.1 the Deemed Transfer Notice takes effect on the basis that it does not identify a Proposed Buyer or state a price for the Sale Shares and, subject to Article 16.2.2, the Transfer Price for the Sale Shares shall be the aggregate Fair Value of those shares, determined by the Valuers in accordance with article 17;
 - 16.2.2 if the Seller is deemed to have given a Transfer Notice as a result of Article 16.1.10, the Transfer Price shall be restricted to a maximum of the lower of the aggregate subscription price paid in respect of the Sale Shares, including any share premium, and the aggregate Fair Value of such Sale Shares.
- 16.3 The Shareholders not subject to the Deemed Transfer Notice, may unanimously agree to defer the sale of the Sale Shares subject to a Deemed Transfer Notice and waive the requirement to follow the pre-emption process set out in Article 15 to a date agreed between the Shareholder (to which Article 16 applies) and the Company and/or agree a price for the Sale Shares that is higher than that set out in Article 16.2.

- 16.4 A Deemed Transfer Notice under Article 16.1.10 shall immediately automatically revoke:
- 16.4.1 a Transfer Notice served by the relevant Shareholder before the relevant event giving rise to the Deemed Transfer Notice under Article 16.1.10; and
- 16.4.2 a Deemed Transfer Notice deemed to be served by the relevant Shareholder under any of the events set out in Articles 16.1.1 to 16.1.10 (inclusive) before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under Article 16.1.9.

17 Valuation

- 17.1 The Valuers shall be requested to determine the Fair Value within ten Business Days of their appointment and to notify the Company and the Seller in writing of their determination.
- 17.2 The Fair Value for any Sale Share shall be the price per share determined in writing by the Valuers on the following bases and assumptions:
- 17.2.1 valuing each of the Sale Shares as a proportion of the total value of all the issued Shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
- 17.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- 17.2.3 the sale is to be on arms' length terms between a willing seller and a willing buyer;
- 17.2.4 the Sale Shares are sold free of all encumbrances;
- 17.2.5 the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
- 17.2.6 to take account of any other factors that the Valuers reasonably believe should be taken into account.
- 17.3 The Shareholders are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the Shareholders may reasonably require.
- 17.4 To the extent not provided for by this Article 18, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate.
- 17.5 The cost of obtaining the Valuers' valuation shall be borne by the Company and the Seller equally or in such other proportions as the Valuers direct.

18 Drag Along

- 18.1 After following the procedure set out in Article 15, if the holders of 80% of the Shares (**Selling Shareholders**) wish to transfer all (but not some only) of their Shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Purchaser**), the Selling Shareholders may require all other Shareholders (**Called Shareholders**) to sell and transfer all their Shares

(**Called Shares**) to the Proposed Purchaser (or as the Proposed Purchaser directs) in accordance with the provisions of this Article (**Drag Along Option**).

- 18.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. The Drag Along Notice shall specify:
- 18.2.1 that the Called Shareholders are required to transfer all their Called Shares pursuant to this article 18;
 - 18.2.2 the person to whom the Called Shares are to be transferred;
 - 18.2.3 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Purchaser for the Sellers' Shares; and
 - 18.2.4 the proposed date of the transfer.
- 18.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Purchaser within 40 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 18.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article.
- 18.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:
- 18.5.1 all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
 - 18.5.2 that date is less than 10 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 20th Business Day after service of the Drag Along Notice.
- 18.6 The proposed sale of the Sellers' Shares by the Selling Shareholders to the Proposed Purchaser is subject to the rights of pre-emption set out in Article 15, but the sale of the Called Shares by the Called Shareholders shall not be subject to those provisions.
- 18.7 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts due pursuant to article 18.3 to the extent that the Proposed Purchaser has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Purchaser. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 18.8 To the extent that the Proposed Purchaser has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates

(or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article in respect of their Shares.

- 18.9 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 18.7 transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Purchaser (or as it may direct) as the holder thereof. After the Proposed Purchaser (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of shares under this article.
- 18.10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Purchaser (or as the Proposed Purchaser may direct) and the provisions of this article shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place on the Completion Date or immediately upon the New Shareholder becoming a Shareholder of the Company, if later.

Decision making by Shareholders

19 General Meetings

- 19.1 Unless otherwise agreed unanimously by the Shareholders, the quorum at any general meeting of the Company, or adjourned general meeting, shall be all Shareholders persons present in person or by proxy.
- 19.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

20 Voting

- 20.1 At a general meeting, on a show of hands every Shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; on a poll every Shareholder present in person or by proxy shall have one vote for each share of which he is the holder; and on a vote on a written resolution every Shareholder has one vote for each share of which he is the holder.
- 20.2 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Companies Act) present and entitled to vote at the meeting.
- 20.3 Model Article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

21 Proxies

- 21.1 Model Article 45(1)(d) shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in

accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate".

- 21.2 Model Article 45(1) shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article.

Administrative arrangements

22 Notices

- 22.1 Subject to the specific terms of these Articles, any notice to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of the Board or a committee thereof) shall be in writing.

- 22.2 Any Shareholder Communication may be served by the Company on, or supplied by the Company to, a Shareholder or other person:

22.2.1 personally;

22.2.2 by sending it by first-class post in a pre-paid envelope addressed to such Shareholder or other person at his postal address (as appearing in the Company's register of members in the case of Shareholders); or

22.2.3 except in the case of share certificates or a notice to be given under Article 15 or Article 16, by sending or supplying it:

- (a) in electronic form (as specified by section 1168(3) of the Companies Act and otherwise complying with the requirements of section 1168); or
- (b) by website communication in accordance with the provisions of the Companies Act and the Electronic Communications Act 2000.

- 22.3 In the case of a Shareholder Communication validly:

22.3.1 sent by post, proof that an envelope containing the communication was properly addressed, pre-paid and posted shall be conclusive evidence that it was sent and it shall be deemed to be given or received at the expiration of 48 hours after the envelope containing it was posted;

22.3.2 sent in electronic form, it shall be deemed to have been given on the same day as it was sent to the address supplied by the Shareholder; and

22.3.3 made by website communication, it shall be deemed to have been received when it was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that it was available on the website.

- 22.4 In the case of joint holders of a Share, all Shareholder Communications shall be sent or supplied to the joint holder who is named first in the register, and a Shareholder Communication so sent or supplied shall be deemed sent or supplied to all joint holders.

- 22.5 A Shareholder who has not supplied to the Company either a postal or an electronic address for the service of notices shall not be entitled to receive notices from the Company.

23 Indemnity and Insurance

Subject to, and on such terms as may be permitted by the Companies Act, the Company may:

- 23.1 indemnify, out of the assets of the Company, any Director of the Company or any associated company against all losses and liabilities which he may sustain or incur in the performance of the duties of his office or otherwise in relation thereto;
- 23.2 provide a Director with funds to meet expenditure incurred or to be incurred by him in defending any civil or criminal proceedings brought or threatened against him or in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority, in either case in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company and the Company shall be permitted to take or omit to take any action or enter into any arrangement which would otherwise be prohibited under the Companies Act to enable a Director to avoid incurring such expenditure; and
- 23.3 purchase and maintain insurance for any Director against any liability attaching to any such person in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company.

SCHEDULE
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.