

Company number: 12460142

THE COMPANIES ACT 2006

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

MERLEY HOLDINGS LIMITED



CAMBRIDGE • LEICESTER • MANCHESTER • MILTON KEYNES • NORTHAMPTON • NORWICH

INDEX

CLAUSE	PAGE
1. INTERPRETATION	1
2. UNANIMOUS DECISIONS	2
3. CALLING A DIRECTORS' MEETING	3
4. QUORUM FOR DIRECTORS' MEETINGS	3
5. CASTING VOTE.....	3
6. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY	3
7. DIRECTORS' CONFLICTS OF INTEREST	4
8. RECORDS OF DECISIONS TO BE KEPT	5
9. NUMBER OF DIRECTORS	5
10. APPOINTMENT OF DIRECTORS.....	5
11. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS	6
12. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS	6
13. TERMINATION OF ALTERNATE DIRECTORSHIP.....	7
14. SECRETARY	7
15. SHARE RIGHTS AND RESTRICTIONS.....	7
16. FURTHER ISSUE OF SHARES: PRE-EMPTION RIGHTS	8
17. VARIATION OF CLASS RIGHTS	9
18. SURRENDER OF SHARES.....	ERROR! BOOKMARK NOT DEFINED.
19. PAYMENT OF COMMISSION ON SUBSCRIPTION FOR SHARES.....	ERROR! BOOKMARK NOT DEFINED.
20. TRANSFER OF SHARES: GENERAL.....	9
21. PROHIBITED TRANSFERS	10
22. TRANSMISSION OF SHARES.....	ERROR! BOOKMARK NOT DEFINED.
23. TRANSMITTEES BOUND BY PRIOR NOTICE	ERROR! BOOKMARK NOT DEFINED.
24. PURCHASE OF OWN SHARES.....	10
25. POLL VOTES	10
26. PROXIES	10
27. MEANS OF COMMUNICATION TO BE USED	10
28. INDEMNITY.....	11
29. INSURANCE	12

1. Interpretation

1.1 The following definitions and rules of interpretation apply in these Articles:

"Act" the Companies Act 2006.

"appointor" has the meaning given in article 11.1.

"Articles" the company's articles of association for the time being in force.

"Business Day" a day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.

"Conflict" has the meaning given in article 7.1.

"eligible director" a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter).

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

1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.

1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.

1.5 Unless expressly provided otherwise, a reference to legislation or a legislative provision is a reference to it as amended, extended or re-enacted from time to time.

1.6 A reference to legislation or a legislative provision shall include all subordinate legislation made from time to time under that legislation or legislative provision.

1.7 Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

1.8 Where the context permits, other and otherwise are illustrative and shall not limit the sense of the words preceding them.

- 1.9 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.10 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 18(e), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company.
- 1.11 Article 7 of the Model Articles shall be amended by:
- 1.11.1 the insertion of the words "for the time being" at the end of article 7(2)(a);
- 1.11.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may"; and
- 1.11.3 the insertion of the words at the end of article 7(2) "A sole director shall be entitled to exercise all powers and discretions conferred on the directors by the Act or the articles and nothing in these articles is to be construed as requiring the Company to have more than one director".
- 1.12 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".
- 1.13 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.14 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.15 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name".
- 1.16 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

Directors

2. Unanimous decisions

- 2.1 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.
- 2.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 2.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

3. Calling a directors' meeting

- 3.1 Any director may call a directors' meeting by giving not less than 5 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.
- 3.2 Notice of a directors' meeting shall be given to each director in writing.

4. Quorum for directors' meetings

- 4.1 Subject to article 4.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors, unless the shareholders have resolved pursuant to article 9 that there is to be only one director in office for the time being, that director shall form a quorum.
- 4.2 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.
- 4.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision to appoint further directors or to call a general meeting so as to enable the shareholders to appoint further directors.

5. Casting vote

- 5.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chair or other director chairing the meeting shall not have a casting vote.
- 5.2 Article 5.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chair or other director is not an eligible director for the purposes of that meeting (or part of a meeting).

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 Act and provided he or she has declared the nature and extent of his or her interest in accordance with the requirements of the Companies Acts, 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 or she 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 or she is interested;
- 6.1.4 may act by himself or herself, or his or her firm in a professional capacity for the company (otherwise than as auditor) and he or she, or his or her firm shall be entitled to remuneration for professional services as if he or she 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 or she may otherwise agree, be accountable to the company for any benefit which he or she (or a person connected with him or her (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 or her duty under section 176 of the 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 or her 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 or her involvement in the Conflict and otherwise than through his or her position as a director of the company) information that is confidential to a third party, he or she 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 or herself 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 or herself 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 or she 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.

8. Records of decisions to be kept

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

9. Number of directors

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

10. Appointment of directors

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.

11. Appointment and removal of alternate directors

- 11.1 Any director (appointor) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to exercise that director's powers and carry out that director's responsibilities, in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.
- 11.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.
- 11.3 The notice must identify the proposed alternate and in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

12. Rights and responsibilities of alternate directors

- 12.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.
- 12.2 Except as the Articles specify otherwise, alternate directors:
 - 12.2.1 are deemed for all purposes to be directors;
 - 12.2.2 are liable for their own acts and omissions;
 - 12.2.3 are subject to the same restrictions as their appointors; and
 - 12.2.4 are not deemed to be agents of or for their appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his or her appointor is a member.
- 12.3 A person who is an alternate director but not a director:
 - 12.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
 - 12.3.2 may participate in a unanimous decision of the directors (but only if his or her appointor is an eligible director in relation to that decision, but does not participate); and

12.3.3 shall not be counted as more than one director for the purposes of article 12.3.1 and article 12.3.2.

12.4 A director who is also an alternate director is entitled, in the absence of his or her appointor, to a separate vote on behalf of his or her appointor, in addition to his or her own vote on any decision of the directors (provided that his or her appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

12.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

13. Termination of alternate directorship

13.1 An alternate director's appointment as an alternate terminates:

13.1.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;

13.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;

13.1.3 on the death of the alternate's appointor; or

13.1.4 when the alternate's appointor's appointment as a director terminates.

14. Secretary

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

Shares

15. Share rights and restrictions

15.1 Share Classes

The Company may from time to time issue shares of different classes with different rights and restrictions attached to them. As at the date of adoption of these Articles the Company has the following predefined Share classes:

- Ordinary A Shares
- Ordinary B Shares

- Non-Voting Ordinary C Shares
- Non-Voting Ordinary D Shares

Each of these classes of shares ranks *pari passu* in all respects, except as provided in these Articles.

15.2 Dividends

Subject to the provisions of the Companies Act 2006, the directors may declare interim dividends and the company may by ordinary resolution, upon the recommendation of the directors, declare a final dividend but no dividend shall exceed the amount recommended by the directors.

Every meeting of the directors, a committee of the directors or general meeting of the company at which a dividend is declared shall, by the directors or by ordinary resolution (as appropriate) direct that such dividend be paid either in respect of one or more than one class of shares to the exclusion of the other class(es) of shares, or in respect of all classes of shares.

Where any dividend is declared in respect of all classes of shares the company may, by ordinary resolution, differentiate between the classes as to the amount or percentage of dividend payable to each class, but in default the shares in each class shall be deemed to rank *pari passu* in all respects as if they constituted one class of shares.

15.3 Voting

The Ordinary C and Ordinary D shares in the capital of the Company shall not entitle the holders thereof to receive notice of, attend or vote at any general meeting, or to vote on a written resolution of the company.

15.4 Participation

On a winding up or other repayment of capital (other than a purchase of own shares) the assets of the company available for distribution amongst the members shall be applied amongst the holders of the Ordinary A, Ordinary B, Ordinary C and Ordinary D shares *pro rata* according to the number of shares held by such holders as if they all constituted shares of the same class.

15.5 Further issue of shares: pre-emption rights

In accordance with section 567(1) of the Companies Act 2006, sections 561 and 5652 of the Companies Act shall not apply to an allotment of shares made by the company.

Unless otherwise agreed by special resolution, if the company proposes to allot any shares, those shares shall not be allotted to any person unless the company has first offered them to the existing shareholders *pro rata* to the number of shares held by each of them (as nearly as possible without involving fractions) and on the same terms as the proposed allotment (the "Pre-emption Offer").

Any such Pre-emption Offer:

- (a) shall be in writing, open for acceptance for a period of fifteen Business Days from the date of the offer and give details of the number and subscription price of the shares being offered; and
- (b) may stipulate that any shareholder who wishes to subscribe for a number of shares in excess of the proportion to which they are entitled, in their acceptance, state the number of excess shares ("Excess Shares") which they wish to subscribe for.

Any shares not accepted by shareholders pursuant to a Pre-Emption Offer made to them shall be used for satisfying any requests for Excess Shares. If there are insufficient Excess Shares to satisfy such requests, the Excess Shares shall be allotted to the applicants as nearly as practicable in the proportion to the number of Excess Shares each shareholder has indicated they would be prepared to accept bears to the total number of Excess Shares applied for. After that allotment, any Excess Shares remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders.

16. Variation of class rights

- 16.1 Whenever the capital of the company is divided into different classes of shares, the special rights attached to any class may only be varied or abrogated, with the consent of the holders of the issued shares of that class in accordance with article 23.2.
- 16.2 The consent of the holders of a share class may be given by:
 - 16.2.1 a special resolution passed at a separate meeting of the holders of the issued shares of that class; or
 - 16.2.2 a written resolution in any form signed by or on behalf of the holders of 75% or more in nominal value of the issued shares of that class.
- 16.3 In either case the provisions of these articles and the Companies Act 2006 relating to general meetings of the company shall apply (with such amendments as may be necessary to give such provisions efficacy).

17. Transfer of shares: general

- 17.1 In these articles a reference to the transfer of or transferring shares shall include any transfer, assignment, disposition or proposed or purported transfer, assignment or disposition of any shares, interest of any kind in such shares or any right to receive or subscribe for any shares of the company.
- 17.2 The directors may, in their absolute discretion, decline to register the transfer of a share whether or not it is a fully paid share.
- 17.3 If the directors refuse to register a transfer of a share they shall, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the company, send to the transferee notice of, and the reasons for, the refusal.

- 17.4 Any obligation to transfer a share under these articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such shares free from any lien, charge or other encumbrance.

18. Prohibited transfers

Notwithstanding any other provision of these articles, no transfer of any share shall be registered if it is to a minor, undischarged bankrupt, trustee in bankruptcy or person of unsound mind.

19. Purchase of own shares

Subject to the Act but without prejudice to any other provision of these Articles, 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 £15,000 and the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

Decision making by shareholders

20. Poll votes

- 20.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 20.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

21. Proxies

- 21.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 21.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

Administrative arrangements

22. Means of communication to be used

- 22.1 Subject to article 22.3, any notice, document or other information shall be deemed received by the intended recipient:
- 22.1.1 if delivered by hand at the time the notice, document or other information is left at the address;

22.1.2 if sent by pre-paid first class post or other next working day delivery service providing proof of postage, at 9.00 am on the second Business Day after posting;

22.1.3 if sent by email, at the time of transmission; or

22.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

22.2 If deemed receipt under article 22.1 would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this article 18.2, business hours means 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt and all references to time are to local time in the place of receipt.

22.3 To prove service, it is sufficient to prove that:

22.3.1 if delivered by hand, the notice was delivered to the correct address; or

22.3.2 if sent by post, the envelope containing the notice was properly addressed, paid for and posted;

22.3.3 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

23. Indemnity

23.1 Subject to article 23.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

23.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him or her as a relevant officer:

23.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them;

23.1.1.2 in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him or her in defending any civil or criminal proceedings, in which judgment is given in his or her favour or in which he or she is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his or her part or in connection with any application in which the court grants him or her, in his or her capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and

23.1.2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him or her in connection with any proceedings or application referred to in article 23.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

23.2 This article 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.

23.3 In this article:

23.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

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

24. Insurance

24.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

24.2 In this article:

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

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

24.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.