

Company number: 10951071

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

BUILD YOUR OWN FILMS LTD

(adopted by special resolution passed on 25 April 2022)

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PART 1
EXCLUSION OF OTHER REGULATIONS, INTERPRETATION AND LIMITATION OF
LIABILITY

1 EXCLUSION OF OTHER REGULATIONS

No regulations for management of a company set out in any statute or subordinate legislation concerning companies shall apply to the Company and the following shall be the articles of association of the Company.

2 INTERPRETATION

2.1 In these Articles, unless the context otherwise requires:

“**A Director**” means a Director appointed by any Holder of A Shares in accordance with the terms of any Shareholders’ Agreement;

“**A Shareholder Group**” means together (i) any Holder of A Shares; (ii) any direct or indirect subsidiary of any Holder of A Shares; (iii) any direct or indirect holding company or parent undertaking of any Holder of A Shares; (iv) any direct or indirect subsidiary of any such direct or indirect holding company or parent undertaking of any Holder of A Shares;

“**A Shares**” means A ordinary shares of £1.00 each in the capital of the Company;

“**Act**” means the Companies Act 2006;

“**address**” includes a number or address used for the purposes of sending or receiving documents or information by electronic means;

“**Alternate**” or “**Alternate Director**” has the meaning given in Article 25;

“**Appointor**” has the meaning given in Article 25;

“**Articles**” means the Company’s articles of association for the time being in force and “**Article**” is one of these Articles;

“B Director” a Director who is also a Holder of B Shares in accordance with the terms of any Shareholders’ Agreement;

“B Shares” means B ordinary shares of £1.00 each in the capital of the Company;

“Bankruptcy” means individual insolvency proceedings in any jurisdiction;

“Business Day” means a day (other than a Saturday, Sunday or public holiday in England) on which clearing banks in the city of London are generally open for business;

“Capitalised Sum” has the meaning given in Article 53.1;

“Chairman” has the meaning given in Article 13;

“Chairman of the meeting” has the meaning given in Article 56.3;

“clear days” in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given or received and the day for which it is given or on which it is to take effect;

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

“Company” means Build Your Own Films Ltd, incorporated in England and Wales with company number 10951071;

“Company’s Lien” has the meaning given in Article 35.1;

“Deferred Shares” means shares in the capital of the Company which confer no rights on the holder(s) of such shares, whether in relation to voting, distributions or otherwise;

“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 47.2;

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

“electronic form” and related expressions have the meaning given in section 1168 of the Act;

“Eligible Director” means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the matter);

“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;

“Group” means the Company and its direct and indirect subsidiaries and **“Group Company”** means any one of them;

“hard copy” and related expressions have the meanings given in section 1168 of the Act;

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

“including” means including, without limitation, and **“include”** shall be construed accordingly;

“instrument” means a document in hard copy form;

“Investor” means the person who holds the majority of the A Shares from time to time;

“Ordinary Resolution” has the meaning given in section 282 of the Act;

“paid” means paid or credited as paid;

“participate”, in relation to a Directors’ meeting, has the meaning given in Article 11;

“Persons Entitled” has the meaning given in Article 53.1;

“Proxy Notice” has the meaning given in Article 62.1;

“Relevant Third Party” has the meaning given in Article 40.11;

“Shares” means A Shares, B Shares and Deferred Shares (if any) and such other shares in the capital of the Company from time to time and **“Share”** means any one of them;

“Shareholder” means a Holder for the time being of any Shares, other than the Company holding Treasury Shares;

“Shareholders’ Agreement” any agreement from time to time in place between and binding on all or certain of the Shareholders (including at least one Holder of A Shares and one Holder of B Shares) which relates, in whole or in part, to the management of the Company and/or the rights and obligations of the parties thereto in their capacity as Shareholders;

“Special Resolution” has the meaning given in section 283 of the Act;

“subsidiary” has the meaning given in section 1159 of the Act;

“Transmittee” means a person entitled to a Share by reason of the death or Bankruptcy of a Shareholder or otherwise by operation of law;

“Treasury Shares” means Shares held by the Company as treasury shares from time to time within the meaning set out in section 724(5) of the Act; and

“writing” or **“written”** means the representation or reproduction of words, symbols or other information in a legible and non-transitory form by any method or combination of methods, whether in electronic form or otherwise.

2.2 In these Articles, unless the context requires otherwise:

- (a) bodies corporate are **“associated”** if one is a subsidiary of the other or both are subsidiaries of the same body corporate;
- (b) an **“interest”** in a share includes any interest of any kind whatsoever in a share or a right attaching to it, including where there is a contingent interest or right;
- (c) **“transfer”** of a Share includes:
 - (i) any direction by a Shareholder that a Share be allotted, issued or transferred to a person other than himself; and

- (ii) any sale or any other disposition (including the creation, or allowing the creation, of any encumbrance over it) of any interest in it;
 - (d) words importing the singular number shall include the plural and vice versa, words denoting any gender shall include a reference to each other gender and words denoting persons shall include bodies corporate or unincorporated;
 - (e) subject to paragraph (f) a reference to any enactment or subordinate legislation (as defined by section 21(1) Interpretation Act 1978) shall include any modification or re-enactment of that provision for the time being in force;
 - (f) other words or expressions shall bear the same meaning as in the Act as in force on the date when these Articles become binding on the Company; and
 - (g) the headings are used for convenience only and shall not affect the interpretation of these Articles.
- 2.3 These Articles include provisions of a scheme for encouraging or facilitating the holding of Shares by or for the benefit of:
- (a) the bona fide employees or former employees of the Company or any other body corporate which is associated with the Company; or
 - (b) the spouses, civil partners, surviving spouses, surviving civil partners, or minor children or step-children of such employees or former employees.

3 **LIABILITY OF MEMBERS**

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

4 **DIRECTORS' GENERAL AUTHORITY**

Subject to the Articles and the terms of any Shareholders' Agreement, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

5 **DIRECTORS MAY DELEGATE**

- 5.1 Subject to the Articles and the terms of any Shareholders' Agreement, 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.

5.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.

5.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

6 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 and the terms of any Shareholders' Agreement which govern the taking of decisions by Directors.

6.2 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.

7 COMPANY NAME

Subject to the terms of any Shareholders' Agreement, the Company's name may be changed by the Directors.

8 DIRECTORS TO TAKE DECISIONS COLLECTIVELY

8.1 The general rule about decision-making by Directors is that any decision of the Directors must be either:

- (a) a majority decision at a meeting; or
- (b) a decision taken in accordance with Article 9.

8.2 If and so long as:

- (a) the Company only has one Director; and
- (b) no provision of the Articles, including as to the number of Directors and the quorum for Directors' meetings, requires it to have more than one Director,

the general rule about decision-making by Directors does not apply, and the Director may take decisions without regard to any of the provisions of the Articles relating to Directors' decision-making (apart from Article 18 regarding recording his decisions) and he may, alone, exercise all the powers and discretions expressed by these Articles to be vested in the Directors generally.

9 UNANIMOUS DECISIONS

9.1 A decision of the Directors is taken in accordance with this Article 9 when all Eligible Directors indicate to each other by any means that they agree on a matter.

9.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed a copy of it or to which each Eligible Director has otherwise indicated agreement in writing.

9.3 A decision may not be taken in accordance with this Article 9 if the Eligible Directors would not have formed a quorum at a Directors' meeting.

10 CALLING A DIRECTORS' MEETING

- 10.1 Subject to the terms of any Shareholders' Agreement, 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.
- 10.2 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.
- 10.3 Notice of a Directors' meeting must be given to each Director, but need not be in writing.
- 10.4 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 before, on or 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.

11 PARTICIPATION IN DIRECTORS' MEETINGS

- 11.1 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.
- 11.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other as long as they can all hear and speak to each other.
- 11.3 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.

12 QUORUM FOR DIRECTORS' MEETINGS

- 12.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, other than in accordance with Article 12.5.
- 12.2 Subject to Article 12.3, 12.5 and 12.6 and the terms of any Shareholders' Agreement, the quorum for Directors' meetings shall be two Eligible Directors of which at least one is an A Director and at least one is a B Director.
- 12.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned to the same time and place the following week. If a quorum is not present within 30 minutes from the time appointed for the adjourned meeting, then the meeting shall again be adjourned to the same time and place the following week. If a quorum is not present within 30 minutes from the time appointed for the second adjourned meeting, then a quorum for such meeting shall be one Director.

- 12.4 For the purposes of any meeting (or part of a meeting) held pursuant to Article 16.1 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.
- 12.5 If the total number of Directors for the time being is less than the quorum required for the minimum number of Directors, the Directors must not take any decision other than a decision to:
- (a) effect transfers in accordance with these Articles or any Shareholders' Agreement;
 - (b) appoint further Directors sufficient to make up the quorum;
 - (c) propose a written resolution of Shareholders; or
 - (d) call a general meeting.
- 12.6 If at any point there is a meeting to be held in relation to a matter where there is a conflict and 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.
- 13 **CHAIRING OF DIRECTORS' MEETINGS**
- 13.1 The Directors may appoint any Director to chair their meetings.
- 13.2 The person so appointed for the time being is known as the "**Chairman**".
- 13.3 The Directors may terminate the Chairman's appointment at any time (without prejudice to any claim which the Chairman may have for breach of any service contract between him and the Company).
- 13.4 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.
- 14 **VOTING AT DIRECTORS' MEETINGS**
- 14.1 Subject to the Articles and the terms of any Shareholders' Agreement, a decision is taken at a Directors' meeting by a majority of the votes of the participating Eligible Directors.
- 14.2 Subject to the Articles and the terms of any Shareholders' Agreement, each Eligible Director participating in a Directors' meeting has one vote.
- 14.3 Subject to Article 14.4, a Director, who pursuant to the Act or Article 15.1 has declared to the other Directors the nature and extent of his interest, or in respect of whom a conflict matter is authorised in accordance with Article 16.1 or otherwise, shall be entitled to vote in respect of that matter or any matter arising from it, and if he shall do so his vote shall be counted and he may be taken into account in ascertaining whether or not a quorum is present at the meeting of the Directors or of the committee of Directors at which the vote is taken.
- 14.4 In relation to any conflict matter authorised in accordance with Article 16.1, the Director shall not have the right to vote on that matter if:
- (a) that right is removed by the terms and conditions of the authorisation; or
 - (b) the Director is, either by himself or by the other Directors, excluded from any meeting or discussion on that matter pursuant to Article 16.2(c).

15 **TRANSACTIONS OR ARRANGEMENTS WITH THE COMPANY**

15.1 Provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company or any of its associated companies is otherwise interested; and
- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any associated company of the Company or any other body corporate in which the Company is interested,

and:

- (c) he shall not, by reason of his office, 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 office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit;
- (d) he shall not infringe his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company as a result of any such office or employment or any such transaction or arrangement or any interest in any such body corporate;
- (e) he shall not be required to disclose to the Company, or use in performing his duties as a Director of the Company, any confidential information relating to such office, employment, transaction, arrangement or interest if to make such a disclosure or use would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that office, employment, transaction, arrangement or interest; and
- (f) he may absent himself from discussions, whether in meetings of the Directors or otherwise and exclude himself from information, which will or may relate to that office, employment, transaction, arrangement or interest.

15.2 For the purposes of this Article 16:

- (a) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified;
- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his;
- (c) a Director need not disclose an interest if it cannot be reasonably regarded as likely to give rise to a conflict of interest; and
- (d) a Director need not disclose an interest if, or to the extent that, the other Directors are already aware of it (and for this purpose the other Directors are treated as being aware of anything of which they ought reasonably to be aware).

16 **DIRECTORS' AUTHORISATION OF DIRECTOR'S CONFLICT OF INTEREST**

16.1 The Directors may (subject to the terms of any Shareholders' Agreement and any other terms and conditions as they may think fit, and subject always to their right at any time to vary or terminate such authorisation) authorise, pursuant to section 175 of the Act, any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties).

16.2 If a matter has been authorised by the Directors in accordance with Article 16.1 or authorised pursuant to Article 16.4 or Article 16.5, then, subject in any such case to any limits or conditions attached to such authorisation by the Directors:

- (a) the authorisation shall extend to any other actual or potential conflict of interest or duty which may reasonably be expected to arise out of the matter so authorised;
- (b) the Director shall not be required to disclose to the Company, or to use or apply, in performing his duties as Director, any confidential information relating to such matter, if to do so would result in a breach of a duty or obligation of confidence owed by him in relation to that matter;
- (c) the Director may either attend or absent himself from:
 - (i) meetings of the Directors, or of any committee of the Directors, at which anything relating to that matter will or may be discussed; or
 - (ii) any discussion on such matter, at a meeting or otherwise,and the Directors may exclude him from any such meeting or discussion;
- (d) the Director or the Directors may make arrangements for the Company either to send and make available to him, or not to send or make available to him, any Documents and information relating to that matter;
- (e) the Director shall be entitled to accept any benefit which he may derive from that matter, and he shall not be accountable to the Company for any benefit which he or a person connected with him may derive from any such matter; and
- (f) no transaction or arrangement in relation to such matter shall be liable to be avoided on the ground of the Director's interest, duty or benefit,

and the Director shall not be in breach of any of his general duties to the Company as a Director in relation to such matter, so long as he does not infringe these Articles and any terms and conditions of the authorisation in relation to such matter.

16.3 Articles 16.1 and 16.2 are without prejudice to the operation of any other provision or procedure authorising the Director's conflict of interest.

Directors Interests – Group Companies

16.4 Any Director shall be authorised for the purposes of section 175 of the Act to act or continue to act as a Director notwithstanding that at the time of his appointment or subsequently he also:

- (a) in the case of an A Director, holds any office as a director of any member of the A Shareholder Group;

- (b) in the case of a B Director, holds any office as a director of his personal service company referred to in the Shareholders' Agreement;
- (c) holds office as a director of any other Group Company;
- (d) holds any other office, employment or engagement with any other Group Company;
- (e) participates in any scheme, transaction or arrangement for the benefit of the employees or former employees of the Company or any other Group Company (including any pension fund or retirement, death or disability scheme or other bonus or employee benefit scheme); or
- (f) is interested directly or indirectly in any shares or debentures (or any rights to acquire shares or debentures) in the Company or, in the case of a B Director, his personal service company referred to in the Shareholders' Agreement.

Directors Interests – Group Companies

- 16.5 A Director appointed by the Holders of A Shares pursuant to these Articles or pursuant to any Shareholders' Agreement shall be authorised for the purposes of sections 173(2) and 175 of the Act to act or continue to act as a Director notwithstanding that at the time of his appointment or subsequently he also:
- (a) holds office as a director of any member of the A Shareholder Group or any investee company of any member of the A Shareholder Group;
 - (b) holds any other office, employment or engagement with any member of the A Shareholder Group or any investee company of any member of the A Shareholder Group; or
 - (c) is interested directly or indirectly in any shares or debentures (or any rights to acquire shares or debentures) in any member of the A Shareholder Group or any investee company of any member of the A Shareholder Group.
- 16.6 A Director appointed by the Holders of A Shares pursuant to these Articles or pursuant to any Shareholders' Agreement shall be authorised for the purposes of sections 173(2) and 175 of the Act to act or continue to act as a Director, notwithstanding his role as a representative of the Holders of A Shares (or any of them) for the purposes of monitoring and evaluating their investment in the Group. Without limitation, and for all purposes pursuant to these Articles or any Shareholders' Agreement, such Director shall be authorised for the purposes of sections 173(2) and 175 of the Act to:
- (a) attend, and vote at, meetings of the Directors (or any committee thereof) at which any relevant matter will or may be discussed, and receive board papers relating thereto; and
 - (b) receive confidential information and other documents and information relating to the Group, use and apply such information in performing his duties as an employee, director or officer of, or consultant to, any Holder of A Shares and disclose that information to a Holder of A Shares.
- 16.7 An A Director shall not be in breach of his duty to exercise independent judgment if he takes into account the interests and wishes of the Holders of A Shares.

17 **QUESTIONS AS TO A DIRECTOR'S RIGHTS TO PARTICIPATE**

- 17.1 Subject to Article 17.2, 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 of that meeting whose ruling in relation to any Director other than the chairman is to be final and conclusive.
- 17.2 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman of that meeting, 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.

18 **RECORDS OF DECISIONS TO BE KEPT**

- 18.1 The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision, of every decision made by the Directors.
- 18.2 All decisions of the Directors, whether made at a meeting or otherwise, must be recorded in writing.

19 **DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

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.

20 **NUMBER OF DIRECTORS**

Subject to the terms of any Shareholders' Agreement, the number of the Directors (other than Alternate Directors) shall be not less than two.

21 **METHODS OF APPOINTING DIRECTORS**

- 21.1 Subject to the terms of any Shareholders' Agreement, 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,

as long as the appointment does not cause the number of Directors (excluding Alternate Directors who are not also Directors) to exceed any maximum fixed by or otherwise determined in accordance with these Articles.

- 21.2 In any case where, as a result of death or Bankruptcy, the Company has no Shareholders and no Directors, the Transmittee of the last Shareholder to have died or to have a Bankruptcy order made against him (as the case may be) has the right, by notice in writing, to appoint a natural person, who is willing to act and is permitted to do so, to be a Director.
- 21.3 For the purposes of Article 21.2, where two 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.

22 TERMINATION OF DIRECTOR'S APPOINTMENT

Subject to the terms of any Shareholders' Agreement, 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 Act 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; or
- (e) 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.

23 DIRECTORS' REMUNERATION

23.1 Subject to the terms of any Shareholders' Agreement, Directors may provide any services to the Company that the Directors decide.

23.2 Subject to the terms of any Shareholders' Agreement, Directors are entitled to such remuneration as determined by the Directors:

- (a) for their services to the Company as Directors; and/or
- (b) for any other service which they provide to the Company.

23.3 Subject to the Articles and the terms of any Shareholders' Agreement, 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.

23.4 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.

23.5 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.

24 DIRECTORS' EXPENSES

The Company may pay any reasonable expenses which the Directors (including Alternate Directors) properly incur in connection with their attendance at:

- (a) meetings of Directors or committees of Directors;
- (b) general meetings;

- (c) separate meetings of the Holders of any class of Shares or of debentures of the Company; or
- (d) otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

25 APPOINTMENT AND REMOVAL OF ALTERNATES

25.1 Any Director (other than an Alternate Director) (the “**Appointor**”) may appoint as his alternate (“**Alternate**” or “**Alternate Director**”) any other Director or (subject to the terms of any Shareholders’ Agreement) any other person approved by decision of the Directors, willing to act, to:

- (a) exercise that Director’s powers; and
- (b) carry out that Director’s responsibilities,

in relation to the taking of decisions by the Directors in the absence of the Alternate’s Appointor.

25.2 Any appointment of an Alternate must be effected by notice in writing to the Company, signed by the Appointor, or authenticated in any other manner approved by the Directors.

25.3 The notice of appointment must:

- (a) identify the proposed Alternate;
- (b) contain a statement signed by the proposed Alternate that he is willing to act as the Alternate of the Director giving the notice; and
- (c) specify when the appointment commences.

26 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

26.1 An Alternate Director has the same rights in relation to any decision of the Directors as his Appointor.

26.2 Except as the Articles specify otherwise, Alternate Directors:

- (a) are deemed for all purposes to be Directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their Appointors; and
- (d) are not deemed to be agents of or for their Appointors.

26.3 An Alternate Director:

- (a) may act as Alternate Director to more than one Director;
- (b) has the same rights as his Appointor to receive notice of and attend and vote at a meeting of the Directors or of a committee of the Directors;

- (c) has one vote for every Eligible Director for whom he acts as Alternate Director in addition to his own vote (if any) as an Eligible Director at such a meeting but he counts as only one for the purpose of determining whether a quorum is present; and
 - (d) may participate in a unanimous decision of the Directors for each of his Appointors who is an Eligible Director in addition to his own participation (if any) as an Eligible Director.
- 26.4 An Alternate Director is not entitled to receive any remuneration from the Company for serving as an Alternate Director except such part of the Alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.
- 27 **TERMINATION OF ALTERNATE DIRECTORSHIP**
- 27.1 An Alternate Director's appointment as an Alternate terminates:
 - (a) when the Alternate's Appointor revokes the appointment in accordance with Article 27.2;
 - (b) on the occurrence in relation to the Alternate of any event which, if it occurred in relation to the Alternate's Appointor, would result in the termination of the Appointor's appointment as a Director;
 - (c) on the death of the Alternate's Appointor; or
 - (d) when the Alternate's Appointor's appointment as a Director terminates.
- 27.2 The revocation of the Alternate's appointment by his Appointor must be effected by notice in writing to the Company, signed by the Appointor, or authenticated in any other manner approved by the Directors.
- 27.3 The notice of revocation must:
 - (a) identify the Alternate; and
 - (b) specify when the appointment terminates.

PART 3 SHARES AND DISTRIBUTIONS SHARES

- 28 **SHARE CAPITAL**
- 28.1 The share capital of the Company at the date of the adoption of these Articles is divided into A Shares and B Shares and Deferred Shares. The A Shares, B Shares and Deferred Shares are separate classes of Shares.
- 28.2 The Shares shall rank *pari passu* in all respects, save as otherwise set out in these Articles.
- 28.3 The Deferred Shares shall confer no rights on the holders of such Shares whether in relation to voting, distributions or otherwise.

- 28.4 Where a Shareholder agrees not to exercise, or waives, his voting rights in relation to any Shares held by him, he has no right to vote at meetings of Shareholders, and he is not entitled to vote on a written resolution, in respect of those Shares.
- 28.5 The Company has no right to attend or vote at meetings of Shareholders and it is not entitled to vote on a written resolution, in respect of any Treasury Shares.
- 28.6 The Company may, in accordance with section 692(1ZA) of the Act, purchase its own Shares out of capital otherwise than in accordance with Chapter 5 of Part 18 of the Act, up to an aggregate purchase price in a financial year of the lower of:
- (a) £15,000; or
 - (b) the nominal value of 5% of the Company's fully paid share capital as at the beginning of the financial year.
- 29 **ALL SHARES TO BE FULLY PAID UP**
- 29.1 No Share is to be issued for less than its nominal value.
- 29.2 This does not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum.
- 30 **POWERS TO ISSUE DIFFERENT CLASSES OF SHARE**
- 30.1 Subject to the Articles and the terms of any Shareholders' Agreement, 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.
- 30.2 Subject to the terms of any Shareholders' Agreement, 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.
- 30.3 All the requirements of sections 561 and 562 of the Act (existing shareholders' right of pre-emption) are excluded generally in relation to the allotment by the Company of equity securities.
- 31 **COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**
- 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.
- 32 **SHARE CERTIFICATES**
- 32.1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds.
- 32.2 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.
- 32.3 No certificate may be issued in respect of Shares of more than one class.
- 32.4 If more than one person holds a Share, only one certificate may be issued in respect of it.
- 32.5 Certificates must:
 - (a) have affixed to them the Company's common seal; or
 - (b) be otherwise executed in accordance with the Companies Acts.
- 33 **REPLACEMENT SHARE CERTIFICATES**
- 33.1 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.
- 33.2 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 reasonable expenses as the Directors decide.
- 34 **ISSUE AND TRANSFER OF SHARES IN BREACH OF ANY SHAREHOLDERS' AGREEMENT**
- 34.1 No Share may be issued and/or transferred other than in accordance with the terms of any Shareholders' Agreement.
- 34.2 In the event that any Shares are issued and/or transferred in breach of the provisions of any Shareholders' Agreement such Shares shall be immediately and automatically converted into Deferred Shares.
- 35 **COMPANY'S LIEN OVER SHARES**
- 35.1 The Company has a lien (the "**Company's Lien**") over every Share for all monies presently payable by a Shareholder or his estate to the Company either alone or jointly with any other person. This lien shall attach to all Shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered Holder of those Shares or one of two or more joint Holders.
- 35.2 The Company's Lien over a Share:
 - (a) takes priority over any third party's interest in that Share; and

- (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.
- 35.3 The Directors may at any time decide that a Share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part.
- 35.4 Notwithstanding any other provisions in these Articles, any lien on shares which the Company has shall not apply in respect of any shares which have been charged by way of security to a bank or financial institution or a subsidiary of a bank or financial institution.
- 36 **ENFORCEMENT OF THE COMPANY'S LIEN**
- 36.1 Subject to the provisions of this Article 36 if:
 - (a) a lien enforcement notice has been given in respect of a Share; and
 - (b) the person to whom the notice was given has failed to comply with it,the Company may sell that Share in such manner and to such person as the Directors decide.
- 36.2 A lien enforcement notice:
 - (a) may only be given in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
 - (b) must specify the Share concerned;
 - (c) must require payment of the sum payable within 14 clear days of the notice;
 - (d) must be addressed either to the Holder of the Share or to any Transmittree of the Share or to any other person otherwise entitled to it; and
 - (e) must state the Company's intention to sell the Share if the notice is not complied with.
- 36.3 Where any Share is sold under this Article 36:
 - (a) the Directors may authorise any person to execute an instrument of transfer of the Share to the purchaser or a person nominated by the purchaser; and
 - (b) the transferee of the Share shall be registered as the Holder of the Share notwithstanding that he may not be able to produce the Share certificate, he is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading or relating to the sale.
- 36.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
 - (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice;
 - (b) second, to the person entitled to the Share at the date of the sale, but only after the certificate for the Share sold has been surrendered to the Company for cancellation or an indemnity for lost certificate in a form acceptable to the Directors has been given to the Company for any lost certificate, and subject to a lien (equivalent to the Company's

Lien over the Share before the sale) for any other monies payable by him or his estate to the Company after the date of the lien enforcement notice.

36.5 A statutory declaration by a Director or the Company secretary (if any) that the declarant is a Director or the Company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date:

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
- (b) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

37 NO VOTING OF SHARES WHERE MONEY OWED TO COMPANY

For so long as the Company's Lien subsists over a Share, the Directors may decide that no voting rights, or any other rights in relation to general meetings or Shareholders' resolutions attached to that Share, may be exercised, unless and until all amounts payable to the Company in respect of that lien have been paid.

38 SUB-DIVISION OR CONSOLIDATION OF SHARES

38.1 An Ordinary Resolution authorising a sub-division, consolidation or division of Shares may determine that, as between the resulting Shares, any of them may have any preference, deference or advantage or be subject to any restriction as compared with the others.

38.2 Whenever as a result of a sub-division, consolidation or division of Shares any difficulty arises, the Directors may settle it as they think fit, including as to fractions of a Share.

39 CLASS MEETINGS

The provisions of the Act and these Articles relating to general meetings, and of the Act relating to separate general meetings of the Holders of a class of Shares, of the Company apply, with necessary modifications, to meetings of the Holders of any class of Shares.

40 SHARE TRANSFERS

40.1 No Share may be transferred other than in accordance with the terms of any Shareholders' Agreement. Where a Shareholder transfers any Share(s) or interest in any Share(s) in breach of the provisions of any Shareholders' Agreement or these Articles, then the Share(s) the subject of such transfer (or in relation to which an interest has been so transferred) shall, subject to the terms of any Shareholders' Agreement, be immediately and automatically converted into Deferred Share(s).

40.2 Subject to Article 40.1, 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.

40.3 No fee may be charged for registering any instrument of transfer or other Document relating to or affecting the title to any Share.

40.4 The Company may retain any instrument of transfer which is registered.

40.5 The transferor remains the Holder of a Share until the transferee's name is entered in the register of members as Holder of it.

- 40.6 Immediately upon the transfer of any A Shares to a Holder of B Shares in accordance with this agreement or the Articles, the transferred shares shall automatically convert into B Shares. Forthwith upon conversion the Holder(s) of the resulting B Shares shall send to the Company the certificates (if any) in respect of the relevant shares, and the Company shall issue to such Holder(s) certificates for the B Shares resulting from the conversion. The B Shares resulting from the conversion shall rank from the date of conversion *pari passu* in all respects with the other B Shares.
- 40.7 Immediately upon the transfer of any B Shares to a Holder of A Shares in accordance with this agreement or the Articles, the transferred shares shall automatically convert into A Shares. Forthwith upon conversion the Holder(s) of the resulting A Shares shall send to the Company the certificates (if any) in respect of the relevant shares, and the Company shall issue to such Holder(s) certificates for the A Shares, respectively, resulting from the conversion. The A Shares resulting from the conversion shall rank from the date of conversion *pari passu* in all respects with the other A Shares.
- 40.8 Notwithstanding any other provision of these Articles or the terms of any Shareholders' Agreement, no transfer of any Share shall be registered if it is to a minor.
- 40.9 The Directors must refuse to register the transfer of a Share which is not permitted by these Articles or the terms of any Shareholders' Agreement. The Directors may also refuse to register the transfer of a Share on which the Company has a lien and/or unless the certificate for the Share (or an indemnity for lost certificate in a form acceptable to the Directors) and any other evidence reasonably requested by the Directors to evidence the right to make the transfer is produced to them and/or unless the transfer is duly stamped or certified (if appropriate). Subject to the provisions of any Shareholders' Agreement and these Articles, and/or as required by law, the Directors must register the transfer of a Share made in accordance with these Articles or the terms of any Shareholders' Agreement.
- 40.10 If the Directors refuse to register the transfer of a Share, the instrument of transfer must be returned to the transferee with the notice of refusal, unless the Directors suspect that the proposed transfer may be fraudulent.
- 40.11 Notwithstanding any provision contained in these Articles or any Shareholders' Agreement, the Directors shall not decline or refuse to register any transfer of A Shares where such transfer is executed in favour of any bank or institution to whom such A Shares have been charged or mortgaged (or by or in favour of any nominee of such bank or institution) or any third party purchasing such A Shares in relation to any enforcement of such charge or mortgage (a **"Relevant Third Party"**) nor may the directors suspend registration of any Shareholder which is a bank or institution to whom such A Shares have been charged or mortgaged or a nominee thereof or a Relevant Third Party. A certificate by any official of such bank or institution that the relevant shares are charged or mortgaged shall be conclusive evidence of that fact.

41 **VARIATION OF RIGHTS**

Whenever the capital of the Company is divided into different classes of Shares, the rights attached to any class of Shares may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) in accordance with the Act, and in particular section 630 of the Act, and any relevant terms of any Shareholders' Agreement.

42 **RIGHTS DEEMED VARIED AND NOT VARIED**

Unless otherwise expressly provided by the rights attached to any class of Shares, those rights:

- (a) shall be deemed to be varied by:

- (i) the reduction of the capital paid up (as to nominal value) on those Shares; and
 - (ii) the allotment or issue of further Shares ranking in priority for payment of a dividend or in respect of capital or which otherwise carry more favourable rights than the first-mentioned Shares; and
- (b) shall be deemed not to be varied by:
 - (i) the purchase or acquisition by the Company of any of its own Shares; and
 - (ii) the allotment or issue of further Shares having the same rights as, or ranking pari passu with, or subordinate to, or carrying less favourable rights than the first-mentioned Shares.

43 TRANSMISSION OF SHARES

- 43.1 If title to a Share passes to a Transmittree, the Company may only recognise the Transmittree as having any title to that Share.
- 43.2 A Transmittree, 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.
- 43.3 Transmittrees 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.

44 EXERCISE OF TRANSMITTEES' RIGHTS

- 44.1 Transmittrees who wish to become the Holders of Shares to which they have become entitled must notify the Company in writing of that wish.
- 44.2 If the Transmittree wishes to have a Share transferred to another person, the Transmittree must execute an instrument of transfer in respect of it.
- 44.3 Any transfer made or executed under this Article 44 is subject to the Articles and is to be treated as if it were made or executed by the person from whom the Transmittree has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.

45 TRANSMITTEES BOUND BY PRIOR NOTICES

If a notice is given to a Shareholder in respect of Shares and a Transmittree is entitled to those Shares, the Transmittree is bound by the notice if it was given to the Shareholder before the Transmittree's name, or the name of any other person nominated under Article 43.2 has been entered in the register of members.

46 PROCEDURE FOR DECLARING DIVIDENDS

- 46.1 Subject to the terms of any Shareholders' Agreement, the Company may by Ordinary Resolution declare dividends, and the Directors may decide to pay interim dividends.

- 46.2 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.
- 46.3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights.
- 46.4 Unless the terms of:
- (a) any Shareholders' Agreement;
 - (b) the Shareholders' resolution to declare a dividend or the Directors' decision to pay a dividend; or
 - (c) 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.
- 46.5 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 arrears.
- 46.6 Subject to the terms of any Shareholders' Agreement, 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.
- 46.7 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.

47 **PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

- 47.1 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 in writing;
 - (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 in writing;
 - (c) sending a cheque made payable to such person by post to such person at such address as the Distribution Recipient has specified in writing; or
 - (d) any other means of payment as the Directors agree with the Distribution Recipient in writing.
- 47.2 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;
 - (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 Transmitten.

48 **DEDUCTIONS FROM DISTRIBUTIONS IN RESPECT OF SUMS OWED TO THE COMPANY**

48.1 If:

- (a) a Share is subject to the Company's Lien; and
- (b) the Directors are entitled to issue a lien enforcement notice in respect of it,

they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the Share any sum of money which is payable to the Company in respect of that Share to the extent that they are entitled to require payment under a lien enforcement notice.

48.2 Money so deducted must be used to pay any of the sums payable in respect of that Share.

48.3 The Company must notify the Distribution Recipient in writing of:

- (a) the fact and amount of any such deduction;
- (b) any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction; and
- (c) how the money deducted has been applied.

49 **NO INTEREST ON DISTRIBUTIONS**

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 any Shareholders' Agreement.

50 **UNCLAIMED DISTRIBUTIONS**

50.1 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.

50.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.

50.3 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.

51 **NON-CASH DISTRIBUTIONS**

51.1 Subject to the terms of issue of the Share in question and the terms of any Shareholders' Agreement, 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).

51.2 Subject to the terms of any Shareholders' Agreement, 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.

52 **WAIVER OF DISTRIBUTIONS**

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.

53 **AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS**

53.1 Subject to these Articles and the terms of any Shareholders' Agreement, 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,

except that where a Capitalised Sum is applied in paying up in full new Shares, the "**Persons Entitled**" are extended to include the Company in respect of any Treasury Shares, in accordance with Article 53.3.

53.2 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.
- 53.3 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, and for this purpose the Company is able to participate in the relevant allotment in relation to any Treasury Shares.
- 53.4 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.
- 53.5 Subject to these Articles and the terms of any Shareholders' Agreement, the Directors may:
 - (a) apply Capitalised Sums in accordance with Articles 53.3 and 53.4 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 53 (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 53.

PART 4

DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

- 54 **ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**
- 54.1 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.
- 54.2 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.
- 54.3 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.
- 54.4 In determining attendance at a general meeting, it is immaterial whether any two or more persons attending it are in the same place as each other as long as they can all hear and speak to each other.

- 54.5 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.

55 **QUORUM FOR GENERAL MEETINGS**

- 55.1 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.

- 55.2 Subject to the terms of any Shareholders' Agreement, two persons entitled to vote upon the business to be transacted, each being a Shareholder or a proxy for a Shareholder or a duly authorised representative of a corporation which is a Shareholder (but not including for this purpose proxies or corporate representatives of the same Shareholder), shall be a quorum save that one of the persons comprising the quorum must be a Holder of A Shares or his proxy or corporate representative.

- 55.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned to the same time and place the following week. If a quorum is not present within 30 minutes from the time appointed for the adjourned meeting, then the meeting shall be further adjourned to the same time and place the following week. If a quorum is not present within 30 minutes from the time appointed for the further adjourned meeting, then a quorum for such meeting shall be two Holders of B Shares.

56 **CHAIRING GENERAL MEETINGS**

- 56.1 If the Directors have appointed a Chairman, the Chairman shall chair general meetings if present and willing to do so.

- 56.2 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.

- 56.3 The person chairing a meeting in accordance with this Article 56 is referred to as the **"Chairman of the meeting"**.

57 **ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS**

- 57.1 Directors may attend and speak at general meetings, whether or not they are Shareholders.

- 57.2 The Chairman of the meeting may permit other persons who are not:

- (a) Shareholders; or
- (b) otherwise entitled to exercise the rights of Shareholders in relation to general meetings, to attend and speak at a particular general meeting.

58 ADJOURNMENT

58.1 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.

58.2 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.

58.3 The Chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

58.4 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.

58.5 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 seven clear days' notice of it:

- (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.

58.6 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.

59 VOTING: GENERAL

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.

60 ERRORS AND DISPUTES

60.1 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.

60.2 Any such objection must be referred to the Chairman of the meeting, whose decision is final.

61 POLL VOTES

61.1 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.
- 61.2 A poll may be demanded at any general meeting by:
 - (a) the Chairman of the meeting; and
 - (b) a person having the right to vote on the resolution.
- 61.3 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,

and a demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.
- 61.4 Polls must be taken immediately and in such manner as the Chairman of the meeting directs.
- 62 **CONTENT OF PROXY NOTICES**
- 62.1 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 in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate,

and a Proxy Notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the Proxy Notice at any time before the meeting.
- 62.2 The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.
- 62.3 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.
- 62.4 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.

63 DELIVERY OF PROXY NOTICES

- 63.1 A Proxy Notice in relation to which a right to vote is to be exercised must be delivered so that it is received by the Company:
- (a) in the case of a meeting or adjourned meeting, at any time before the time for holding the meeting or adjourned meeting, or any lesser time that the Directors may specify; and
 - (b) in the case of a poll taken otherwise than at the meeting or adjourned meeting, before the poll is taken.
- 63.2 In calculating the periods mentioned in Article 63.1 no account shall be taken of any part of a day that is not a Business Day.
- 63.3 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.
- 63.4 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.
- 63.5 A notice revoking a proxy appointment only takes effect if it is delivered before the poll is taken.
- 63.6 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.

64 AMENDMENTS TO RESOLUTIONS

- 64.1 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.
- 64.2 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.
- 64.3 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

65 MEANS OF COMMUNICATION TO BE USED

- 65.1 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 Act provides for Documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Company.
- 65.2 The Company may send or supply Documents or information to Shareholders by making them available on a website.
- 65.3 Subject to the Articles, any notice or Document or other information 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 or other information for the time being.
- 65.4 A Director may agree with the Company that notices or Documents or other information 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.
- 65.5 Any notice, Document or other information shall be deemed served on or delivered to the intended recipient:
- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
 - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - (c) if properly addressed and sent or supplied by electronic means, one hour after the Document or information was sent or supplied; and
 - (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later), when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this Article 65.5, no account shall be taken of any part of a day that is not a Business Day.

- 65.6 Proof that an envelope containing a notice or other Document was properly addressed, prepaid and posted shall be conclusive evidence that the notice or other Document was sent. Proof that a notice or other Document contained in an electronic communication was sent in accordance with guidance issued from time to time by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice or other Document was sent.

66 **COMPANY SEALS**

- 66.1 Any common seal of the Company may only be used by the authority of the Directors.
- 66.2 The Directors may decide by what means and in what form any common seal is to be used.
- 66.3 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 at least by:
- (a) two Authorised Persons; or
 - (b) one Authorised Person in the presence of a witness who attests the signature.
- 66.4 For the purposes of this Article 66, 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 affixed.

67 **WINDING UP**

Subject to the terms of any Shareholders’ Agreement, if the Company is wound up, the surplus assets of the Company remaining after payment of its liabilities shall be applied (to the extent that the Company is lawfully permitted to do so):

- (a) first in paying to each of the holders of the A Shares, in priority to any other classes of Shares, an amount per share held equal to the subscription price paid by that shareholder for the A Shares (provided that if there are insufficient surplus assets to pay the amounts per share equal to the subscription price for those A Shares, the remaining surplus assets shall be distributed to the holders of the A Shares pro rata to the amounts paid up on the A Shares);
- (b) second in paying to each of the holders of the B Shares, an amount per share held equal to the subscription price paid by that shareholder for the B Shares (provided that if there are insufficient surplus assets to pay the amounts per share equal to the subscription price for those B Shares, the remaining surplus assets shall be distributed to the holders of the B Shares pro rata to the amounts paid up on the B Shares);
- (c) third in paying to the holders of the Deferred Shares, if any, a total of £1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares);
- (d) the balance of the surplus assets (if any) shall be distributed among the holders of the Shares (other than the Deferred Shares) pro rata (as if the Shares constituted one and the same class) to the number of Shares (other than the Deferred Shares) held.

68 **INDEMNITY**

- 68.1 Subject to Article 68.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled, each relevant officer may be indemnified out of the Company’s assets (including by funding any expenditure incurred or to be incurred by him) against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in connection with:

- (a) any negligence, default, breach of duty or breach of trust in relation to the company of which he is a relevant officer;
- (b) the Company's, or any of its associated companies', activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act); and
- (c) the actual or purported execution and/or discharge of his duties.

68.2 This Article 68 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.

68.3 In this Article 68 a “**relevant officer**” means any director, alternate director, or other officer of the Company or of an associated company of the Company, but excluding any person engaged by that company as auditor.

69 **INSURANCE**

69.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

69.2 In this Article 69:

- (a) a “**relevant loss**” means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company of the Company, or a pension fund, employee share scheme or another trust in which current or former employees of the Company or any such associated company are or have been interested; and
- (b) a “**relevant officer**” means any current or former director, alternate director or other officer of the Company or of an associated company of the Company (but excluding any person engaged by that company as auditor) or a current or former trustee of a pension fund, employee share scheme or another trust in which current or former employees of the Company or any such associated company are or have been interested.