

**MACLAY GROUP PLC ("the Company")**

**(No SC133543)**

**WRITTEN RESOLUTIONS**

CIRCULATION DATE: 30/11/13

MONDAY



SCT 18/03/2013 #1075  
COMPANIES HOUSE

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolutions is passed as Special Resolutions (together the "Resolutions").

**SPECIAL RESOLUTIONS**

1. THAT, in accordance with section 551 of the Companies Act 2006 ("the Act"), the Directors be generally and unconditionally authorised to allot 19,150 C Ordinary Shares of £1 each in the Company provided that this authority shall, unless renewed, varied or revoked by the Company, expire on five years after the Circulation Date save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the Act.

2. THAT (subject to the passing of Resolution 1) in accordance with section 570 of the Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by resolution 1, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £19,150; and expire on five years after the Circulation Date save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.
3. THAT the existing Articles of Association of the Company be deleted in their entirety and the Articles of Association annexed to these Written Resolutions be adopted as the Articles of Association of the Company in substitution therefor.

**AGREEMENT**

Please read the notes at the end of this document before signifying your agreement to the Resolutions.



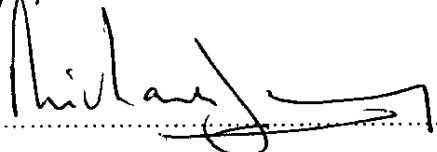
The undersigned, a person entitled to vote on the Resolutions on the Circulation Date, hereby irrevocably agrees to the Resolutions:

Signature: 

On behalf of Tennent Caledonian Breweries UK Limited

Full name: MICHAEL R W SLOAN

Date: 30/1/2013

Signature: 

On behalf of Matthews One Limited

Full name: MICHAEL DENNY

Date: 30/1/2013

#### NOTES

- 1 If you agree with the Resolutions, please indicate your agreement by signing, inserting your full name and dating this document where indicated above and returning it to the Company using one of the following methods:

- **By hand:** delivering the signed copy to Bruce Clow, Unit 2/4, the E-Centre, Cooperage Way, Business Village, Alloa, FK10 3LP.
- **Post:** returning the signed copy by post to Bruce Clow, Unit 2/4, the E-Centre, Cooperage Way, Business Village, Alloa, FK10 3LP.
- **Email:** by attaching a scanned copy of the signed document to an email and sending it to [bclow@macclay.co.uk](mailto:bclow@macclay.co.uk). Please enter "Written Resolutions" in the email subject box.

If you do not agree to the Resolutions, you do not need to do anything: you will not be deemed to agree if you fail to reply.

- 2 Once you have indicated your agreement to the Resolutions you may not revoke your agreement.
- 3 Unless, within 28 days of the Circulation Date, sufficient agreement has been received for the Resolutions to pass, it will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date.
- 4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.



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



**THE COMPANIES ACT 2006**

**ARTICLES OF ASSOCIATION**

**of**

**MACLAY GROUP PLC**

Adopted by special resolution 30/1/13



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**THE COMPANIES ACT 2006**

**ARTICLES OF ASSOCIATION**

**of**

**MACLAY GROUP PLC**

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**Part 1**

**INTERPRETATION AND LIMITATION OF LIABILITY**

**1 DEFINED TERMS**

1.1 In these Articles, unless the context requires otherwise:-

**"Act"** means the Companies Act 2006;

**"Adoption Date"** means the date of adoption of these Articles;

**"Anniversary"** means, in relation to a Good Leaver, the anniversary of their Termination Date;

**"Appointor"** is as defined in Article 27.1;

**"A Preference Dividend"** is as defined in Article 48.1.1.1;

**"A Preference Share"** means a cumulative redeemable preference share of £1 in the capital of the Company;

**"A Preference Shareholder"** means a holder for the time being of an A Preference Share;

**"Articles"** means the Company's articles of association for the time being in force;

**"A Shareholder(s)"** means the holder for the time being of the 'A' Shares and in the event that any consent, approval, authority or agreement is required of the 'A' Shareholder(s) in terms of these Articles such term shall be construed as a reference to the consent, approval, authority or agreement of the person or persons owning a majority of the 'A' Shares for the time being;

**"A Shares"** means A Ordinary Shares of £1 each in the capital of the Company;

**"Asset Sale"** means the disposal by the Company of assets which (together with associated liabilities or otherwise and as part of an undertaking or otherwise) represent 75% or more (by book value) of the consolidated gross tangible assets of the Company at that time;

**"Asset Sale Option"** is as defined in Article 53.1;

**"Asset Sale Option Notice"** is as defined in Article 53.3;



**"Bad Leaver"** means a C Shareholder (other than a Good Leaver) who ceases to be an Employee for any reason;

**"Bankruptcy"** includes individual insolvency proceedings in a jurisdiction other than Scotland which have an effect similar to that of sequestration in Scotland pursuant to the Bankruptcy (Scotland) Act 1985 as amended.

**"Board"** means the board of Directors of the Company;

**"Board Meeting"** means a meeting of the Directors held in accordance with these Articles;

**"B Preference Shares"** means the cumulative convertible B preference shares of £1 in the capital of the Company;

**"B Preference Shareholder"** means the holder for the time being of the 'B' Preference Shares;

**"B Shareholder(s)"** means the holder for the time being of the 'B' Shares being and in the event that any consent, approval, authority or agreement is required of the 'B' Shareholder(s) in terms of these Articles such term shall be construed as a reference to the consent, approval, authority or agreement of the person or persons owning a majority of the 'B' Shares for the time being;

**"B Shares"** means B Ordinary Shares of £1 each in the capital of the Company;

**"Business Day"** means any day (other than a Saturday or Sunday) on which the Scottish clearing banks are open for over-the-counter business in Edinburgh;

**"Business Plan"** is as defined in Article 48.9.6;

**"Capital Contributions"** means any share capital in the Company (including any premium on issue) subscribed for by the A Shareholders, A Preference Shareholders, B Shareholders and/or the B Preference Shareholders or any other person (other than the C Shareholders or the C Preference Shareholders) after the Adoption Date and/or the value of any capital provided to the Company by either the A Shareholders, A Preference Shareholders, B Shareholders or B Preference Shareholders;

**"Capital Return"** means return of capital to Shareholders on a reduction of capital, liquidation, dissolution or winding up of the Company;

**"Chairman"** is as defined in Article 12.1;

**"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 and the day for which it is given or on which it is to take effect;

**"Committee"** means the remuneration committee of the Board or a duly authorised committee of the Board or a duly authorised person which, if the A Shareholder and/or B Shareholder shall so specify, shall contain a representative of said A Shareholder or B Shareholder as appropriate;



**"Competing Leaver"** means a C Shareholder who ceases to be an Employee of the Company and who, within 36 months from the Termination Date, becomes engaged or interested in any capacity in any business which is engaged in the provision of services or products in competition with the Company or who otherwise breaches the terms of the post termination restrictive covenants contained in his service agreement;

**"Competing Leaver Event"** means the service by the Directors of a Competing Leaver Option Notice in accordance with Article 50.2;

**"Controlling Interest"** means an interest in Shares giving to the holder or holders the right to exercise over 50% of the voting rights attaching to all issued Shares in the Company;

**"Costs"** means in respect of any Exit, any relevant professional and related costs and fees borne or to be borne by the Company;

**"C Preference Dividend"** means the dividend payable on the C Preference Shares in accordance with Article 48.1.1.3;

**"C Preference Share"** means a C Preference Share of £1 each in the capital of the Company;

**"C Preference Shareholder"** means a holder of C Preference Shares;

**"C Shares"** means C ordinary shares of £1 each in the capital of the Company;

**"C Shareholder"** means a holder of C Shares;

**"C Shareholder Asset Sale Option"** is as defined in Article 53.1;

**"C Shareholder Asset Sale Option Notice"** is as defined in Article 53.2;

**"Deferred Share"** means a deferred share of £1 in the capital of the Company;

**"Director"** means a director of the Company, and includes any person occupying the position of director, by whatever name called;

**"Disposal"** means either:-

- (i) the making of an offer to purchase Ordinary Shares which, once completed, will result in the offeror acquiring more than 75% of the issued Ordinary Shares; or
- (ii) the entering into of one or more agreements which will result in any person acquiring more than 75% of the issued Ordinary Shares;

**"Document"** includes, unless otherwise specified, any document sent or supplied in electronic form;

**"Eligible Director"** means a Director who would be entitled to vote on the matter at a Board Meeting (but excluding any Director whose vote is not to be counted in respect of the particular matter);



**"Employee"** means a person who at any time is a director and/or an employee of the Company or any Group Company (and **"employment"** shall be construed accordingly to include such an agreement);

**"Escrow Account"** is as defined in Article 50.1;

**"Escrow Amount"** is as defined in Article 50.1;

**"Escrow Period"** is as defined in Article 50.1;

**"Exit"** means a Capital Return, Share Sale, Asset Sale or Listing;

**"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;

**"Good Leaver"** means a C Shareholder who ceases to be an Employee of the Company or a Group Company for one of the following reasons:

- (a) death;
- (b) Retirement;
- (c) injury, ill health or disability provided that the Directors are satisfied on production of such evidence as they may reasonably require that:
  - (i) the C Shareholder has ceased to exercise and, by reason of injury, ill health or disability, is incapable of exercising, continued full time employment in his current position; and
  - (ii) the C Shareholder is likely to remain so incapable for the foreseeable future,
- (d) where the Directors resolve that the C Shareholder should be treated as a Good Leaver;

but (a) to (d) shall not apply if, on cessation of employment, the C Shareholder is a Competing Leaver, in which case the C Shareholder shall be treated as a Bad Leaver,

**"Good Leaver Event"** means the service by the Directors of a Good Leaver Notice in accordance with Article 49.2;

**"Good Leaver Notice"** is as defined in Article 49.2;

**"Group"** means, in relation to a company, that company, its subsidiaries, subsidiary undertakings, any company of which it is a subsidiary (its holding company), subsidiary undertaking (its parent undertaking) and any other subsidiaries of any such holding company and subsidiary undertakings of any such parent undertaking;

**"Group Company"** means the Company and the Subsidiaries;

**"Instrument"** means a document in hard copy form;

**"Investor Director"** means a Director appointed pursuant to Article 23.2;



**"Issue Price"** means the amount paid up or credited as paid on the Shares concerned (including any premium on issue);

**"Listing"** means:

- (a) the admission by the UK Listing Authority to listing, together with admission by the London Stock Exchange to trading on the Official List of any of the issued equity share capital of the Company (or any new holding company of the Company incorporated for the purposes of listing) and such admission becoming effective, or
- (b) the admission by the London Stock Exchange of any of the issued equity share capital of the Company (or any new holding company of the Company incorporated for the purposes of listing) to trading on AIM and such admission becoming effective, or
- (c) any equivalent admission to any other Recognised Investment Exchange becoming unconditionally effective in relation to any of the issued equity share capital of the Company (or any new holding company of the Company incorporated for the purposes of listing);

**"Listing Shares"** means the issued equity share capital of the Company or any new holding company of the Company;

**"Listing Value"** means in the event of a Listing, the market value of the Listing Shares determined by reference to the price per share at which such shares are to be effected for sale, placed or otherwise marketed pursuant to the arrangements relating to the Listing, all as determined by the financial advisors to the Company or, if none, the broker appointed by the Board to advise in connection with the Listing;

**"Market Value"** shall have the meaning ascribed to it in Article 52;

**"Matthews Family Member"** means the children, grandchildren and any other lineal descendants of the late Evelyn Matthews together with the spouses of the said children, grandchildren and other lineal descendants;

**"Matthews Family Trusts"** means in relation to any Matthews Family Member or deceased Matthews Family Member, a trust which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of the settlor and/or a Matthews Family Member of the settlor and where no power of control over the voting rights conferred by any shares which are the subject of the trust is capable of being exercised by or subject to the consent of any person other than the trustees or the settlor and/or a Matthews Family Member of the settlor;

**"Model Articles"** means the model articles for public companies contained in Schedule 3 of The Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles;

**"Ordinary Shareholder(s)"** means the holder of the Ordinary Shares other than the C Shares;

**"Ordinary Shares"** means the A Shares, B Shares and C Shares;



**"paid"** means paid or credited as paid, and cognate expressions are to be construed accordingly;

**"Participate"** in relation to a Board Meeting, has the meaning given in Article 10, and cognate expressions are to be construed accordingly;

**"Performance Date"** means a date on which the Committee determine to the extent to which (if at all) any financial performance targets have been achieved;

**"Realisation"** means an Exit or a Good Leaver Event;

**"Realisation Amount"** means an amount equal to:

- (a) the Issue Price of the C Shares held by the relevant C Shareholder(s); and
- (b) the relevant Realisation Value;

**"Realisation Value"** means the value of the C Shares which are the subject of a Realisation, which shall be calculated using the following formula, on the basis that the relevant Realisation has been effected in accordance with its terms:

$$\text{Realisation Value} = (X / Y) \times (V - T)$$

Where:

- (a) "X" is:
  - (i) on an Exit, the total number of C Shares,
  - (ii) on a Good Leaver Event, the number of C Shares held by the departing C Shareholder,
- (b) "Y" is the total number of A Shares, B Shares, C Shares and B Preference Shares,
- (c) "V" is:
  - (i) on a Sale or Capital Return, the total proceeds from the Sale or Capital Return (as the case may be),
  - (ii) on a Listing, the Listing Value,
  - (iii) on a Good Leaver Event, the Market Value of the Company,
- (d) "T" is the Threshold Value of the Company

provided that: (1) if the Realisation Value determined in accordance with the above formula is nil or a negative figure, the Realisation Value shall be fixed at the nominal consideration sum of £1; and (2) in calculating the Realisation Value of the C Shares, there shall be no addition of any premium or subtraction of any discount by reference to the size of the holding of C Shares being transferred or in relation to any restrictions on the transferability of such C Shares;

**"Recognised Investment Exchange"** shall have the meaning ascribed to it in section 285(1)(a) of the Financial Services and Markets Act 2000;



**"Redemption Price"** means in respect of the A Preference Share, a price of £13.94 per A Preference Share;

**"Retirement"** means the retirement of a C Shareholder from employment by the Company or any Group Company at or beyond the age at which he is entitled to retire under the terms of his contract of employment or earlier with the consent of the Company or where there is no retirement age specified in the C Shareholder's contract of employment, the retirement of a C Shareholder from employment by the Company with the consent of the Company;

**"Sale"** means an Asset Sale or a Share Sale;

**"Shareholder"** in relation to Shares means a person whose name is entered in the register of members as the holder of Shares;

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

**"Share Sale"** means the making of one or more agreements (whether conditional or not but which agreement(s) become(s) unconditional for the disposal, transfer, purchase, subscription or renunciation of any part of the share capital of the Company giving rise to a transfer of a Controlling Interest, provided that the transfer of any Shares from Matthews One Limited to a Matthews Family Member or to a Matthews Family Trust shall not in itself be deemed to constitute a transfer of a Controlling Interest;

**"Subsidiary"** means a subsidiary of the Company, as defined in section 1159 of the Companies Act;

**"Termination Date"** means:

- (a) where employment ceases by virtue of notice given by the employer to the Employee, the date on which such notice expires; or
- (b) where a contract of employment is terminated by notice given by the employer and a payment is made in lieu of notice, the date on which such notice was served; or
- (c) where the Employee concerned is a director and an Employee of the Company or a Group Company, the date on which the Employee's said contract of employment is terminated; or
- (d) where the Employee concerned is a director (but not an employee) of the Company or a Group Company, the date on which the contract for the provision of his services (whether entered into directly with him or with a third party) with the Company or the Group Company is terminated; or
- (e) where a contract of employment is terminated under the doctrine of frustration, the date of the frustrating event; or
- (f) in any other case, the date on which the contract of employment is terminated.

**"Threshold Value"** means £8,400,000 plus any Costs and Capital Contributions;



**"Transfer Date"** is as defined in Article 37.8; and

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

**"Valuers"**: means an independent firm of Chartered Accountants agreed by the Shareholders or, failing such agreement, appointed by the President, whom failing the Vice President, for the time being of the institute of Chartered Accountants of Scotland.

- 1.2 Unless expressly provided otherwise, words or expressions contained in these Articles bear the same meaning as in the Act as in force on the Adoption Date.
- 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 A reference to a "person" (unless the context otherwise requires) includes a natural person, firm, partnership, company, corporation, association, organisation, local or national governmental authority, state, foundation and trust (in each case whether or not having separate legal personality).
- 1.6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:-
  - 1.6.1 any subordinate legislation from time to time made under it, and
  - 1.6.2 any amendment or re-enactment;
 and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.7 Any phrase introduced by the terms **"including"**, **"include"**, **"in particular"** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

## **2 EXCLUSION OF MODEL ARTICLES**

The Model Articles are excluded in their entirety by these Articles and shall not apply to the Company. No other regulations set out in any schedule to, or contained in any order, regulation or other subordinate legislation made under, any statute concerning companies shall apply as regulations or articles of the Company.

## **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 these Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

### **5 SHAREHOLDERS' RESERVE POWER**

5.1 The Ordinary Shareholders may, by special resolution, direct the Directors to take, or refrain from taking, specified action.

5.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

### **6 DIRECTORS MAY DELEGATE**

6.1 Subject to these Articles, the Directors may delegate any of the powers which are conferred on them:-

- 6.1.1 to such person or committee;
- 6.1.2 by such means (including by power of attorney);
- 6.1.3 to such an extent;
- 6.1.4 in relation to such matters or territories; and
- 6.1.5 on such terms and conditions,

as they think fit.

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

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

### **7 COMMITTEES**

7.1 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 these Articles which govern the taking of decisions by Directors.

7.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from these Articles if they are not consistent with them.

## **DECISION MAKING BY DIRECTORS**

### **8 DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

8.1 Decisions of the Directors may be taken at a Board Meeting or in the form of a Director's written resolution.



## **9 CALLING A BOARD MEETING**

- 9.1 Any Director may call a Board Meeting. The Company secretary must call a Board Meeting if a Director so requests. A Board Meeting is called by giving notice of the meeting to the Directors.
- 9.2 Notice of any Board Meeting must indicate:-
- 9.2.1 its proposed date and time;
  - 9.2.2 where it is to take place; and
  - 9.2.3 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.
- 9.3 Notice of a Board Meeting shall be given to each Director.
- 9.4 It shall not be necessary to give notice of a meeting to a Director whose whereabouts are unknown to the Company at the time when notice of a meeting is to be given to Directors.
- 9.5 Board Meetings shall take place at least five times in each year, with a period of not more than twenty weeks between any two meetings. At least five Business Days' advance notice of each such meeting shall be given to each Director (except with the prior consent of the Investor Director, when Board Meetings may take place less frequently or on shorter notice).
- 9.6 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings of that meeting.

## **10 PARTICIPATION IN BOARD MEETINGS**

- 10.1 Subject to these Articles, Directors Participate in a Board Meeting, or part of a Board Meeting, when:-
- 10.1.1 the meeting has been called and takes place in accordance with these Articles; and
  - 10.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 10.2 In determining whether Directors are Participating in a Board Meeting, it is irrelevant where any Director is or how they communicate with each other.
- 10.3 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 and in default of agreement, the meeting shall be deemed to be held at the location of the chairman of the meeting.



## **11 QUORUM FOR BOARD MEETINGS**

- 11.1 At a Board Meeting, unless a quorum is Participating, no proposal is to be voted on, except a proposal to call another meeting.
- 11.2 Subject to Article 11.3, the quorum for the transaction of business at a meeting of Directors shall, unless the Directors may agree in writing upon a greater number, be fixed at two Eligible Directors. In the event that an Investor Director has been appointed and has not been given five or more Business Days' advance notice of the meeting pursuant to Article 9.5, the Investor Director must be present for there to be a quorum.
- 11.3 For the purposes of any question pursuant to Article 16.4 or any meeting (or part of a meeting) held pursuant to Article 19 to authorise a Director's conflict, if there is only one Director in office besides the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 11.4 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:-
- a) to appoint a further Director or Directors; or
  - b) to call a general meeting so as to enable the Ordinary Shareholders to appoint further Directors.

## **12 CHAIRING OF BOARD MEETINGS**

- 12.1 The Directors may appoint one of their own number to be chairman of the board of Directors (the "Chairman") for such period and on such terms as the Directors may determine from time to time.
- 12.2 The Directors may appoint other Directors as deputy or assistant chairmen to chair a Board Meeting in the Chairman's absence for such period and on such terms as the Directors may determine from time to time.
- 12.3 If neither the Chairman nor any Director appointed generally to chair Board Meetings in the Chairman's absence is not Participating in a Board Meeting within ten minutes of the time at which it was to start, the Participating Directors must appoint one of themselves to chair it.

## **13 VOTING AT BOARD MEETINGS: GENERAL RULES**

- 13.1 A decision is taken at a Board Meeting by a majority of the votes of the Participating Directors.
- 13.2 Subject to these Articles, each Director Participating in a Board Meeting has one vote.

## **14 CASTING VOTE**

- 14.1 If the numbers of votes for and against a proposal at a Board Meeting are equal, the Chairman or other Director chairing the meeting shall not have a casting vote.



## 15 **ALTERNATES VOTING AT BOARD MEETING**

A Director who is also an alternate Director has an additional vote on behalf of each appointor who is:-

- 15.1 not participating in a Board Meeting; and
- 15.2 would have been entitled to vote if they were Participating in it.

## 16 **TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

- 16.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:-

- 16.1.1 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;

- 16.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such contract or proposed contract in which he is interested;

- 16.1.3 shall be entitled to vote at a meeting of Directors or of a committee of the Directors, or execute any Directors' written resolution, in respect of such contract or proposed contract in which he is interested;

- 16.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;

- 16.1.5 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

- 16.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

- 16.2 For the purposes of this Article, references to proposed decisions and decision-making processes include any Board Meeting or part of a Board Meeting.

- 16.3 Subject to Article 16.4, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to Participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of



the meeting, be referred to the Chairman whose ruling in relation to any Director other than the Chairman is to be final and conclusive.

- 16.4 If any question as to the right to Participate in the meeting (or part of the meeting) should arise in respect of the Chairman, the question is to be decided by a decision of the Directors at that meeting, for which purpose the Chairman is not to be counted as Participating in the meeting (or that part of the meeting) for voting or quorum purposes.

## 17 PROPOSING DIRECTORS' WRITTEN RESOLUTIONS

- 17.1 Any Director may propose a Directors' written resolution.
- 17.2 The Company secretary must propose a Directors' written resolution if a Director so requests.
- 17.3 A Directors' written resolution is proposed by giving notice of the proposed resolution to the Directors.
- 17.4 Notice of a proposed Directors' written resolution must indicate:-
- 17.4.1 the proposed resolution, and
  - 17.4.2 the time by which it is proposed that the Directors should adopt it.
- 17.5 Notice of a proposed Directors' written resolution must be given in writing to each Director.
- 17.6 Any decision which a person giving notice of a proposed Directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith.

## 18 ADOPTION OF DIRECTORS' WRITTEN RESOLUTIONS

- 18.1 A proposed Directors' written resolution is adopted when all the Directors who would have been entitled to vote on the resolution at a Directors' meeting have signed one or more copies of it, provided that those Directors would have formed a quorum at such a meeting.
- 18.2 It is immaterial whether any Director signs the Directors' written resolution before or after the time by which the notice proposed that it should be adopted.
- 18.3 Once a Directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a Board Meeting in accordance with these Articles.

## 19 DIRECTORS' CONFLICTS OF INTEREST

- 19.1 The Directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an "**Interested Director**") breaching his duty under section 175 of the Act to avoid conflicts of interest (a "**Conflict**").
- 19.2 Any authorisation under this Article will be effective only if:-



- 19.2.1 the matter in question shall have been proposed by any Director for consideration at a meeting of Directors 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;
  - 19.2.2 any requirement as to the quorum at the Board Meeting at which the matter is considered is met without counting the Director in question; and
  - 19.2.3 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.
- 19.3 Any authorisation of a Conflict under this Article 19 may (whether at the time of giving the authorisation or subsequently):-
- 19.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 19.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at Board Meetings or otherwise) related to the Conflict;
  - 19.3.3 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;
  - 19.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
  - 19.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
  - 19.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 19.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 19.5 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.
- 19.6 A Director, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of Shares) in the B Shareholder and no authorisation under Article 19 shall be necessary in respect of any such



interest or the fact that the B Shareholder and/or members of the B Shareholder's Group may have contracts and/or arrangements with competitors of the Company.

- 19.7 The Investor Director shall be entitled from time to time to disclose to the B Shareholder such information concerning the business and affairs of the Company as he shall at his discretion see fit.
- 19.8 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting or otherwise (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

## **20 RECORDS OF DECISIONS TO BE KEPT**

- 20.1 The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every decision taken by the Directors.
- 20.2 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.

## **21 DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

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

## **APPOINTMENT OF DIRECTORS AND SECRETARY**

### **22 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 one.

### **23 METHOD OF APPOINTING DIRECTORS**

- 23.1 Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director:-
- 23.1.1 by ordinary resolution, or
  - 23.1.2 by a decision of the Directors.
- 23.2 The holders of a majority in nominal value of the B Shares shall from time to time have the right to appoint, by notice in writing addressed to the Company, and to maintain in office, one person as a Director (an "Investor Director") and to remove any such Investor Director and to appoint a replacement.



- 23.3 Appointment and removal of an Investor Director shall be by written notice to the Company which shall take effect on delivery at its registered office or at any meeting of the Board.
- 23.4 Any appointment or removal of an Investor Director made in accordance with Article 23.3 shall take immediate effect upon receipt (or deemed receipt) by the Company of such notice in writing, or the production of such notice at a Board Meeting or, if later, the date (if any) specified in such notice.
- 23.5 In the event that the holder or holders of a majority in nominal value of the B Shares elect not to appoint an Investor Director pursuant to Article 23.2, such person or persons shall be entitled to appoint one person to act as an observer at meetings of directors and meetings of any committee of the Directors. The observer shall be entitled to receive notice of, and attend and speak at, all meetings of Directors and meetings of any committee of the Directors and to receive copies of all board papers as if he were a Director and copies of all draft Directors' written resolutions prior to them being signed by the Directors, but shall not be entitled to vote on any resolutions proposed.

## **24 TERMINATION OF DIRECTOR'S APPOINTMENT**

A person ceases to be a Director as soon as:-

- 24.1 that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law;
- 24.2 a bankruptcy order is made against that person or his estates are sequestered;
- 24.3 a composition is made with that person's creditors generally in satisfaction of that person's debts or he grants a trust deed (whether or not it becomes protected) for the benefit of his creditors;
- 24.4 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months;
- 24.5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- 24.6 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; or
- 24.7 in the case of the Investor Director, the Company receiving notice from the holders of a majority of the B Shares removing such Investor Director as a Director pursuant to Articles 23.2 to 23.4.

## **25 DIRECTORS' REMUNERATION**

- 25.1 Directors may undertake any services for the Company that the Directors decide.
- 25.2 Directors are entitled to such remuneration as the Directors determine:-

25.2.1 for their services to the Company as Directors, and



25.2.2 for any other service which they undertake for the Company.

25.3 A Director's remuneration may:-

25.3.1 take any form, and

25.3.2 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.

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

25.5 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.

## 26 **DIRECTORS' EXPENSES**

The Company may pay any reasonable expenses which the Directors and the Company secretary (if any) properly incur in connection with their attendance at:-

26.1 meetings of Directors or committees of Directors,

26.2 general meetings, or

26.3 separate meetings of the holders of any class of Shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

## 27 **APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

27.1 Any Director (the "**Appointor**") may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:-

27.1.1 exercise that Director's powers, and

27.1.2 carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor.

27.2 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.

27.3 The notice must:-

27.3.1 identify the proposed alternate, and



- 27.3.2 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.

## **28 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

- 28.1 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.

- 28.2 Except as these Articles specify otherwise, alternate Directors:-

- 28.2.1 are deemed for all purposes to be Directors;
- 28.2.2 are liable for their own acts and omissions;
- 28.2.3 are subject to the same restrictions as their Appointors; and
- 28.2.4 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 Appointor is a member.

- 28.3 A person who is an alternate Director but not a Director:-

- 28.3.1 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);
- 28.3.2 may execute a Directors' written resolution (but only if his Appointor is an Eligible Director in relation to that decision); and
- 28.3.3 shall not be counted as more than one Director for the purposes of Article 28.3.1.

- 28.4 A Director who is also an alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of his Appointor, in addition to his own vote on any decision of the Directors (provided that his Appointor is an Eligible Director in relation to that decision), but shall not count as more than one Director for the purposes of determining whether a quorum is present.

- 28.5 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.

## **29 TERMINATION OF ALTERNATE DIRECTORSHIP**

An alternate Director's appointment as an alternate terminates:-

- 29.1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;



- 29.2 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;
- 29.3 on the death of the alternate's Appointor; or
- 29.4 when the alternate's Appointor's appointment as a Director terminates.

### 30 **SECRETARY**

The Directors may appoint any person who is willing to act as the Company 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.

## **PART 4 SHARES AND DISTRIBUTIONS**

### **SHARES**

### 31 **PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES**

- 31.1 The Directors shall not exercise any power of the Company to:-

- 31.1.1 offer or allot;
- 31.1.2 grant rights to subscribe for or to convert any security into; and
- 31.1.3 otherwise deal in, or dispose of,

any Shares or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares to any person, at any time without the prior written authority of the A Shareholders and the B Shareholders.

### 32 **ALL SHARES TO BE FULLY PAID UP**

- 32.1 No Share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.
- 32.2 The provisions of Article 32.1 do not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum.

### 33 **POWERS TO ISSUE DIFFERENT CLASSES OF SHARE**

- 33.1 Subject to these Articles, but without prejudice to the rights attached to any existing Share, the Company may issue Shares with such rights or restrictions as may be determined by ordinary resolution.
- 33.2 The Company may issue Shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the Shareholder, and the Directors may determine the terms, conditions and manner of redemption of any such Shares.



### 34 TRUSTS

The Company shall be entitled, but shall not be bound, to accept and, in the event of acceptance, shall be entitled to record in such manner as it may think fit, notices of any trusts in respect of any Shares. Notwithstanding any such acceptance and/or the making of any such record, the Company shall not be bound to see to the execution, administration or observance of any trust whether express, implied or constructive, in respect of any Shares and shall be entitled to recognise and give effect to the acts and deeds of the registered holders of such Shares as if they were the absolute owners thereof. For the purposes of this Article "trust" includes any right in respect of any Shares other than an absolute right thereto in the registered holder thereof.

### 35 SHARE CERTIFICATES

35.1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds.

35.2 Every certificate must specify:-

- 35.2.1 in respect of how many Shares, of what class, it is issued;
- 35.2.2 the nominal value of those Shares;
- 35.2.3 that the Shares are fully paid; and
- 35.2.4 any distinguishing numbers assigned to them.

35.3 No certificate may be issued in respect of Shares of more than one class.

35.4 If more than one person holds a Share, only one certificate may be issued in respect of it.

35.5 Certificates must:-

- 35.5.1 have affixed to them the Company's common seal, or
- 35.5.2 be otherwise executed in accordance with the Act.

### 36 REPLACEMENT SHARE CERTIFICATES

36.1 If a certificate issued in respect of a Shareholder's Shares is:-

- 36.1.1 damaged or defaced, or
- 36.1.2 said to be lost, stolen or destroyed,

that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares.

36.2 A Shareholder exercising the right to be issued with such a replacement certificate:-

- 36.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;



36.2.2 must return the certificate which is to be replaced to the Company if it is damaged or defaced; and

36.2.3 must comply with such conditions as to evidence and indemnity as the Directors decide.

### 37 SHARE TRANSFERS

37.1 Other than as provided for in Articles 48.1.4, 48.1.5, 48.7, 49 and 53, Shares may only be transferred with the consent or agreement of the A Shareholders and B Shareholders or any prior agreement between the A Shareholders and B Shareholders.

37.2 Subject to Article 37.1, 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 and (if any of the Shares is partly paid) the transferee.

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

37.4 The Company may retain any Instrument of transfer which is registered.

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

37.6 The Directors may refuse to register the transfer of a Share and, if they do so, the Instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

37.7 On the transfer of any share as permitted by these Articles:

37.7.1 a Share transferred to a non-shareholder shall remain of the same class as before the transfer; and

37.7.2 a Share transferred to a Shareholder shall automatically be redesignated on transfer as a Share of the same class as those Shares already held by the Shareholder (or, in the case of a shareholder holding more than one class of shares, that class held by him as most closely approximates the shares being transferred).

If no Shares of a class remain in issue following a redesignation under this Article, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, Shareholders holding Shares of that class or Directors appointed by that class.

37.8 Completion of the transfer of any C Shares in accordance with Articles 49 and 53 shall be completed no later than ten Business Days after the determination of the relevant Realisation Value ("**Transfer Date**") at such time and place that the Directors and relevant Shareholder(s) agree or, failing which (in respect of the place), at the registered office of the Company at such time on the Transfer Dates as the Company may determine.



- 37.9 The Company shall buy back and pay for (or, in respect of a Good Leaver Event only, where the Company has insufficient distributable reserves for it to buy back its shares lawfully, the A Shareholder(s) and the B Shareholder(s) shall, in proportion to their respective shareholdings, purchase and pay the consideration for) the C Shares, with payments to be made to the relevant C Shareholders on the Transfer Date and those C Shareholders shall deliver to the Company in respect of the C Shares on or before the Transfer Date:

- (a) duly executed share transfer forms,
- (b) such paperwork as the Directors may reasonably require to effect a buy back (if appropriate); and
- (c) the relevant share certificates or an indemnity in respect thereof (in a form acceptable to the Company, acting reasonably);

and shall transfer the C Shares to the Company free from all claims, pledges, equities, liens, charges and encumbrances.

- 37.10 The relevant C Shareholder hereby irrevocably appoints each Director (other than himself should he be or become a Director) by way of security for the performance of his respective obligations under Articles 49 and 53 as its attorney to execute, deliver and/or issue any necessary document, agreement, certificate and instrument required to be executed by it under the provisions of Articles 49, 53 or this Article 37 including any transfer of shares or other documents which may be necessary to transfer title to the C Shares required by Articles 49 and 53.

- 37.11 Where the Company is to purchase any Shares in accordance with these Articles and can lawfully do so:-

- 37.11.1 the Shareholders shall enter into and pass such resolutions as may be required in order to complete such purchase; and
- 37.11.2 any Shares bought back by the Company shall be treated as, and deemed to be, cancelled in accordance with Section 706(b) of the Act.

- 37.12 The C Shareholders and the C Preference Shareholders shall not:

- 37.12.1 mortgage (whether by way of fixed or floating charge), pledge or otherwise encumber their legal or beneficial interest in the whole or any of the C Shares or the C Preference Shares,
- 37.12.2 sell, transfer or otherwise dispose of all or any of their C Shares or C Preference Shares or any legal or beneficial interest therein or assign or otherwise purport to deal therewith or with any interest therein, or
- 37.12.3 agree, whether conditionally or otherwise, to do any of the foregoing,

other than in accordance with these Articles.



### **38 TRANSMISSION OF SHARES**

- 38.1 If title to a Share passes to a Transmitttee, the Company may only recognise the Transmitttee as having any title to that Share.
- 38.2 A Transmitttee who produces such evidence of entitlement to Shares as the Directors may properly require:-
- 38.2.1 may, subject to these Articles, choose either to become the holder of those Shares or to have them transferred to another person, and
  - 38.2.2 subject to these Articles, and pending any transfer of the Shares to another person, has the same rights as the holder had.
- 38.3 Transmitttees 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.

### **39 EXERCISE OF TRANSMITTEES' RIGHTS**

- 39.1 Transmitttees who wish to become the holders of Shares to which they have become entitled must notify the Company in writing of that wish.
- 39.2 If the Transmitttee wishes to have a Share transferred to another person, the Transmitttee must execute an Instrument of transfer in respect of it.
- 39.3 Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the Transmitttee has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.

### **40 TRANSMITTEES BOUND BY PRIOR NOTICES**

If a notice is given to a Shareholder in respect of Shares and a Transmitttee is entitled to those Shares, the Transmitttee is bound by the notice if it was given to the Shareholder before the Transmitttee's name, or the name of any person nominated under Article 38.2, has been entered in the register of members.

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **41 PROCEDURE FOR DECLARING DIVIDENDS**

- 41.1 The Company may by ordinary resolution declare dividends, and the Directors may decide to pay interim dividends.
- 41.2 Other than as provided for in Article 48, a dividend must not be declared unless the Directors have made a recommendation as to its amount and such a dividend must not exceed the amount recommended by the Directors.
- 41.3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights.
- 41.4 Unless the Shareholders' resolution to declare or Directors' decision to pay a dividend, or the terms on which Shares are issued, specify otherwise, it must be paid



by reference to each Shareholder's holding of Shares on the date of the resolution or decision to declare or pay it.

- 41.5 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.
- 41.6 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.
- 41.7 The Company shall procure that the profits of any other Group Company available for distribution shall from time to time (and to the extent lawful), be paid by way of dividend to the Company to the extent necessary to permit lawful and prompt payment by the Company of the dividend.

## 42 PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS

- 42.1 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:-

- 42.1.1 transfer to a bank or building society account specified by the distribution recipient in writing;
- 42.1.2 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;
- 42.1.3 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
- 42.1.4 any other means of payment as the Directors agree with the distribution recipient in writing.

- 42.2 In these Articles, "**distribution recipient**" means, in respect of a Share in respect of which a dividend or other sum is payable:-

- 42.2.1 the holder of the Share; or
- 42.2.2 if the Share has two or more joint holders, whichever of them is named first in the register of members; or
- 42.2.3 if the holder is no longer entitled to the Share by reason of death or Bankruptcy, or otherwise by operation of law, the Transmittree.

## 43 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:-

- 43.1 the terms on which the Share was issued, or



- 43.2 the provisions of another agreement between the holder of that Share and the Company.

#### 44 UNCLAIMED DISTRIBUTIONS

- 44.1 All dividends or other sums which are:-

44.1.1 payable in respect of Shares; and

44.1.2 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.

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

- 44.3 If:-

44.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment; and

44.3.2 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.

#### 45 NON-CASH DISTRIBUTIONS

- 45.1 Subject to the terms of issue of the Share in question, the Company may, by ordinary resolution on the recommendation of the Directors, decide to pay all or part of a dividend or other distribution payable in respect of a Share by transferring non-cash assets of equivalent value (including, without limitation, Shares or other securities in any Company).

- 45.2 For the purposes of paying a non-cash distribution, the Directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:-

45.2.1 fixing the value of any assets;

45.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

45.2.3 vesting any assets in trustees.

#### 46 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:-

- 46.1 the Share has more than one holder; or



- 46.2 more than one person is entitled to the Share, whether by reason of the death or Bankruptcy of one or more joint holders, or otherwise,

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

### CAPITALISATION OF PROFITS

#### 47 AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS

- 47.1 The Directors may, if they are so authorised by an ordinary resolution:-

47.1.1 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

47.1.2 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.

- 47.2 Capitalised sums must be applied:-

47.2.1 on behalf of the persons entitled; and

47.2.2 in the same proportions as a dividend would have been distributed to them.

- 47.3 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.

- 47.4 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.

- 47.5 The Directors may:-

47.5.1 apply capitalised sums in accordance with Articles 47.3 and 47.4 partly in one way and partly in another;

47.5.2 make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments); and

47.5.3 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.



## 48 CLASS RIGHTS

48.1 The rights and restrictions attaching to the A Shares, the B Shares, the C Shares, the A Preference Shares, the B Preference Shares and the C Preference Shares respectively are as follows:-

48.1.1 as regards income:-

48.1.1.1 the A Preference Shareholders shall be entitled, in priority to any rights of the holders of any other class of Shares, to be paid a fixed cumulative preferential cash dividend ("**the A Preference Dividend**") of 69.77 pence per A Preference Share per annum (exclusive of any associated tax credit) on the nominal amount of each A Preference Share held by them but otherwise shall not be entitled to receive any dividend;

48.1.1.2 the B Shareholders and the B Preference Shareholders shall be entitled, following payment of any A Preference Dividend, but in priority to the payment of any other dividend or the transfer of any sum to reserves, to be paid a fixed cumulative preferential cash dividend (the "**B Preference Dividend**") based on the following formula:

$(a \times b/c)$

where:

'a' is the amount payable for the A Preference Dividend

'b' is the total number of B Shares and the B Preference Shares in issue

'c' is the total number of A Shares in issue;

48.1.1.3 the C Preference Shares shall confer on the C Preference Shareholders the right to receive, following payment of any A Preference Dividend and any B Preference Dividend but in priority to payment of dividend on any other class of Shares or the transfer of any sum to reserves, a preferential dividend (the "**C Preference Dividend**") at the annual rate of the London Interbank Offered Rate as at the date on which the dividend is due to be paid in each year (excluding any associated tax credit) ("**Interest Rate**") of the Issue Price per C Preference Share, which shall be paid on 1 January in each year to the person(s) registered as C Preference Shareholders at that date and which shall accrue daily. The first payment shall be made on 1 January 2013 for the period from and including the date of issue of such C Preference Shares to such date. The C Preference Shares shall not otherwise participate in any distribution or dividend not being a C Preference Dividend that is declared by the Company;



48.1.1.4 after a dividend has been paid to the A Preference Shareholders pursuant to Article 48.1.1.1, the B Shareholders and B Preference Shareholders pursuant to Article 48.1.1.2 and the C Preference Shareholders pursuant to Article 48.1.1.3, the A Shareholders, the B Shareholders, the B Preference Shareholders and the C Shareholders shall be entitled to a share of any further dividend based on the following principles:

- a) the total aggregate profits of the Company declared and approved for distribution (including the A Preference Dividend and the B Preference Dividend) (the "**Relevant Profits**") shall be allocated between the holders of the A Shares, B Shares, B Preference Shares and C Shares pro rata in accordance with the number of such shares held by each shareholder (with the amount of Relevant Profits so allocated to each shareholder being their "**Relevant Allocation**");
- b) the Relevant Allocation of the A Shareholders shall be paid to the A Shareholders after deduction of an amount equal to the A Preference Dividend;
- c) the Relevant Allocation of the B Shareholders and the B Preference Shares shall be paid after deduction of an amount equal to the B Preference Dividend;
- d) the Relevant Allocation of the C Shareholders shall be paid to the C Shareholders in full,

PROVIDED THAT:

- (i) in the event that Relevant Allocation of the A Shareholders is less than the A Preference Dividend and/or the Relevant Allocation of the B Preference Shareholders and/or the B Shareholders is less than the amount of the B Preference Dividend, no sums shall be due to be repaid by any such shareholders; and
- (ii) in the event that there are insufficient Relevant Profits to enable the C Shareholder to receive its Relevant Allocation in full, the C Shareholder shall have no further rights in respect of any dividend and/or distribution.

48.1.1.5 If the A Preference Dividend ceases to be payable, the A Shareholders, B Shareholders, C Shareholders and the B Preference Shareholders shall be entitled to receive the profits of the Company declared and approved for distribution (less the C Preference Dividend) pro rata to their respective



holdings of A Shares, B Shares, C Shares and B Preference Shares in issue.

48.1.1.6 The A Preference Dividend shall be paid half yearly in arrears on September and March (each being an "A Payment Date").

48.1.1.7 If the Company shall not have sufficient profits available for distribution to pay in full the A Preference Dividend on any A Payment Date then:-

- a) on the relevant A Payment Date the Company shall pay to each A Preference Shareholder on account of the relevant A Preference Dividend the maximum sum (if any) which can then be properly paid by the Company;
- b) on each succeeding A Payment Date the Company shall pay to each A Preference Shareholder the balance of the relevant A Preference Dividend for the time being outstanding (and until the same shall have been paid in full) and on account of the A Preference Dividend due on that A Payment Date, the maximum sum (if any) which can then properly be paid by the Company; and
- c) no other dividend (or sum payable pursuant to Articles 48.1.1.8 and/or 48.1.1.9) shall be paid unless all sums due in respect of the A Preference Dividend have been paid in full.

48.1.1.8 The B Preference Dividend shall be payable on the same date as the A Preference Dividend is payable (each being a "B Payment Date"). If the Company shall not have sufficient profits available for distribution to pay in full the B Preference Dividend on any B Payment Date then:-

- a) on the relevant B Payment Date the Company shall pay to each B Preference Shareholder on account of the relevant B Preference Dividend the maximum sum (if any) which can then be properly paid by the Company;
- b) on each succeeding B Payment Date the Company shall pay to each B Preference Shareholder the balance of the relevant B Preference Dividend for the time being outstanding (and until the same shall have been paid in full) and on account of the B Preference Dividend due on that B Payment Date, the maximum sum (if any) which can then properly be paid by the Company; and
- c) other than pursuant to Article 48.1.1.7, no other dividend (or sum payable pursuant to Article



48.1.1.9) shall be paid unless all sums due in respect of the B Preference Dividend have been paid in full.

48.1.1.9 The C Preference Dividend shall be payable on the dates referred to in Article 48.1.1.3 (each being a "**C Payment Date**"). If the Company shall not have sufficient profits available for distribution to pay in full the C Preference Dividend on any C Payment Date then:-

- a) on the relevant C Payment Date the Company shall pay to each C Preference Shareholder on account of the relevant C Preference Dividend the maximum sum (if any) which can then be properly paid by the Company;
- b) on each succeeding C Payment Date the Company shall pay to each C Preference Shareholder the balance of the relevant C Preference Dividend for the time being outstanding (and until the same shall have been paid in full) and on account of the C Preference Dividend due on that C Payment Date, the maximum sum (if any) which can then properly be paid by the Company; and
- c) other than pursuant to Article 48.1.1.7 and 48.1.1.8, no other dividend shall be paid unless all sums due in respect of the C Preference Dividend have been paid in full.

48.1.1.10 For the avoidance of doubt, no dividend shall be declared or paid in respect of any financial year on the Ordinary Shares unless and until the A Preference Dividend, the B Preference Dividend and the C Preference Dividend shall have been paid in full in respect of that financial year and in respect of all previous financial years of the Company;

48.1.2 Where the B Preference Shares have not been converted into B Shares pursuant to Article 48.3, on a return of capital on liquidation or otherwise (except on the conversion or redemption of Shares of any class or the purchase by the Company of its own Shares), the assets of the Company available for distribution among the members shall be applied:-

48.1.2.1 firstly, in repaying to the holders of the B Preference Shares the amounts paid up on such B Preference Shares (including any premium paid in respect thereof);

48.1.2.2 secondly, in repaying to the holders of the A Preference Shares, the *Redemption Price of the A Preference Shares* and a sum equal to any arrears or deficiency of the A Preference Dividend thereon to be calculated down to the date of the return of capital and to be payable whether or not such Preference Dividend has been declared or earned;



- 48.1.2.3      thirdly, in paying to the holders of the B Shares a sum equal to the amount received by the A Preference Shareholder under Article 48.1.2.2;
  - 48.1.2.4      fourthly, in paying to the holders of the C Preference Shares the amounts paid up on such C Preference Shares (including any premium paid in respect thereof);
  - 48.1.2.5      fifthly, in paying an amount equal to the Threshold Value to the holders of the A Shares and the holders of the B Shares so that (i) the amount paid to the A Shareholder is such that the aggregate sum received by the A Shareholder and A Preference Shareholder together under Article 48.1.2.2 and this Article 48.1.2.5 is in proportion to which the A Shares bears to the A Shares, B Shares and B Preference Shares in issue and (ii) the amount paid to the B Shareholder is such that the aggregate sum received by the B Shareholder and B Preference Shareholder together under Articles 48.1.2.1 and 48.1.2.3 and this Article 48.1.2.5 is in proportion to which the B Shares and B Preference Shares bears to the A Shares, B Shares and B Preference Shares in issue; and
  - 48.1.2.6      sixthly, in paying any surplus amount in excess of the Threshold Value to the holders of the A Shares, the holders of the B Shares, the holders of the B Preference Shares and the holders of the C Shares pro rata in accordance with the number of such shares held by each shareholder.
- 48.1.3      Where the B Preference Shares have been converted into B Shares pursuant to Article 48.3, on a return of capital on liquidation or otherwise (except on the conversion or redemption of Shares of any class or the purchase by the Company of its own Shares), the assets of the Company available for distribution among the members shall be applied:-
- 48.1.3.1      firstly, in repaying to the holders of the A Preference Shares, the Redemption Price of the A Preference Shares and a sum equal to any arrears or deficiency of the A Preference Dividend thereon to be calculated down to the date of the return of capital and to be payable whether or not such Preference Dividend has been declared or earned;
  - 48.1.3.2      secondly, in paying to the holders of the B Shares a sum equal to the amount received by the A Preference Shareholder under Article 48.1.3.1;
  - 48.1.3.3      thirdly, in paying to the holders of the C Preference Shares the amounts paid up on such C Preference Shares (including any premium paid in respect thereof);
  - 48.1.3.4      fourthly, in paying an amount equal to the Threshold Value to the holders of the A Shares and the holders of the B Shares so that (i) the amount paid to the A Shareholder is such that the aggregate sum received by the A Shareholder and A Preference Shareholder together under Article 48.1.3.1 and



this Article 48.1.3.4 is in proportion to which the A Shares bears to the A Shares and B Shares in issue and (ii) the amount paid to the B Shareholder is such that the aggregate sum received by the B Shareholder together under Article 48.1.3.2 and this Article 48.1.3.4 is in proportion to which the B Shares bears to the A Shares and B Shares; and

48.1.3.5 fifthly, in paying any surplus amount in excess of the Threshold Value to the holders of the A Shares, the holders of the B Shares and the holders of the C Shares pro rata in accordance with the number of such shares held by each shareholder.

48.1.4 As regards redemption of the A Preference Shares:-

48.1.4.1 subject to the provisions of the Act and to the prior written consent of all the Ordinary Shareholders and the holders of the B Preference Shares, the Company shall be entitled at any time on giving three months' prior written notice of redemption to the holder or holders of the A Preference Shares to redeem all or any (in multiples of not less than 1000 A Preference Shares) of the A Preference Shares then in issue at the Redemption Price, together with an amount equal to any accrued but unpaid A Preference Dividend thereon, to be calculated up to and including the date fixed for redemption and to be payable whether or not such A Preference Dividend has been declared or earned;

48.1.4.2 subject to the provisions of the Act and to the prior written consent of all the Ordinary Shareholders and the holders of the B Preference Shares, any A Preference Shareholder shall be entitled at any time to require the Company to redeem all or any (in multiples of not less than 1000 A Preference Shares) of the A Preference Shares held by them by giving to the Company three months' prior written notice of such redemption, at the Redemption Price, together with an amount equal to any accrued but unpaid A Preference Dividend thereon, to be calculated up to and including the date fixed for redemption and to be payable whether or not such A Preference Dividend has been declared or earned;

48.1.4.3 any notice to be given by one party to the other pursuant to Article 48.1.4.1 or 48.1.4.2 shall be in writing, shall state the number of A Preference Shares to be redeemed and shall fix the date, time and place for such redemption. On such date and at the time and place so fixed, each of the registered holders of the A Preference Shares to be redeemed shall be bound to deliver to the Company the certificate or certificates for such A Preference Shares for cancellation, and upon such delivery the Company shall pay to each holder the amount due in respect of such redemption and shall cancel the certificate or certificates so delivered provided that if any certificate so surrendered includes any A Preference Shares not redeemable at that time the Company shall issue a fresh



certificate for the balance of the A Preference Shares not redeemed to the holder. All A Preference Shares redeemed as aforesaid shall be cancelled;

- 48.1.4.4 at the time fixed for redemption of any of the A Preference Shares, the A Preference Dividend payable in respect of the A Preference Shares specified in the relevant redemption notice shall cease to accrue and such A Preference Shares shall be extinguished and shall cease to confer any right upon the holder or holders thereof except in respect of any A Preference Share in which, upon due presentation of the certificate, payment of the redemption monies is refused in which case the A Preference Dividend payable on such shares shall continue to accrue and be payable until the date when the said redemption monies are paid by the Company to the holder of such A Preference Shares;
- 48.1.4.5 if any holder of A Preference Shares whose A Preference Shares are liable to be redeemed shall fail or refuse to deliver up the certificate or certificates for his A Preference Shares, the Company may retain the redemption monies until delivery up of such certificate or certificates or of an indemnity in respect thereof satisfactory to the Company but shall within seven days after such delivery pay the redemption monies to such holders;
- 48.1.4.6 if the Company is unable to redeem in accordance with the Act the number of A Preference Shares to be redeemed pursuant to Articles 48.1.4.1 or 48.1.4.2, the Company shall thereupon redeem such whole number of A Preference Shares (if any) as it is then able to redeem in accordance with the Act and shall so redeem the balance as soon as it is able so to do, in which event the A Preference Dividend payable on such A Preference Shares shall continue to accrue and be payable on the payment dates until the date when such A Preference Shares are redeemed and the redemption monies are paid by the Company to the holder of such A Preference Shares together with an amount equal to any accrued but unpaid A Preference Dividend thereon, to be calculated up to and including the date of redemption and to be payable whether or not such A Preference Dividend has been declared or earned;
- 48.1.4.7 unless all of the A Preference Shares are to be redeemed, any redemption of the A Preference Shares by the Company pursuant to this Article 48.1.4 shall be pro rata, as nearly as may be, to the number of A Preference Shares held by the A Preference Shareholders.

48.1.5 As regards redemption of the C Preference Shares:-

- 48.1.5.1 The Company shall redeem all the C Preference Shares then in issue immediately prior to a Realisation provided that, in the case of a Realisation which is constituted by a Good



Leaver Event which could not reasonably be predicted in advance (i.e. death, injury, ill health or onset of disability as set out in these Articles), the Company shall redeem the said C Preference Shares as soon as reasonably practicable thereafter.

- 48.1.5.2 Where the C Preference Shares are to be redeemed in accordance with Article 48.1.5.1 above, the Company shall give to the C Preference Shareholders prior notice in writing of the redemption ("**Company Redemption Notice**"). The Company Redemption Notice shall specify the expected date for redemption and shall be conditional on such Realisation occurring within one month of the date fixed for redemption, failing which the Company Redemption Notice shall be revoked.
- 48.1.5.3 If the Company is unable to redeem in full the relevant number of C Preference Shares on the date fixed for redemption, the Company will redeem as many of such C Preference Shares as can lawfully and properly be redeemed and the Company shall redeem the balance as soon as it is lawfully and properly able to do so.
- 48.1.5.4 On the date fixed for redemption, the holders of the C Preference Shares falling to be redeemed shall be bound to deliver to the Company, at the Company's registered office, the certificate(s) for such C Preference Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate) in order that the same may be cancelled. Upon such delivery, the Company shall pay to the C Preference Shareholder the amount due to it in respect of such redemption against delivery of a proper receipt for the redemption monies.
- 48.1.5.5 There shall be paid on the redemption of each C Preference Share an amount equal to the Issue Price of each C Preference Share together with any unpaid C Preference Dividend calculated up to and including the date of actual payment ("**Redemption Monies**").
- 48.1.5.6 If a Good Leaver Event occurs, the Redemption Monies shall be paid into the Escrow Account and form part of the Escrow Amount in accordance with Article 50.

48.1.6 As regards Voting:-

- 48.1.6.1 the A Preference Shareholders shall be entitled to receive notice of and to attend general meetings of the Company but not to vote unless the business of the meeting includes the consideration of a resolution for winding up the Company or any resolution directly abrogating or varying any of the special rights or privileges attached to the A Preference Shares and then only on such resolutions;



48.1.6.2 the rights of the holders of the Ordinary Shares, the C Shares, the B Preference Shares and C Preference Shares are as set out in Article 71.

48.2 This Article shall apply in respect of the conversion of the A Preference Shares.

48.2.1 In the event of:-

48.2.1.1 any instalment or payment of A Preference Dividend being 5 years or more in arrears; or

48.2.1.2 a Disposal; and in either case

48.2.1.3 subject to the holders of 100% of the Ordinary Shares (other than the C Shares) granting their consent to the aftermentioned conversion,

any holder of A Preference Shares shall be entitled to convert all of the A Preference Shares held by them, on a pound for pound basis, into A Shares in accordance with the provisions of this Article 48.2. The conversion referred to in this Article 48.2 shall be effected by notice in writing given by the relevant 'A' Preference Shareholder to the Company. The conversion shall take effect immediately upon the date of delivery of such notice to the Company (unless such notice states that the conversion is to be effective when any conditions specified in the notice have been fulfilled, in which case the conversion will take effect when such conditions have been fulfilled).

48.2.2 Forthwith after the conversion takes effect, the holders of the A Preference Shares shall send to the Company the certificates in respect of their respective holdings of A Preference Shares and the Company shall issue to such holders certificates for the A Shares resulting from such conversion.

48.3 This Article shall apply in respect of the conversion of the B Preference Shares.

48.3.1 All the B Preference Shares in issue shall automatically convert to B Shares in the event that the audited accounts of the Company disclose a Net Asset Value of £10,000,000 (ten million pounds sterling) restated for the inclusion of the present value of royalty income from contracts in existence at the date of the adoption of these Articles.

48.3.2 Forthwith after the conversion takes effect, the holders of the B Preference Shares shall send to the Company the certificates in respect of their respective holdings of B Preference Shares and the Company shall issue to such holders certificates for the B Shares resulting from the conversion.

48.4 This Article shall apply in respect of the conversion of the C Preference Shares.

48.4.1 Within 90 days of a Performance Date, the Directors shall notify a C Shareholder whether some, all or none of his C Shares are to convert into or be redesignated as C Preference Shares. The number of C



Shares as specified by the Directors will each convert into C Preference Shares on the date specified by the Directors.

48.5 On and following the tenth anniversary of the Adoption Date, the C Shares and the C Preference Shares shall cease to be capable of converting into (where applicable) C Preference Shares or Deferred Shares.

48.6 On the date of conversion of the relevant C Shares and/or the C Preference Shares, such adjustments and arrangements shall be made as shall be necessary to give effect to the provision of Article 48.4. For those purposes:

48.6.1 on or after the date of conversion of the relevant C Shares and C Preference Shares, the Company shall give notice to the relevant Shareholder and that Shareholder shall surrender to the Company prior to the relevant date the certificates in respect of such C Shares and C Preference Shares (or provide an appropriate indemnity in a form that is satisfactory to the Directors); and

48.6.2 the conversion of the C Shares and C Preference Shares shall occur automatically on the relevant date of conversion and without the need for any resolution of directors or Shareholders. Notwithstanding any other provision of these Articles, the Company shall not be required to issue share certificates in respect of any Deferred Shares arising from conversion.

48.7 The Deferred Shares shall:

48.7.1 not entitle the holders thereof (in that capacity) to receive notice of or to attend any general meeting of the Company or to receive a copy of or to vote on any written resolution of the Company;

48.7.2 not carry rights to any dividend or distribution by the Company;

48.7.3 not carry any right to participate in any distribution of the Company's assets on a Capital Return;

48.7.4 not be capable of transfer other than to the Company or under these Articles.

Conversion of any C Shares into Deferred Shares pursuant to these Articles shall be deemed to confer an irrevocable authority on the Company at any time to appoint any one or more of the Directors to execute on behalf of the holders of the Deferred Shares a transfer thereof and/or any agreement to transfer the same to the Company for £1 for or in respect of all of the relevant Deferred Shares.

48.8 Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up):-

48.8.1 in the case of Ordinary Shares with the consent in writing of the holders of over 50% in nominal value of the issued Ordinary Shares of that class;



- 48.8.2 in the case of C Shares with the consent in writing of the holders of over 50% in nominal value of the issued C Shares;
- 48.8.3 in the case of A Preference Shares with the consent in writing of the holders of at least 75% in nominal value of the issued A Preference Shares;
- 48.8.4 in the case of the B Preference Shares with the consent in writing of the holders of at least 75% in nominal value of the issued B Preference Shares; and
- 48.8.5 in the case of the C Preference Shares with the consent in writing of the holders of at least 75% in nominal value of the issued C Preference Shares.

For the avoidance of doubt, the above provisions of this Article 48.8 do not apply to any conversion or redemption of shares in accordance with the terms of these articles of association.

48.9 Without prejudice to the generality of Article 48.8 the special rights attaching to the A Shares and the B Shares shall be deemed to be varied by the occurrence of any of the following events:

- 48.9.1 the amendment of the Company's articles of association;
- 48.9.2 any change to the Company's accounting reference date;
- 48.9.3 the consolidation, sub-division, redemption or conversion of any Shares (other than as provided for in these Articles);
- 48.9.4 the creation, allotment or issue of any Shares;
- 48.9.5 the grant of any option, warrant or other right to subscribe for Shares;
- 48.9.6 the making of any changes to the Company's existing Remuneration Committee structure whereby the Remuneration Committee approves a recommendation to the Board on remuneration review and incentive schemes for staff, management and executive directors, provided that the aggregate amount and/or value paid and/or advanced by way of remuneration and pursuant to incentive schemes in any one year shall not increase by more than 5% above the amount set out in any business plan of the Company (the "**Business Plan**");
- 48.9.7 the Company incurring any indebtedness or borrowings which exceed the amount set out in the Business Plan by more than £1 million;
- 48.9.8 the Company entering into any arrangements other than on arm's length terms and for full value;
- 48.9.9 the recommendation, declaration or payment of any dividend, or making any distribution of a capital nature which exceeds the amount set out in the Business Plan by more than £100,000 (unless otherwise specifically provided for in these Articles);



- 48.9.10 any amendment to the Business Plan of a material nature (and any change as to the use of the subscription monies provided by the B Shareholder from that set out in the Business Plan shall be of a material nature);
  - 48.9.11 the commencement or settling of legal proceedings with a likely cost of settlement which is in excess of £100,000;
  - 48.9.12 the approval of any merger, liquidation, dissolution or acquisition of the Company;
  - 48.9.13 the entry into any negotiations, or reaching an agreement, concerning the listing of any shares of the Company;
  - 48.9.14 the acquisition or disposal of the whole (or part) of the undertaking of any other person;
  - 48.9.15 the entry into any negotiations, or reaching any agreement, for the Company to sell any significant asset or a significant part of its business, assets or undertaking;
  - 48.9.16 merging the Company (or any part of its business) with any other person or proposing to do so;
  - 48.9.17 other than to the extent specifically set out in the Business Plan, incurring any capital expenditure on any one item, or series of related items, in excess of £50,000 and, in respect of any period of 12 consecutive months, in excess of £100,000;
  - 48.9.18 allowing the Company to cease (or propose to cease) to carry on its business;
  - 48.9.19 taking any step to wind up the Company (except where it is insolvent (within the meaning of section 123 of the Insolvency Act 1986));
  - 48.9.20 taking any step to place the Company into administration;
  - 48.9.21 the proposing or entry into any arrangement, scheme, moratorium, compromise or composition with the Company's creditors (whether under Part I of the Insolvency Act 1986 or otherwise); and
  - 48.9.22 the application for an interim order under Part 1 of the Insolvency Act 1986 or to invite the appointment of a receiver or administrative receiver over all or any part of the Company's assets or undertaking.
- 48.10 Without prejudice to the generality of Article 48.8 the special rights attaching to the C Shares and the C Preference Shares shall each be deemed to be varied at any time by any of the following occurring without class consent on:
- 48.10.1 any variation or abrogation of the rights of the A Shares and B Shares which would directly or indirectly, adversely impact on the rights of the C Shares and the C Preference Shares;



48.10.2 the creation of a new class of shares in the capital of the Company which would directly or indirectly, adversely impact on the rights of the C Shares and the C Preference Shares.

48.11 Notwithstanding the provisions of Articles 48.9 and 49.10, the creation of a new class of Shares which has preferential rights to one or more existing classes of Shares shall not, except as provided in Article 48.8, constitute a variation of the rights of those existing classes of Shares.

48.12 The provisions of these Articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of Shares.

#### 49 PROVISIONS ON A GOOD LEAVER EVENT

49.1 If a C Shareholder becomes a Good Leaver, the Directors shall require the Good Leaver to sell all and not some only of the C Shares held by him either back to the Company, or failing sufficient distributable reserves for the Company to lawfully effect a buy back, to the A Shareholder(s) and the B Shareholder(s) in proportion to their respective shareholdings.

49.2 Subject to the provisions of Article 50, the Directors shall give written notice to the Good Leaver ("**Good Leaver Notice**") no later than three months following the cessation of the Good Leaver's employment with the Company or any Group Company. Following receipt of the Good Leaver Notice the Good Leaver will sell and the Company shall purchase the C Shares at the relevant Realisation Amount and on the terms set out in Articles 37.8, 37.9, 37.10, 50 and 52.

#### 50 PROVISIONS ON A COMPETING LEAVER EVENT

50.1 In the case of a Good Leaver, except on Retirement and death it shall be a term of the Good Leaver Notice that the Realisation Value to be paid for the C Shares under Article 49 and any Redemption Monies realised under Article 48.1.5.5, be held by the Company for a period of 36 months following the cessation of the Good Leaver's employment ("**Escrow Period**"). The amount so held by the Company ("**Escrow Amount**") shall be paid into a separately designated account of the Company at such branch of such UK clearing bank as the Company may elect ("**Escrow Account**"). The Escrow Amount together with any interest accrued thereon shall be paid to the Good Leaver during the Escrow Period in accordance with the following table provided that the Good Leaver does not at any relevant time become a Competing Leaver:

Escrow Period	Proportion of Escrow Amount payable
On the first Anniversary but before the second Anniversary	33.33%
On or after the second Anniversary but before the third Anniversary	33.33%
On or after the third Anniversary	33.33%



- 50.2 If, at any time during the Escrow Period, the Good Leaver becomes in the reasonable opinion of the Committee or the Directors, a Competing Leaver, the Directors shall serve written notice of that fact on the Good Leaver and the Escrow Amount (or balance thereof) shall be forfeited by the Good Leaver and released to the Company.
- 50.3 In the case of Retirement, the Realisation Value shall be paid to the Good Leaver in full no later than 12 months following the Termination Date.
- 50.4 In the case of death as a Good Leaver Event, the Realisation Value shall be paid to the Good Leaver in full as soon as reasonably practicable and no later than 12 months thereafter.

## 51 PROVISIONS ON A BAD LEAVER EVENT

If a C Shareholder becomes a Bad Leaver, then with effect from the Termination Date, each of the C Shares and the C Preference Shares (if any) held by that C Shareholder shall automatically convert into and be redesignated as one Deferred Share.

## 52 MARKET VALUE

- 52.1 References in these Articles to the Market Value of the Company reported on by the Valuers as their written opinion of the open market value of the Company as at the date of the Good Leaver Event, in which case, for the purposes of these Articles, the Market Value shall be deemed to have been determined on the date of the receipt by the Shareholders of the Valuer's report.
- 52.2 If instructed to report on their opinion of Market Value the Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the Shareholders.
- 52.3 The Company will use its reasonable endeavours to procure that the Valuers deliver their written opinion of the Market Value to the Board and the Shareholders within 28 days of being requested to do so.
- 52.4 The Valuer's fees for reporting on their opinion of the Market Value shall be borne as the Valuers shall specify in their valuation, having regard to the conduct of the parties and the merit of their agreements in respect of the matters in dispute or otherwise (in the absence of any such specification by the Valuers) equally between the Company and the selling Shareholder.

## 53 PROVISIONS ON AN ASSET SALE

- 53.1 On an Asset Sale, the C Shareholders shall have the option ("**C Shareholder Asset Sale Option**") to require the Company (or their nominees) to purchase all and not some only of the C Shares and the Company shall have the option ("**Asset Sale Option**") to require the C Shareholders' to sell all and not some only of the C Shares held by the C Shareholders' to the Company (or their nominees).
- 53.2 The C Shareholder Asset Sale Option is exercisable in whole and not in part by written notice ("**C Shareholder Asset Sale Option Notice**") from the C Shareholders' to the Company during the 30 Business Days following an Asset Sale. Following receipt of the C Shareholder Asset Sale Option Notice, the Company will purchase (or procure that their nominees purchase) and the C Shareholders' will sell



the C Shares on the terms set out in Articles 37.8 to 37.10 and in consideration the Company shall (or shall procure that its nominees shall) pay to the C Shareholders' a sum equal to the allocation of the Proceeds due to the C Shareholder under Article 54 in full and final settlement of the C Shareholders' rights thereunder.

53.3 The Asset Sale Option is exercisable in whole but not in part by written notice ("**Asset Sale Option Notice**") from the Company to the C Shareholders during the 30 Business Days following an Asset Sale. Following receipt of the Asset Sale Option Notice the C Shareholders will sell and the Company will purchase (or procure their nominees purchase) the C Shares on the terms set out in Articles 37.8 to 37.10 and in consideration the Company shall pay (or procure that its nominees shall pay) to the C Shareholders a sum equal to the allocation of the Proceeds due to the C Shareholder under Article 54 in full and final settlement of the C Shareholders' rights thereunder.

53.4 For the avoidance of doubt, in the event that the C Shareholder Asset Sale Option or the Asset Sale Option is exercised, there shall be no double counting in respect of the amounts to which the C Shareholder is entitled pursuant to this Article 53 and Article 53.4.

#### 54 PROVISIONS ON AN EXIT

54.1 On an Exit, the provisions of this Article 54 shall apply to determine the allocation of the proceeds of such Exit.

54.2 On a Capital Return, the provisions of Articles 48.1.2 or 48.1.3 (as appropriate) shall apply. On a Sale, the proceeds from the Sale ("**Proceeds**") shall be applied to ensure that each shareholder shall receive the same proportion of the Proceeds as would have received pursuant to Article 48.1.2 (if the B Preference Shares have not been converted into B Shares) or Article 48.1.3 (if the B Preference Shares have been converted into B Shares) were an amount equal to the Proceeds to have been the subject of a Capital Return, and each shareholder shall promptly account and pay to each other shareholder such sums as are necessary to give effect to this Article 54.2.

54.3 Immediately prior to and conditional upon a Listing, the Shareholders shall enter into such reorganisation of the share capital of the Company and any new holding company of the Company incorporated for the purposes of Listing as they may agree, or in default of such agreement, as the Directors shall specify, to ensure that the Listing Value is allocated between the Shareholders in the same proportions as the preceding provisions of this Article 54 would provide on a Sale or Capital Return at that Listing Value.

54.4 In the event of a Sale occurring where the whole or any part of the Proceeds are to be paid in a form other than cash or they are contingent and/or unquantified, the Shareholders shall enter into such arrangements in relation to such Proceeds as they may agree or, in default of such agreement, as the Directors may specify, to ensure that such non-cash contingent or unquantified consideration is allocated amongst the Shareholders so as to achieve the same commercial effect as would be the case pursuant to Article 54 as if such consideration had actually been received in cash at the time of the Sale.

54.5 To the extent that a Sale includes an element of non-contingent and clearly quantified deferred consideration, its value shall be the present value of such deferred



consideration discounted for delay determined by the Valuers in a report obtained for that purpose.

- 54.6 In the event that the application of any provision of this Article 54 cannot be agreed between the Shareholders any such matters in dispute shall be referred by the Board to the Valuers whose costs shall be borne by the Shareholders in such proportions as the Board may determine having regard to the merits of their arguments in relation to the matter(s) in dispute (or in the absence of such determination, shall be borne equally) and whose decision shall be final and binding (save in the case of manifest error).

## **55 COMPANY'S LIEN OVER PARTLY PAID SHARES**

- 55.1 The Company has a lien (the "Company's lien") over every Share which is partly paid for any part of:-

55.1.1 that Share's nominal value; and

55.1.2 any premium at which it was issued,

which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it.

- 55.2 The Company's lien over a Share:-

55.2.1 takes priority over any third party's interest in that Share; and

55.2.2 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.

- 55.3 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.

## **56 ENFORCEMENT OF THE COMPANY'S LIEN**

- 56.1 Subject to the provisions of this Article, if:-

56.1.1 a lien enforcement notice has been given in respect of a Share; and

56.1.2 the person to whom the notice was given has failed to comply with it,

the Company may sell that Share in such manner as the Directors decide.

- 56.2 A lien enforcement notice:-

56.2.1 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;

56.2.2 must specify the Share concerned;

56.2.3 must require payment of the sum payable within 14 days of the notice;



56.2.4 must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and

56.2.5 must state the Company's intention to sell the Share if the notice is not complied with.

**56.3 Where Shares are sold under this Article:-**

56.3.1 the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or a person nominated by the purchaser; and

56.3.2 the transferee 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 to the sale.

**56.4 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:-**

56.4.1 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;

56.4.2 second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation or a suitable indemnity has been given for any lost certificates,

and subject to a lien equivalent to the Company's lien over the Shares before the sale for any money payable in respect of the Shares after the date of the lien enforcement notice.

**56.5 A statutory declaration by a Director or the Company secretary 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:-**

56.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and

56.5.2 subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the Share.

**57 CALL NOTICES**

57.1 Subject to these Articles and the terms on which Shares are allotted, the Directors may send a notice (a "call notice") to a member requiring the member to pay the Company a specified sum of money (a "call") which is payable in respect of Shares which that member holds at the date when the Directors decide to send the call notice.

57.2 A call notice:-



- 57.2.1 may not require a member to pay a call which exceeds the total sum unpaid on that member's Shares (whether as to the Share's nominal value or any amount payable to the Company by way of premium);
  - 57.2.2 must state when and how any call to which it relates it is to be paid; and
  - 57.2.3 may permit or require the call to be paid by instalments.
- 57.3 A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 14 days have passed since the notice was sent.
- 57.4 Before the Company has received any call due under a call notice the Directors may:-
- 57.4.1 revoke it wholly or in part, or
  - 57.4.2 specify a later time for payment than is specified in the notice,
- by a further notice in writing to the member in respect of whose Shares the call is made.

## **58 LIABILITY TO PAY CALLS**

- 58.1 Liability to pay a call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid.
- 58.2 Joint holders of a Share are jointly and severally liable to pay all calls in respect of that Share.
- 58.3 Subject to the terms on which Shares are allotted, the Directors may, when issuing Shares, provide that call notices sent to the holders of those Shares may require them:-
- 58.3.1 to pay calls which are not the same, or
  - 58.3.2 to pay calls at different times.

## **59 WHEN CALL NOTICE NEED NOT BE ISSUED**

- 59.1 A call notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share (whether in respect of nominal value or premium):-
- 59.1.1 on allotment;
  - 59.1.2 on the occurrence of a particular event; or
  - 59.1.3 on a date fixed by or in accordance with the terms of issue.
- 59.2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the Share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.



## **60 FAILURE TO COMPLY WITH CALL NOTICE: AUTOMATIC CONSEQUENCES**

60.1 If a person is liable to pay a call and fails to do so by the call payment date:-

60.1.1 the Directors may issue a notice of intended forfeiture to that person, and

60.1.2 until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.

60.2 For the purposes of this Article:-

60.2.1 the "call payment date" is the time when the call notice states that a call is payable, unless the Directors give a notice specifying a later date, in which case the "call payment date" is that later date;

60.2.2 the "relevant rate" is:-

60.2.2.1 the rate fixed by the terms on which the Share in respect of which the call is due was allotted;

60.2.2.2 such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the Directors; or

60.2.2.3 if no rate is fixed in either of these ways, 5 per cent per annum.

60.3 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

60.4 The Directors may waive any obligation to pay interest on a call wholly or in part.

## **61 NOTICE OF INTENDED FORFEITURE**

A notice of intended forfeiture:-

61.1 may be sent in respect of any Share in respect of which a call has not been paid as required by a call notice;

61.2 must be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;

61.3 must require payment of the call and any accrued interest by a date which is not less than 14 days after the date of the notice;

61.4 must state how the payment is to be made; and

61.5 must state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited.



## 62 DIRECTORS' POWER TO FORFEIT SHARES

If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the Directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.

## 63 EFFECT OF FORFEITURE

63.1 Subject to these Articles, the forfeiture of a Share extinguishes:-

- 63.1.1 all interests in that Share, and all claims and demands against the Company in respect of it, and
- 63.1.2 all other rights and liabilities incidental to the Share as between the person whose share it was prior to the forfeiture and the Company.

63.2 Any Share which is forfeited in accordance with these Articles:-

- 63.2.1 is deemed to have been forfeited when the Directors decide that it is forfeited;
- 63.2.2 is deemed to be the property of the Company; and
- 63.2.3 may be sold, re-allotted or otherwise disposed of as the Directors think fit.

63.3 If a person's Shares have been forfeited:-

- 63.3.1 the Company must send that person notice that forfeiture has occurred and record it in the register of members;
- 63.3.2 that person ceases to be a member in respect of those Shares;
- 63.3.3 that person must surrender the certificate for the Shares forfeited to the Company for cancellation;
- 63.3.4 that person remains liable to the Company for all sums payable by that person under these Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
- 63.3.5 the Directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.

63.4 At any time before the Company disposes of a forfeited Share, the Directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.



#### **64 PROCEDURE FOLLOWING FORFEITURE**

64.1 If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the Directors may authorise any person to execute the instrument of transfer.

64.2 A statutory declaration by a Director or the Company secretary that the declarant is a Director or the Company secretary and that a Share has been forfeited on a specified date:-

64.2.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and

64.2.2 subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the Share.

64.3 A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.

64.4 If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:-

64.4.1 was, or would have become, payable, and

64.4.2 had not, when that Share was forfeited, been paid by that person in respect of that Share,

but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.

#### **65 SURRENDER OF SHARES**

65.1 A member may surrender any Share:-

65.1.1 in respect of which the Directors may issue a notice of intended forfeiture;

65.1.2 which the Directors may forfeit; or

65.1.3 which has been forfeited.

65.2 The Directors may accept the surrender of any such Share.

65.3 The effect of surrender on a Share is the same as the effect of forfeiture on that Share.

65.4 A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeited.

### **PART 4 DECISION MAKING BY SHAREHOLDERS**



## **ORGANISATION OF GENERAL MEETINGS**

### **66 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

- 66.1 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.
- 66.2 A person is able to exercise the right to vote at a general meeting when:-
- 66.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - 66.2.2 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.
- 66.3 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.
- 66.4 In determining attendance at a general meeting, it is immaterial whether any two or more Ordinary Shareholders attending it are in the same place as each other.
- 66.5 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.

### **67 QUORUM FOR GENERAL MEETINGS**

- 67.1 The quorum for the transaction of business at a general meeting is any two qualifying persons (as defined in section 318(3) of the Act).
- 67.2 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.

### **68 CHAIRING GENERAL MEETINGS**

- 68.1 If the Directors have appointed a Chairman, the Chairman shall chair general meetings if present and willing to do so.
- 68.2 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:-
- 68.2.1 the Directors present, or
  - 68.2.2 (if no Directors are present), the meeting,
- must appoint a Director or Ordinary Shareholder to chair the meeting, and the appointment of the Chairman of the Meeting must be the first business of the meeting.
- 68.3 The person chairing a meeting in accordance with this Article is referred to as "**the Chairman of the Meeting**".



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

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

69.2 The Chairman of the Meeting may permit other persons who are not:-

69.2.1 Ordinary Shareholders of the Company, or

69.2.2 otherwise entitled to exercise the rights of Ordinary Shareholders in relation to general meetings,

to attend and speak at a general meeting.

**70 ADJOURNMENT**

70.1 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.

70.2 The Chairman of the Meeting may adjourn a general meeting at which a quorum is present if:-

70.2.1 the meeting consents to an adjournment, or

70.2.2 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.

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

70.4 When adjourning a general meeting, the Chairman of the Meeting must:-

70.4.1 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

70.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

70.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):-

70.5.1 to the same persons to whom notice of the Company's general meetings is required to be given, and

70.5.2 containing the same information which such notice is required to contain.

70.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.



## **VOTING AT GENERAL MEETINGS**

### **71 VOTING: GENERAL**

- 71.1 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 these Articles.
- 71.2 The voting rights attached to the Ordinary Shares and the 'B' Preference Shares are as follows:-
- 71.2.1 on a show of hands every Ordinary Shareholder and every holder of C Shares or B Preference Shares or C Preference Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, unless the proxy (in either case) or the representative is himself a Ordinary Shareholder or a B Preference Shareholder or a C Shareholder entitled to vote, shall have one vote; and
- 71.2.2 on a poll (i) the A Shareholders shall have one vote for every A Share of which he is the holder (ii) the B Shareholders and the B Preference Shareholders shall have 22/25<sup>th</sup> of one vote for each B Share and B Preference Share of which he is respectively the holder (iii) the C Shareholders and the C Preference Shareholders shall have 22/25<sup>th</sup> of one vote for each C Share and C Preference Share of which he is respectively the holder.
- 71.3 In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members.

### **72 ERRORS AND DISPUTES**

- 72.1 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.
- 72.2 Any such objection must be referred to the Chairman of the Meeting, whose decision is final.

### **73 POLL VOTES**

- 73.1 A poll on a resolution may be demanded:-
- 73.1.1 in advance of the general meeting where it is to be put to the vote; or
- 73.1.2 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.
- 73.2 A poll may be demanded by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 73.3 A demand for a poll may be withdrawn if:-



73.3.1 the poll has not yet been taken, and

73.3.2 the Chairman of the Meeting consents to the withdrawal.

A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

73.4 Polls must be taken immediately and in such manner as the Chairman of the Meeting directs.

#### **74 CONTENT OF PROXY NOTICES**

74.1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:-

74.1.1 states the name and address of the Ordinary Shareholder appointing the proxy;

74.1.2 identifies the person appointed to be that Ordinary Shareholder's proxy and the general meeting in relation to which that person is appointed;

74.1.3 is signed by or on behalf of the Ordinary Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and

74.1.4 is delivered to the Company in accordance with these 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

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.

74.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

74.3 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.

74.4 Unless a proxy notice indicates otherwise, it must be treated as:-

74.4.1 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

74.4.2 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.

#### **75 DELIVERY OF PROXY NOTICES**

75.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any



adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.

- 75.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 75.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 75.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

## **76 AMENDMENTS TO RESOLUTIONS**

- 76.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:-
  - 76.1.1 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
  - 76.1.2 the proposed amendment does not, in the reasonable opinion of the Chairman of the Meeting, materially alter the scope of the resolution.
- 76.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
  - 76.2.1 the Chairman of the Meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
  - 76.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 76.3 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**

### **77 MEANS OF COMMUNICATION TO BE USED**

- 77.1 Subject to these Articles, anything sent or supplied by or to the Company under these 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.
- 77.2 Any notice, Document or other information shall be deemed served on or delivered to the intended recipient:-



- 77.2.1 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);
- 77.2.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 77.2.3 if properly addressed and sent or supplied by electronic means, one hour after the Document or information was sent or supplied; and
- 77.2.4 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.

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

- 77.3 In proving that any notice, Document or other information was properly addressed, it shall be sufficient to show that the notice, Document or other information was delivered to an address permitted for the purpose by the Act.
- 77.4 The accidental omission to give notice of a meeting to, or the non-receipt of notice by, any person entitled to receive such notice shall not invalidate the proceedings of that meeting.
- 77.5 Subject to these Articles, any notice or Document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or Documents for the time being.
- 77.6 A Director may agree with the Company that notices or Documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

## **78 COMPANY SEALS**

- 78.1 If the Company has any common seal, it may only be used by the authority of the Directors.
- 78.2 The Directors may decide by what means and in what form any common seal is to be used.
- 78.3 Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a Document, the Document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 78.4 For the purposes of this Article, an authorised person is:-



- 78.4.1 any Director of the Company;
- 78.4.2 the Company Secretary (if any); or
- 78.4.3 any person authorised by the Directors for the purpose of signing Documents to which the common seal is applied.

## 79 **NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

Except as provided by law or authorised by the Directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or Documents merely by virtue of being a Shareholder.

## 80 **PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS**

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

## **DIRECTORS' INDEMNITY AND INSURANCE**

### 81 **INDEMNITY**

- 81.1 Subject to Article 81.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:-

- 81.1.1 each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer—

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

- 81.1.1.2 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 in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his 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

- 81.1.2 the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 81.1.1 and otherwise may take any action to enable any such Relevant Officer to avoid incurring such expenditure.



81.2 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.

81.3 In this Article and Article 82:-

81.3.1 companies are associated if one is a Subsidiary of the other or both are subsidiaries of the same body corporate, and

81.3.2 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 is also a Director or other officer), to the extent he acts in his capacity as auditor).

## 82 **INSURANCE**

82.1 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.

82.2 In this Article 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.