

**COMPANY NUMBER: SC255430**

**Company Limited by Shares**

**NEW ARTICLES OF ASSOCIATION**

adopted by special resolution passed on 5 October 2017

of

**MILLER HOMES HOLDINGS LIMITED**

WEDNESDAY



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SCT 11/10/2017 #62  
COMPANIES HOUSE

## CONTENTS

1.	PRELIMINARY .....	1
	PART 1 INTERPRETATION AND LIMITATION OF LIABILITY .....	1
2.	DEFINED TERMS .....	1
3.	LIABILITY OF SHAREHOLDERS .....	7
	PART 2 DIRECTORS DIRECTORS' POWERS AND RESPONSIBILITIES .....	7
4.	NUMBER OF DIRECTORS .....	7
5.	DIRECTORS' GENERAL AUTHORITY .....	8
6.	SHAREHOLDERS' RESERVE POWER .....	8
7.	DIRECTORS MAY DELEGATE .....	8
8.	DIRECTORS .....	8
9.	DIRECTORS TO TAKE DECISIONS COLLECTIVELY .....	9
10.	DIRECTORS' WRITTEN RESOLUTIONS .....	9
11.	CALLING A DIRECTORS' MEETING .....	9
12.	PARTICIPATION IN DIRECTORS' MEETINGS .....	10
13.	QUORUM FOR DIRECTORS' MEETINGS .....	10
14.	CHAIRING OF DIRECTORS' MEETINGS .....	10
15.	CASTING VOTE .....	11
16.	VALIDITY OF PROCEEDINGS .....	11
17.	RECORD OF DECISIONS TO BE KEPT .....	11
18.	DIRECTORS' DISCRETION TO MAKE FURTHER RULES .....	11
19.	DIRECTORS' INTERESTS .....	11
20.	METHODS OF APPOINTING DIRECTORS .....	13
21.	TERMINATION OF DIRECTOR'S APPOINTMENT .....	14
22.	APPOINTMENT AND REMOVAL OF DIRECTOR BY MAJORITY SHAREHOLDERS .....	14
23.	DIRECTORS' REMUNERATION .....	14
24.	DIRECTORS' EXPENSES .....	15
25.	ALTERNATE DIRECTORS .....	15
26.	SECRETARY .....	16
	PART 3 SHARES AND DISTRIBUTIONS .....	17

27.	SHARE CAPITAL .....	17
28.	ALLOTMENT AND ISSUE OF SHARES.....	22
29.	POWERS TO ISSUE DIFFERENT CLASSES OF SHARE .....	23
30.	COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS .....	23
31.	SHARE CERTIFICATES .....	23
32.	REPLACEMENT SHARE CERTIFICATES .....	24
33.	TRANSFER OF SHARES.....	24
34.	TRANSFER OF B ORDINARY SHARES .....	25
35.	VOTING RIGHTS .....	26
36.	DIVIDEND RIGHTS OF SHAREHOLDERS .....	26
37.	PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS .....	27
38.	NO INTEREST ON DISTRIBUTIONS .....	27
39.	UNCLAIMED DISTRIBUTIONS.....	27
40.	NON-CASH DISTRIBUTIONS.....	28
41.	WAIVER OF DISTRIBUTIONS.....	28
42.	AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS..	28
43.	RETURN ON CAPITAL .....	29
44.	CALCULATION OF EQUITY VALUE B ORDINARY SHARE REFERENCE VALUE	29
45.	ALLOCATION OF B ORDINARY SHARE REFERENCE VALUE AND EQUITY VALUE	30
46.	DRAG ALONG.....	32
47.	TAG ALONG .....	32
48.	COMPULSORY TRANSFER OF B ORDINARY SHARES: CESSATION OF EMPLOYMENT .....	33
49.	COMPULSORY TRANSFER OF B ORDINARY SHARES: BANKRUPTCY, BREACH, DISPOSAL VALUE BELOW BASE HURDLE ETC. ....	35
PART 4 DECISION-MAKING BY SHAREHOLDERS.....		36
50.	ATTENDANCE AND SPEAKING AT GENERAL MEETINGS .....	36
51.	QUORUM FOR GENERAL MEETINGS.....	37
52.	CHAIRING GENERAL MEETINGS .....	37
53.	ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS ..	37
54.	ADJOURNMENT .....	38

55.	VOTING: GENERAL.....	38
56.	ERRORS AND DISPUTES.....	39
57.	POLL VOTES .....	39
58.	CONTENT OF PROXY NOTICES.....	39
59.	DELIVERY OF PROXY NOTICES .....	40
60.	AMENDMENTS TO RESOLUTIONS .....	41
	PART 5 ADMINISTRATIVE ARRANGEMENTS .....	41
61.	MEANS OF COMMUNICATION TO BE USED.....	41
62.	JOINT SHAREHOLDERS.....	42
63.	COMPANY SEALS .....	42
64.	NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS.....	43
65.	PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS .....	43
66.	AUTHENTICATION OF DOCUMENTS.....	43
67.	INDEMNITY .....	43
68.	INSURANCE.....	44
69.	DEFENCE EXPENDITURE .....	44
	PART 6 - SHAREHOLDER ARRANGEMENTS .....	45
70.	B SHAREHOLDER COVENANT.....	45

**Company Limited by Shares**

**Articles of Association**

**adopted by special resolution passed on 4/9/2017**

**of**

**Miller Homes Holdings Limited (the "Company")**

**PRELIMINARY**

**1. PRELIMINARY**

The articles contained in the model articles for private companies limited by shares as set out in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended by any subsequent or future articles (the "**Model Articles**") shall apply to the Company so far as they relate to private companies limited by shares but save in so far as they are excluded or varied hereby and such articles (save as so excluded or varied) and the articles hereinafter contained shall be the articles of association of the Company.

**PART 1**

**INTERPRETATION AND LIMITATION OF LIABILITY**

**2. DEFINED TERMS**

2.1. In the Articles, unless the context requires otherwise:

"Act" means the Companies Act 2006, including any statutory modification or re-enactment thereof for the time being in force;

"Alternate" or "Alternate Director" has the meaning given in Article 25;

"A Ordinary Shares" the A ordinary shares of £1.00 each in the share capital of the Company;

"A Ordinary Shareholder" a Shareholder who holds A Ordinary Shares;

"Appointor" has the meaning given in Article 25.1;

"Articles" means the Company's articles of association;

"Asset Sale" means a sale (by one transaction or a series of related transactions) of all or substantially all of the assets of the Company (including by way of the sale of assets or business of, or shares in, any Group Company) to one or more persons (including to persons who are affiliates of each other, who are connected

persons of each other or who are acting in concert) who are not Group Companies nor an Issuer, whether (but without limitation) by:

- (a) the sale of equity securities;
- (b) a sale of business and/or assets;
- (c) a merger, consolidation, recapitalisation or restructuring; or
- (d) another business combination or similar transaction involving the Company or any other Group Company;

<b>"Association Company"</b>	has the same meaning as in Section 256 of the Act;
<b>"B Ordinary Share Reference Value"</b>	shall mean the sum calculated in accordance with Article 44 on the relevant date as determined by the Remuneration Committee in its sole discretion acting reasonably with reference to the best available information at the time and after taking advice from the auditors or such professional advisers as the Remuneration Committee deems fit;
<b>"B Ordinary Shares"</b>	the B ordinary shares of £0.01 each in the share capital of the Company;
<b>"B Ordinary Shareholder"</b>	a Shareholder who holds B Ordinary Shares;
<b>"B Share Returns"</b>	<i>means the aggregate amount to which the B Ordinary Shares as a class are entitled pursuant to Article 45.1;</i>
<b>"Bankruptcy"</b>	filing of a bankruptcy petition not dismissed with 28 days;
<b>"Base Hurdle"</b>	£310,000,000;
<b>"Base Value"</b>	£218,000,000;
<b>"Buy Out Notice"</b>	has the meaning given in Article 45.5;
<b>"Buy Out Completion Date"</b>	has the meaning given in Article 45.5;
<b>"Capitalised Sum"</b>	has the meaning given in Article 42.1.2;
<b>"Catch-up Hurdle"</b>	£402,000,000;

<b>"Chairman"</b>	has the meaning given in Article 14;
<b>"Chairman of the Meeting"</b>	has the meaning given in Article 52;
<b>"Company"</b>	means Miller Homes Holdings Limited, a private limited company incorporated in Scotland (company number SC255430) with its registered office at Miller House, 2 Lochside View, Edinburgh Park, Edinburgh, EH12 9DH;
<b>"Completion"</b>	means the completion of the sale and purchase of shares in the Company;
<b>"Completion Date"</b>	has the meaning given to it in Article 48.2.1(c);
<b>"Connected Parties"</b>	means, in relation to a person, any person or persons connected (for the purposes of section 236D of the Taxation of Chargeable Gains Act 1992) with that person;
<b>"Control"</b>	means, in relation to a person: <ul style="list-style-type: none"> <li>(a) holding or controlling, directly or indirectly, <ul style="list-style-type: none"> <li>(i) 50% of the voting rights exercisable at shareholder meetings (or the equivalent) of that person; or</li> <li>(ii) 50% of the ordinary shares of that person; or</li> </ul> </li> <li>(b) the possession, directly or indirectly, of the power to direct or procure the direction of the management and policies of such person, whether through the ownership of shares, by contract or otherwise; and</li> </ul>
<b>"Controlling Interest"</b>	means an interest (within the meaning of sections 820 to 824 (inclusive) of the Act) in shares which confers on one party Control of another;
<b>"Director"</b>	means a director of the Company, and includes any person occupying the position of director, by whatever name called and the <b>"Directors"</b> means the Company's directors or any of them;
<b>"Drag Along Notice"</b>	has the meaning given in Article 46.1;
<b>"Electronic Form"</b>	has the meaning given in Section 1168 of the Act;
<b>"Employee"</b>	each agreement between a B Ordinary Shareholder, the

<b>Shareholder Agreement"</b>	Company, and (if different) such company as is the B Ordinary Shareholder's employer;
<b>"Equity Value"</b>	shall mean the equity value of the Company as determined by the Remuneration Committee in its sole discretion acting reasonably with reference to the best available information at the time and after taking advice from the auditors or such professional advisers as the Remuneration Committee deems fit;
<b>"Exit Event"</b>	means an IPO or Sale;
<b>"Fund"</b>	any unit trust, investment trust, investment company, limited partnership, general partnership, collective investment scheme, pension fund, insurance company, authorised person under the Financial Services and Markets Act 2000 or any body corporate or other entity, in each case the assets of which are managed professionally for investment purposes;
<b>"Group"</b>	<p>means in relation to an undertaking:</p> <ul style="list-style-type: none"> <li>(a) that undertaking and its 'subsidiaries' and 'subsidiary undertakings' (such terms to have their meaning as determined in accordance with the Act) from time to time; and</li> <li>(b) the ultimate holding company (such term to have its meaning as determined in accordance with the Act) of that undertaking from time to time; and</li> <li>(c) every other company which from time to time is a subsidiary or</li> </ul> <p>subsidiary undertaking of the same ultimate holding company,</p> <p>each such company being a <b>"Group Company"</b>;</p>
<b>"Hard Copy Form"</b>	has the meaning given in Section 1168 of the Act;
<b>"IPO"</b>	<p>means a listing or initial public offering of Issuer Shares on a Recognised Investment Exchange, Recognised Overseas Investment Exchange, the Alternative Investment Market of the London Stock Exchange plc, the New York Stock Exchange or Euronext N.V. <i>provided that</i> if the Issuer Shares are shares in a subsidiary of the Company, such listing or initial public offering shall not constitute an "IPO" for the purposes of these Articles unless that subsidiary's business and assets comprises all or</p>



substantially all of the business and assets of the Group;

**"Issuer"** means either (i) an existing holding company of the Company; or (ii) a new holding company of the Company set up for the purpose of an IPO and to which all or substantially all of the Group's shares, business and/or assets has been transferred for that purpose;

**"Issuer Shares"** means shares in the Company or one of its subsidiaries or an Issuer;

**"Mirror Image Restructuring"** means a scheme of reconstruction, amalgamation or arrangement relating to the Company in terms of which one or more holding companies acquire all of the share capital of the Company in circumstances where the shareholdings in the Company immediately prior to the implementation of such scheme and the shareholdings in the ultimate parent company of the Company immediately following implementation of such scheme are identical in terms of the identity of shareholders and the classes and numbers of shares held;

**"Ordinary Resolution"** has the meaning given in Section 282 of the Act;

**"Parent Shareholder"** means the majority Shareholder of the A Ordinary Shares;

**"Parent Undertaking"** means the Parent Shareholder or, if the Parent Shareholder has an ultimate holding company (such term to have its meaning as determined in accordance with the Act), any such holding company or companies but excluding, for the avoidance of doubt, any Fund which, directly or indirectly holds any interest in the Company;

**"Participate"** in relation to a Directors' meeting, has the meaning given in Article 12;

**"Payee"** has the meaning given in Article 37;

**"Permitted Transfers"** means a transfer of B Ordinary Shares either to the Parent Shareholder or its nominee or pursuant to the following Articles:

- (a) Article 34.4 (transfer on death);
- (b) Article 46 (drag along);
- (c) Article 47 (tag along);

	(d) Article 48 (compulsory transfer); and				
	(e) Article 49 (compulsory transfer);				
<b>"Persons Entitled"</b>	has the meaning given in Article 42.1.2;				
<b>"Proxy Notice"</b>	has the meaning given in Article 58;				
<b>"Recognised Investment Exchange"</b>	means an investment exchange that is recognised under the Financial Services and Markets Act 2000;				
<b>"Recognised Overseas Investment Exchange"</b>	means an overseas investment exchange that is recognised under the <i>Financial Services and Markets Act 2000</i> ;				
<b>"Relevant Officer"</b>	means any Director or former Director, or Secretary or former Secretary, of the Company or any director or former director of an Associated Company of the Company;				
<b>"Remuneration Committee"</b>	the remuneration committee of The Miller Group (UK) Limited (SC453116) or, if The Miller Group (UK) Limited is no longer the ultimate holding company of the Company, the board or remuneration committee of any replacement ultimate holding company;				
<b>"Return"</b>	has the meaning given in Article 43;				
<b>"Return Proceeds"</b>	has the meaning given in Article 43;				
<b>"Sale"</b>	means: <table> <tr> <td>(a)</td><td>a Share Sale; or</td></tr> <tr> <td>(b)</td><td>an Asset Sale;</td></tr> </table>	(a)	a Share Sale; or	(b)	an Asset Sale;
(a)	a Share Sale; or				
(b)	an Asset Sale;				
<b>"Secretary"</b>	means any person appointed to perform the duties of the secretary of the Company (including any deputy or assistant secretary) in accordance with Article 26;				
<b>"Shareholder"</b>	in relation to the Shares means the person whose name is entered in the register of members as the shareholder of the Shares;				
<b>"Shares"</b>	means the shares in the Company, being the A Ordinary Shares and the B Ordinary Shares as at the date of these Articles;				
<b>"Share Sale"</b>	means any transaction or series of transactions, other than a Mirror Image Restructuring, by which one or more persons (not				

being an Issuer) who are affiliates of each other or connected persons of each other or who are acting in concert acquires Control of the Company, the Parent Shareholder or any Parent Undertaking;

<b>"Special Resolution"</b>	has the meaning given in Section 283 of the Act;
<b>"Sub-Group"</b>	<i>the Company, its subsidiaries and subsidiary undertakings as defined in section 1159 of the Act;</i>
<b>"Tag Offer"</b>	has the meaning given in Article 47.1;
<b>"Transfer Notice"</b>	a notice in Writing from the Parent Shareholder (or any other person nominated by the Parent Shareholder) to a B Ordinary Shareholder to purchase his B Ordinary Shares;
<b>"Transmittee"</b>	means a person entitled to a share by reason of the death or Bankruptcy of a Shareholder or otherwise by operation of law; and
<b>"Writing"</b>	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in Electronic Form or otherwise.

2.2. Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Act as in force on the date when these Articles become binding on the Company.

2.3. The provisions of these Articles relating to general meetings and to the proceedings at such meetings shall apply to separate meetings of a class of Shareholders.

### 3. LIABILITY OF SHAREHOLDERS

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

## PART 2

### DIRECTORS

#### DIRECTORS' POWERS AND RESPONSIBILITIES

### 4. NUMBER OF DIRECTORS

The Directors shall not be less than one and the maximum number of Directors may be set by Ordinary Resolution from time to time.

**5. DIRECTORS' GENERAL AUTHORITY**

- 5.1. Subject to the Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.
- 5.2. Whenever the minimum number of directors is one, a sole director shall have authority to exercise all the powers and discretions expressed to be vested in the directors generally by the Model Articles and by these articles in accordance with article 7(2) of the Model Articles, and article 11 in the Model Articles shall be modified accordingly.

**6. SHAREHOLDERS' RESERVE POWER**

- 6.1. The Shareholders may from time to time, by Special Resolution, direct the Directors to take, or refrain from taking, specified action.
- 6.2. *No such Special Resolution invalidates anything which the Directors have done before the passing of the resolution.*

**7. DIRECTORS MAY DELEGATE**

- 7.1. Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles:
- 7.1.1. to such person (who need not be a Director) or committee (comprising any number of persons, who need not be Directors);
  - 7.1.2. by such means (including by power of attorney);
  - 7.1.3. to such an extent;
  - 7.1.4. in relation to such matters or territories; and
  - 7.1.5. on such terms and conditions, as they think fit.
- 7.2. If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- 7.3. Any reference in these Articles to the exercise of a power or discretion by the Directors shall include a reference to the exercise of a power or discretion by any person or committee to whom it has been delegated.
- 7.4. The Directors may revoke any delegation in whole or in part, or alter its terms and conditions.

**8. DIRECTORS**

The Directors may make regulations in relation to the procedures of committees or sub-committees to whom their powers or discretions have been delegated or sub-delegated. Subject to any such regulations, the meetings and procedures of any committee or sub-

committee shall be governed by the provisions of these Articles regulating the meetings and procedures of Directors.

## **DECISION-MAKING BY DIRECTORS**

### **9. DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

9.1. The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken by Directors' written resolution in accordance with Article 10.

9.2. If:

9.2.1. the Company only has one Director; and

9.2.2. no provision of the Articles requires it to have more than one Director,

*the general rule does not apply, and the Director may take decisions without regard to any of the provisions of the Articles relating to Directors' decision-making, provided that any decision taken shall be recorded in Writing and the record kept for 10 years.*

### **10. DIRECTORS' WRITTEN RESOLUTIONS**

10.1. Any Director may propose a written resolution by giving written notice to the other Directors or may request the Secretary (if any) to give such notice.

10.2. A Directors' written resolution is adopted when all the Directors who would have been entitled to vote on such resolution if it had been proposed at a meeting of the Directors have:

10.2.1. signed one or more copies of it; or

10.2.2. otherwise indicated their agreement to it in Writing.

10.3. A Directors' written resolution is not adopted if the number of Directors who have signed it is less than the quorum for Directors' meetings.

### **11. CALLING A DIRECTORS' MEETING**

11.1. Any Director may call a Directors' meeting by giving notice of the meeting to the other Directors or by requesting the Secretary (if any) to give such notice.

11.2. Notice of any Directors' meeting must indicate:

11.2.1. its proposed date and time;

11.2.2. where it is to take place; and

- 11.2.3. 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.
- 11.3. Notice of a Directors' meeting must be given to each Director, but need not be in Writing.
- 11.4. Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

## **12. PARTICIPATION IN DIRECTORS' MEETINGS**

- 12.1. Subject to the Articles, Directors Participate in a Directors' meeting, or part of a Directors' meeting, when:
  - 12.1.1. the meeting has been called and takes place in accordance with the Articles; and
  - 12.1.2. they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 12.2. In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.
- 12.3. 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.

## **13. QUORUM FOR DIRECTORS' MEETINGS**

- 13.1. At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 13.2. Other than pursuant to Article 9.2, the quorum for Directors' meetings may be fixed from time to time by a decision of the Directors, but it must never be less than two, and unless otherwise fixed it is two.
- 13.3. Other than pursuant to Article 9.2, if the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:
  - 13.3.1. to appoint further Directors; or
  - 13.3.2. to call a general meeting so as to enable the Shareholders to appoint further Directors.

## **14. CHAIRING OF DIRECTORS' MEETINGS**

- 14.1. The Directors may appoint a Director to chair their meetings. The person so appointed for the time being is known as the "Chairman".

14.2. The Directors may terminate the Chairman's appointment at any time.

14.3. If the Chairman is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors may appoint one of their number to chair it.

#### **15. CASTING VOTE**

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

#### **16. VALIDITY OF PROCEEDINGS**

All acts done by any meeting of Directors, or of any committee or sub-committee of the Directors, or by any person acting as a member of any such committee or sub-committee, shall as regards all persons dealing in good faith with the Company be valid, notwithstanding that there was some defect in the appointment of any Director or any such persons, or that any such persons were disqualified or had vacated office, or were not entitled to vote.

#### **17. RECORD OF DECISIONS TO BE KEPT**

The Directors or Secretary must ensure that the Company keeps a record, in Writing, of every majority decision taken by the Directors and of every Directors' written resolution for at least 10 years from the date of the decision or resolution.

#### **18. DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

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

18.2. Articles 8 and 10 of the Model Articles shall not apply.

#### **19. DIRECTORS' INTERESTS**

19.1. Subject to Article 19.2, a Director may vote at any Directors' meeting or of any committee of the Directors and on any written resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution (whether passed at a Directors' meeting or by way of a written resolution) his vote shall be counted; and in relation to any such resolution *as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum.*

19.2. Each Director shall comply with his obligations to disclose the nature and extent of his *interests in proposed and existing transactions and arrangements with the Company under sections 177 and 182 of the Act.* A Director shall not be required to disclose the nature and extent of his interests in proposed transactions and arrangements with the Company under this Article 19.2 where:

- 19.2.1. the interest or potential interest has arisen by reason of that Director also acting as a Director of any member of the Group; or
  - 19.2.2. the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably be aware).
- 19.3. A Director shall not be regarded as in breach of the duty set out in section 175 of the Act in relation to conflicts of interest or potential conflicts of interest which arise by reason of that Director also acting as a Director of any member of the Group.
- 19.4. Article 14 in the Model Articles shall not apply to the Company.
- 19.5. The Directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise:
  - 19.5.1. *any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest;*
  - 19.5.2. a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Company, and without prejudice to the generality of Article 19.5.1, may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises, provided that for this purpose the Director in question and any other interested Director are not counted in the quorum at any Directors' meeting at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted.
- 19.6. For the purposes of this Article 19 an interest includes both direct and indirect interests.
- 19.7. Where a matter, or office, employment or position has been authorised by the Directors subject to terms and conditions under Article 19.3, the Director must act in accordance with those terms and conditions.
- 19.8. If a matter, or office, employment or position, has been authorised by the Directors in accordance with this Article 19 then:
  - 19.8.1. the Director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company or to use such information in relation to the Company's affairs if to make such a disclosure or use would result in a breach of duty or obligation or confidence owed by him to another person in relation to or in connection with that matter, or that office, employment or position;



- 19.8.2. the Director may absent himself from Directors' meetings at which anything relating to that matter, or that office, employment or position, will or may be discussed; and
- 19.8.3. the Director may make such arrangements as such Director thinks fit for board and committee papers of the Company to be received and read by a professional adviser on behalf of that Director.
- 19.9. The general duties which a Director owes to the Company pursuant to sections 171 to 177 of the Act will not be infringed by anything done (or omitted to be done) by a Director in accordance with the provisions of this Article 19 or any terms or conditions imposed pursuant to Article 19.3.
- 19.10. A Director shall not, by reason of his office, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter, or from any office, employment or position, which has been approved by the Directors pursuant to this Article 19 (subject to any limits or conditions to which such approval was subject), nor shall the receipt of such benefit constitute a breach of his duty under section 176 of the Act, and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.
- 19.11. The Company may by Ordinary Resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 19.

## **APPOINTMENT OF DIRECTORS**

### **20. METHODS OF APPOINTING DIRECTORS**

- 20.1. 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:
- 20.1.1. by Ordinary Resolution;
- 20.1.2. by a decision of the Directors; or
- 20.1.3. by a notice given in accordance with Article 22.
- 20.2. In any case where, as a result of death, the Company has no Shareholders and no Directors, the personal representatives of the last Shareholder to have died have the right, by notice in Writing to appoint a person to be a Director.
- 20.3. For the purposes of Article 20.2, where two or more Shareholders die in circumstances rendering it uncertain who was the last to die, a younger Shareholder is deemed to have survived an older Shareholder.
- 20.4. Notwithstanding any other provision of these articles, a majority in number of the members having a right to attend and vote at a general meeting may, by memorandum in writing signed by or on behalf of them and delivered to the Company's registered office or

*tendered at a meeting of the directors or at a general meeting of the Company, at any time and from time to time appoint any person to be a director (either to fill a vacancy or as an additional director) or remove any director from office (no matter how such director was appointed).*

## **21. TERMINATION OF DIRECTOR'S APPOINTMENT**

21.1. A person ceases to be a Director as soon as:

21.1.1. that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a director by law;

21.1.2. a Bankruptcy order is made against that person;

21.1.3. a composition is made with that person's creditors generally in satisfaction of that person's debts;

21.1.4. a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months;

21.1.5. 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;

21.1.6. 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

21.1.7. notice of the Director's removal is given in accordance with Article 22.

## **22. APPOINTMENT AND REMOVAL OF DIRECTOR BY MAJORITY SHAREHOLDERS**

A Shareholder or Shareholders holding in aggregate a majority of the nominal value of the shares may, by written notice to the Company, appoint any person to be a Director to fill a vacancy or to be an additional Director and/or may terminate any Director's appointment.

## **23. DIRECTORS' REMUNERATION**

23.1. Directors may undertake any services for the Company that the Directors decide.

23.2. Directors are entitled to such remuneration as the Directors determine:

23.2.1. for their services to the Company as Directors; and

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

23.3. Subject to the Articles, a Director's remuneration may:

- 23.3.1. take any form; and
  - 23.3.2. 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.
- 23.4. Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.

## **24. DIRECTORS' EXPENSES**

- 24.1. The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:
- 24.1.1. meetings of Directors or committees of Directors;
  - 24.1.2. general meetings; or
  - 24.1.3. separate meetings of the Shareholders of any class of shares or holders 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.

## **ALTERNATE DIRECTORS**

## **25. ALTERNATE DIRECTORS**

- 25.1. Any Director (the "**Appointor**") may at any time appoint any person (including another Director) to be his alternate (the "**Alternate**" or the "**Alternate Director**") and may at any time terminate such appointment.
- 25.2. *The appointment or termination of appointment of an Alternate Director must be made by notice in Writing signed by the Appointor or in any other manner approved by the Directors.*
- 25.3. The notice must identify the proposed Alternate and, in the case of an appointment, contain a statement signed by the proposed Alternate stating that the proposed Alternate is willing to act as the Alternate of the Director giving the notice.
- 25.4. The appointment of an Alternate Director shall terminate:
- 25.4.1. when the Appointor revokes the appointment by notice to the Company *specifying when it is to terminate*;
  - 25.4.2. on the occurrence in relation to the Alternate of any event which if it happened to the Alternate's Appointor, would result in the termination of the Appointors appointment as a Director;
  - 25.4.3. on the death of the Alternate's Appointor; or

25.4.4. if his Appointor ceases to be a Director.

- 25.5. An Alternate Director shall be entitled to receive notices of meetings of the Directors and of any committee of the Directors of which his Appointor is a member and shall be entitled to attend and vote as a Director at any such meeting and be counted in the quorum at any such meeting at which his Appointor is not personally present and generally at such meetings to perform all functions of his Appointor as a Director. For the purposes of the proceedings at such meetings, the provisions of these Articles shall apply as if the Alternate Director (instead of his Appointor) were a Director.
- 25.6. If an Alternate is himself a Director or shall attend any such meeting as an Alternate for more than one Director, his voting rights shall be cumulative but he shall not be counted more than once for the purposes of the quorum.
- 25.7. If his Appointor is for the time being temporarily unable to act through ill health or disability *an Alternate's signature to any resolution in writing of the Directors shall be as effective as the signature of his Appointor.*
- 25.8. This Article 25 shall also apply (with such changes as are necessary) to such extent as the Directors may from time to time resolve to any meeting of any committee of the Directors of which the Appointor of an Alternate Director is a member.
- 25.9. An Alternate Director shall not (except as otherwise provided in this Article 25) have power to act as a Director, nor shall he be deemed to be a Director for the purposes of these Articles, nor shall he be deemed to be the agent of his Appointor.
- 25.10. An Alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent as if he were a Director.
- 25.11. An Alternate shall not be entitled to receive remuneration from the Company in respect of his appointment as Alternate Director except to the extent his Appointor directs the Company to pay to the Alternate some of the remuneration otherwise payable to that Director.

## **26. SECRETARY**

The Directors may determine that the Company may have a Secretary who, if so determined, shall be appointed on such terms as the Directors think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. Any Secretary removed from office need not be replaced unless and until the Directors determine it appropriate to do so.

## **PART 3**

### **SHARES AND DISTRIBUTIONS**

#### **SHARES**

##### **27. SHARE CAPITAL**

- 27.1. The share capital of the Company is divided into the "A Ordinary Shares" and the "B Ordinary Shares". Except as otherwise stated herein, the A Ordinary Shares and B Ordinary Shares shall each rank pari passu but they constitute separate classes of share. The rights and restrictions attaching to the Shares are as set out in these Articles.
- 27.2. No Share is to be issued for less than its nominal value.

#### **PARTLY PAID SHARES**

- 27.3. Article 21 in the Model Articles shall not apply to the Company.
- 27.4. The Company shall have a first and paramount lien on:
- 27.4.1. every Share, whether fully paid or not; and
- 27.4.2. all Shares registered in the name of any Shareholder indebted or under liability to the Company, whether he shall be the sole registered Shareholder thereof or one of two or more joint Shareholders,
- for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that Share or otherwise including all expenses incurred in respect of the Company taking any action pursuant to this article 27.
- 27.5. The Directors may at any time declare any Share to be wholly or in part exempt from the provisions of Article 27.4. The Company's lien on a Share shall extend to any amount *payable in respect of it or by a Shareholder*.
- 27.6. The Company's lien over a Share:
- 27.6.1. takes priority over any third party's interest in that Share; and
- 27.6.2. 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.
- 27.7. 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.
- 27.8. Subject to the provisions of this Article, if:
- 27.8.1. a lien enforcement notice has been given in respect of a Share; and

- 27.8.2. 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.
- 27.9. A lien enforcement notice:
- 27.9.1. 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;
  - 27.9.2. must specify the Share concerned;
  - 27.9.3. must require payment of the sum payable within 14 days of the notice;
  - 27.9.4. must be addressed either to the Shareholder of the Share or to a person entitled to it by reason of the Shareholder's death, bankruptcy or otherwise; and
  - 27.9.5. must state the Company's intention to sell the Share if the notice is not complied with.
- 27.10. Where Shares are sold under this Article:
- 27.10.1. 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
  - 27.10.2. the transferee is not bound to see to the application of the consideration; and the
  - 27.10.3. transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- 27.11. 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:
- 27.11.1. 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;
  - 27.11.2. 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.
- 27.12. 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:
- 27.12.1. is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and

- 27.12.2. subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.
- 27.13. Subject to the Articles and the terms on which Shares are allotted, the Directors may send a call notice to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (a call) which is payable in respect of Shares which that Shareholder holds at the date when the Directors decide to send the call notice.
- 27.14. A call notice:
- 27.14.1. may not require a member to pay a call which exceeds the total sum unpaid on that Shareholder's Shares (whether as to the Share's nominal value or any amount payable to the Company by way of premium);
- 27.14.2. must state when and how any call to which it relates it is to be paid; and
- 27.14.3. may permit or require the call to be paid by instalments.
- 27.15. A Shareholder must comply with the requirements of a call notice, but no Shareholder is obliged to pay any call before 14 days have passed since the notice was sent.
- 27.16. Before the Company has received any call due under a call notice the Directors may:
- 27.16.1. revoke it wholly or in part; or
- 27.16.2. 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.
- 27.17. Liability to pay a call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid.
- 27.18. Joint holders of a Share are jointly and severally liable to pay all calls in respect of that Share.
- 27.19. Subject to the terms on which Shares are allotted, the Directors may, when issuing Shares, provide that call notices sent to the Shareholders of those Shares may require them:
- 27.19.1. to pay calls which are not the same; or
- 27.19.2. to pay calls at different times.
- 27.20. 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):
- 27.20.1. on allotment;
- 27.20.2. on the occurrence of a particular event; or

- 27.20.3. on a date fixed by or in accordance with the terms of issue.
- 27.21. But if the due date for payment of such a sum has passed and it has not been paid, the Shareholder 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.
- 27.22. If a person is liable to pay a call and fails to do so by the call payment date:
- 27.22.1. the Directors may issue a notice of intended forfeiture to that person; and
- 27.22.2. until the call is paid, that person must pay the Company interest on the call and all expenses that may have been incurred by the Company by reason of such non-payment from the call payment date at the relevant rate.
- 27.23. Subject to Article 27.24, for the purposes of this Article:
- 27.23.1. 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;
- 27.23.2. the "relevant rate" is:
- (a) the rate fixed by the terms on which the Share in respect of which the call is due was allotted;
  - (b) 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
  - (c) if no rate is fixed in either of these ways, 5 per cent per annum.
- 27.24. *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(a).*
- 27.25. The Directors may waive any obligation to pay interest on a call wholly or in part.
- 27.26. A notice of intended forfeiture:
- 27.26.1. may be sent in respect of any Share in respect of which a call has not been paid as required by a call notice;
- 27.26.2. must be sent to the holder of that Share or to a person entitled to it by reason of the Shareholder's death, bankruptcy or otherwise;
- 27.26.3. 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;
- 27.26.4. must state how the payment is to be made; and



- 27.26.5. 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.
- 27.27. 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.
- 27.28. Subject to the Articles, the forfeiture of a Share extinguishes:
- 27.28.1. all interests in that Share, and all claims and demands against the Company in respect of it; and
- 27.28.2. all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company.
- 27.29. Any Share which is forfeited in accordance with the Articles:
- 27.29.1. is deemed to have been forfeited when the Directors decide that it is forfeited;
- 27.29.2. is deemed to be the property of the Company; and
- 27.29.3. may be sold, re-allotted or otherwise disposed of as the Directors think fit.
- 27.30. If a person's Shares have been forfeited:
- 27.30.1. the Company must send that person notice that forfeiture has occurred and record it in the register of members;
- 27.30.2. that person ceases to be a Shareholder in respect of those Shares;
- 27.30.3. that person must surrender the certificate for the Shares forfeited to the Company for cancellation;
- 27.30.4. that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
- 27.30.5. 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.
- 27.31. 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.

27.32. 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.

27.33. 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:

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

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

27.34. 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.

27.35. 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:

27.35.1. was, or would have become, payable; and

27.35.2. 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.

27.36. A Shareholder may surrender any Share:

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

27.36.2. which the Directors may forfeit; or

27.36.3. which has been forfeited.

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

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

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

## **28. ALLOTMENT AND ISSUE OF SHARES**

28.1. Subject to the provisions of these Articles and unless otherwise so directed by the Shareholders pursuant to a Special Resolution, all unissued shares shall be at the disposal

of the Directors who may allot, grant options over or otherwise dispose of them to such persons on such terms and at such times as they think fit.

- 28.2. In accordance with section 551 of the Act, the Directors are generally and unconditionally authorised to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares in the capital of the Company up to an aggregate nominal amount of £100 at any time or times during the period of five years from the date of adoption of these Articles and the Directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement made by the Company (including the grant of an option over shares in the capital of the Company) within that period. The authority hereby given may at any time (subject to section 551 of the Act) be renewed, revoked or varied by Ordinary Resolution of the Company.
- 28.3. In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

## **29. POWERS TO ISSUE DIFFERENT CLASSES OF SHARE**

- 29.1. Subject to the Articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by Ordinary Resolution.
- 29.2. Subject to the Articles, 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.

## **30. COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

Except as required by law, no person is to be recognised by the Company as holding any Share upon any trust, and except as otherwise required by law or the Articles, the Company is not in any way to be bound by or recognise any interest in a Share other than the Shareholder's absolute ownership of it and all the rights attaching to it.

## **31. SHARE CERTIFICATES**

- 31.1. The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the shares which that Shareholder holds.
- 31.2. Every certificate must specify:
- 31.2.1. *the number and class of Shares to which it relates;*
  - 31.2.2. *the nominal value of those Shares;*
  - 31.2.3. *that the Shares are fully paid; and*
  - 31.2.4. *any distinguishing numbers assigned to them.*

- 31.3. No certificate may be issued in respect of Shares of more than one class.
- 31.4. If more than one person holds a Share, only one certificate may be issued in respect of it.
- 31.5. Certificates must:
  - 31.5.1. have affixed to them the Company's common seal; or
  - 31.5.2. be otherwise executed in accordance with the Act.

## **32. REPLACEMENT SHARE CERTIFICATES**

- 32.1. A Shareholder who has separate certificates in respect of Shares of one class may request in Writing that it be replaced with a consolidated certificate. The Company may comply with such request at its discretion.
- 32.2. A Shareholder who has a consolidated share certificate may request in Writing that it be replaced with two or more separate certificates representing the shares in such proportions as he may specify. The Company may comply with such request at its discretion.
- 32.3. If a share certificate is damaged or defaced or alleged to have been lost, stolen or destroyed, the Shareholder shall be issued a new certificate representing the same Shares upon request.
- 32.4. No new certificate will be issued pursuant to this Article 32 unless the relevant Shareholder has:
  - 32.4.1. first delivered the old certificate or certificates to the Company for cancellation; or
  - 32.4.2. complied with such conditions as to evidence and indemnity as the Directors may think fit; and
  - 32.4.3. paid such reasonable fee as the Directors may decide.
- 32.5. In the case of shares held jointly by several persons, any request pursuant to this Article 32 may be made by any one of the joint Shareholders.

## **SHARE TRANSFERS**

### **33. TRANSFER OF SHARES**

- 33.1. Subject to Article 34, the Shares may, subject to the approval of the Directors, be transferred by means of an instrument of transfer executed by or on behalf of the transferor in accordance with this Article 33. Such instrument of transfer must be in Hard Copy Form but may otherwise be in any usual form or any other form approved by the Directors.
- 33.2. No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share.

- 33.3. The Company may retain any instrument of transfer which is registered.
- 33.4. The transferor remains the Shareholder of the Shares concerned until the transferee's name is entered in the register of members in respect of those Shares.
- 33.5. The Directors may, in their absolute discretion and without assigning any reason therefor, refuse to register any transfer of any Share, whether or not it is a fully paid share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of the refusal unless they suspect that the proposed transfer may be fraudulent.

#### **34. TRANSFER OF B ORDINARY SHARES**

- 34.1. No person shall be entitled to transfer any B Ordinary Share unless the transfer:
  - 34.1.1. is a Permitted Transfer; or
  - 34.1.2. has otherwise been authorised by the Remuneration Committee;
- 34.2. The Directors shall refuse to register:
  - 34.2.1. any Permitted Transfer or transfer of a B Ordinary Share other than a transfer in accordance with these Articles;
  - 34.2.2. any transfer of a B Ordinary Share unless the transferee of such B Ordinary Share (including personal representatives) has entered into a deed of adherence (in such form as the Directors may direct) in respect of the Employee Shareholder Agreement.
- 34.3. To enable the Directors to determine that these Articles have been complied with, including that there has been a Permitted Transfer, the Directors may require:
  - 34.3.1. any Shareholder;
  - 34.3.2. the legal personal representatives of any deceased Shareholder;
  - 34.3.3. any person entitled to any Shares in consequence of the Bankruptcy or insolvency of a Shareholder;
  - 34.3.4. any person named as transferee in any transfer lodged for registration; or
  - 34.3.5. any other person whom the Directors reasonably believes to have relevant information,

to provide the Company with any information that they may require for this purpose.
- 34.4. If the information requested under Article 34.3 is not provided in Writing, within such period as the Directors may reasonably allow to enable the Directors to determine to their reasonable satisfaction that no breach of these Articles has occurred, or if as a result of the information provided the Directors are reasonably satisfied that a breach has occurred,

the Directors may immediately notify the B Ordinary Shareholder in question in Writing of that fact and a Transfer Notice is deemed to have been given in respect of the B Ordinary Shares at a time determined by the Directors and the provisions of Article 49 shall apply *mutatis mutandis* to the transfer of said Shares.

- 34.5. Upon the death of a B Ordinary Shareholder, the B Ordinary Shares of that B Ordinary Shareholder shall pass to their personal representative, executors, such other person as their personal representative or executive shall nominate or the beneficiaries of their estate as the case may be provided that such person complies with the terms of these Articles and enters into a deed of adherence (if applicable) as if they were the original B Ordinary Shareholder.

## **35. VOTING RIGHTS**

- 35.1. Each A Ordinary Share shall confer upon the Shareholder thereof the right to:

35.1.1. one vote; and

35.1.2. receive notice of and attend any general meeting of the members of the Company for the purposes of exercising their vote.

- 35.2. No voting rights will attach to the B Ordinary Shares.

- 35.3. The Company shall not allot any Shares or register any transfers of Shares pursuant to Articles 28 and 33, respectively, where, as a result of such allotment or transfer, any B Ordinary Shareholder will be entitled (whether individually or together with any of his Connected Parties) to exercise 25% or more of the total votes in the Company so as not to contravene the requirements of section 226D of the Income Tax (Earnings and Pensions) Act 2003 and section 236D of the Taxation of Chargeable Gains Act 1992 relating to an individual holding a material interest in the Company.

- 35.4. Article 35.3 shall not apply to any Shareholder which is a body corporate.

- 35.5. A Transfer Notice shall be deemed to be given in respect of any Shares allotted or transferred in breach of Article 35.3 and the provisions of Article 49 shall apply *mutatis mutandis* to the allotment or transfer of the said Shares.

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **36. DIVIDEND RIGHTS OF SHAREHOLDERS**

- 36.1. Subject to Article 36.2, the Company may by Ordinary Resolution declare dividends, and the Directors may decide to pay interim dividends.

- 36.2. The B Ordinary Shares shall not be entitled to receive any dividends but, prior to recommending any dividend on the A Ordinary Shares, the Directors shall take account of and make provision for the entitlement of the B Ordinary Shares to participate in the Equity Value in accordance with these articles.

- 36.3. A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors.
- 36.4. No dividend may be declared or paid unless it is in accordance with these Articles and the Shareholders' respective rights.
- 36.5. If the Company's share capital is divided into different classes, no interim dividend may be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.
- 36.6. The Directors may pay fixed dividends on any class of Shares carrying such a dividend expressed to be payable on fixed dates on the dates prescribed for payment if it appears to them that the profits available for distribution justify the payment.
- 36.7. If the Directors act in good faith, they do not incur any liability to the Shareholders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of a fixed or interim dividend on shares with deferred or non-preferred rights.

**37. PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

Where a dividend or other sum which is a distribution is payable in respect of a Share, it shall be paid as the Directors determine.

**38. NO INTEREST ON DISTRIBUTIONS**

- 38.1. The Company may not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by:

38.1.1. the terms on which the Share was issued; or

38.1.2. the provisions of another agreement between the Shareholder of that Share and the Company.

**39. UNCLAIMED DISTRIBUTIONS**

- 39.1. All dividends or other sums which are:

39.1.1. payable in respect of the Shares; and

39.1.2. 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.

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

- 39.3. If:

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

39.3.2. the Payee has not claimed it,

the Payee is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

#### **40. NON-CASH DISTRIBUTIONS**

40.1. Subject to the terms of issue of the Share in question, the Company may, by Ordinary Resolution on the recommendation of the Directors, direct the payment of a dividend in whole or in part by the transfer of non-cash assets of equivalent value (including, without limitation, shares or other securities in any Company) and the Directors shall give effect to such resolution.

40.2. *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:*

40.2.1. fixing the value of any assets;

40.2.2. paying cash to any Payee on the basis of that value in order to adjust the rights of recipients; and

40.2.3. vesting any assets in trustees.

#### **41. WAIVER OF DISTRIBUTIONS**

Payees may waive their entitlement to a dividend or other distribution payable in respect of a Share in whole or in part by giving the Company notice in Writing to that effect.

#### **CAPITALISATION OF PROFITS**

#### **42. AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS**

42.1. Subject to the Articles, the Directors may, if they are so authorised by an Ordinary Resolution:

42.1.1. 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, capital redemption reserve or other undistributable reserve; and

42.1.2. 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 or to any other persons so identified either by name or by a class of individuals in a Special Resolution (the "**Persons Identified**") provided that in the case of Persons



Identified that the Capitalised Sum be limited in the amount and the duration of such authority in such Ordinary Resolution.

42.2. Capitalised Sums must be applied:

42.2.1. on behalf of the Persons Entitled or the Persons Identified; and

42.2.2. in the same proportions as a dividend would have been distributed to them in the case of Persons Entitled or in the case of Persons Identified in such proportions as set out in the Ordinary Resolution relating to such Capitalised Sum.

42.3. 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, the Persons Identified, or as they may direct.

42.4. Any 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, the Persons Identified, or as they may direct.

42.5. Subject to the Articles the Directors may:

42.5.1. *apply Capitalised Sums in accordance with Articles 42.3 and 42.4 partly in one way and partly in another;*

42.5.2. make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article 42 (including to disregard fractional entitlements or for the benefit of them to accrue to the Company); and

42.5.3. authorise any person to enter into an agreement with the Company on behalf of all the Persons Entitled or the Persons Identified which is binding on them in respect of the allotment of shares and debentures to them under this Article 42.

## **CAPITAL RIGHTS ATTACHING TO SHARES**

### **43. RETURN ON CAPITAL**

On a return of assets ("**Return**") on a liquidation or otherwise (other than on conversion, redemption or purchase of Shares), the surplus assets of the Company remaining after the payment of its liabilities and available for distribution amongst the members (the "**Return Proceeds**") shall be distributed in accordance with Article 45 save that references to Equity Value shall be read as references to "Return Proceeds" and references to B Ordinary Share Reference Value shall be to an amount equal to the Return Proceeds after applying the same adjustments to the Return Proceeds as are made to Equity Value to derive the B Ordinary Share Reference Value in Article 44.

### **44. CALCULATION OF EQUITY VALUE B ORDINARY SHARE REFERENCE VALUE**

44.1. In determining the Equity Value, the Remuneration Committee shall, where the Exit Event takes place at the level of any Parent Undertaking, take into account the equity value of

any Parent Undertaking ("**Parent Equity Value**") and, where such Parent Undertaking holds interests in companies or businesses other than the Company ("**Non-Homes Holdings**"), shall in the Remuneration Committee's absolute discretion apportion the Parent Equity Value between the Non-Homes Holdings and the Equity Value.

44.2. The B Ordinary Share Reference Value shall be determined by applying the following adjustments to the Equity Value:

44.2.1. there shall be added to the Equity Value an amount equal to all sums paid to or value received by A Ordinary Shareholders after the date of adoption of these Articles on account of their interests in the A Ordinary Shares prior to or upon the date of calculation of the B Ordinary Share Reference Value including, for the avoidance of doubt, any proceeds from any dividends or from the redemption of shares or purchase by the Company of its own shares;

44.2.2. if, after the date of adoption of these Articles, any sums due to the Company or any of the Company's subsidiaries from any Parent Undertaking or any subsidiary of any Parent Undertaking are unpaid, written off or waived there shall be added to the Equity Value an amount equal to all such sums;

44.2.3. if, after the date of adoption of these Articles, any sums are paid to the Company or any of the Company's subsidiaries by any Parent Undertaking or any subsidiary of any Parent Undertaking by way of gift, capital contribution or capitalisation, there shall be deducted from the Equity Value an amount equal to all such sums;

44.2.4. any proceeds which include shares held by shareholders on or prior to an IPO that continue to exist after the IPO shall be valued by reference to the issue price of the IPO; and

44.2.5. *any other non-cash proceeds shall be valued by the Remuneration Committee acting reasonably.*

#### **45. ALLOCATION OF B ORDINARY SHARE REFERENCE VALUE AND EQUITY VALUE**

45.1. Subject to Article 45.2, on any Exit Event or in any case where a valuation of the Shares is required in accordance with these Articles, subject to the remainder of this Article 45:

45.1.1. if the B Ordinary Share Reference Value is less than the Base Hurdle then the B Ordinary Shares as a class will have no entitlement to any value or rights to participate in any return;

45.1.2. if the B Ordinary Share Reference Value is equal to or higher than the Base Hurdle but less than the Catch-up Hurdle then the B Ordinary Shares as a class will be entitled to 10 per cent, of the amount by which the B Ordinary Share Reference Value exceeds the Base Hurdle;

45.1.3. if the B Ordinary Share Reference Value is equal to or higher than the Catch-up Hurdle then the B Ordinary Shares as a class will be entitled to 5 per cent, of the amount by which the B Ordinary Share Reference Value exceeds the Base Value;

45.1.4. the A Ordinary Shareholders will be entitled to receive on a pro-rata basis as to the nominal amount so paid up or deemed to be paid up on each A Ordinary Share the Equity Value less the B Share Return,

the B Ordinary Shareholders will be entitled to receive the B Share Return on a pro-rata basis as to the nominal amount so paid up or deemed paid up on each B Ordinary Share.

45.2. A B Ordinary Shareholder, together with his Connected Parties, shall not be entitled to 25% or more of the Return Proceeds or of the assets available for distribution among the participators and if such an entitlement would otherwise arise then any excess above this threshold shall be distributable to the A Ordinary Shareholders on a pro-rata basis as to the number of A Ordinary Shares that they hold such that the B Ordinary Shareholder and his Connected Parties shall not be entitled to 25% or more of the Return Proceeds or of the assets available for distribution among the participators, so as not to contravene the requirements of section 226D of the Income Tax (Earnings and Pensions) Act 2003 and section 236D of the Taxation of Chargeable Gains Act 1992 relating to an individual holding a material interest in the Company.

45.3. Article 45.2 shall not apply to any B Ordinary Shareholder which is a body corporate.

45.4. If the B Ordinary Share Reference Value is less than the Base Hurdle then the provisions of Article 49 shall apply mutatis mutandis in terms of the Parent Shareholder or its nominee acquiring the B Ordinary Shares.

45.5. If there is an Asset Sale at the level of any of the Company's subsidiaries and the B Ordinary Shareholders do not receive by way of distribution or otherwise the value to which they are entitled to receive in accordance with this Article 45, the B Ordinary Shareholders shall each be entitled, within 30 days of the Asset Sale by service of notice ("**Buy Out Notice**") on the Parent Shareholder, requiring the Parent Shareholder to acquire their B Ordinary Shares for the applicable proportion of the B Ordinary Share Reference Value of the B Ordinary Shares. The Buy Out Notice shall specify a proposed completion date ("**Buy Out Completion Date**") which shall be not less than 14 days and not more than 28 days from the date of service of the Buy Out Notice. On the Buy Out Completion Date:

45.5.1. each B Ordinary Shareholder who served a Buy Out Notice must transfer his B Ordinary Shares to the Parent Shareholder free from all liens, charges and encumbrances together with all rights attaching to such Shares;

45.5.2. each selling B Ordinary Shareholder shall deliver to the Parent Shareholder all relevant documents and a power of attorney to execute the transfer of the relevant Shares; and

45.5.3. the Parent Shareholder shall pay the relevant B Ordinary Shareholder the applicable price for the relevant B Ordinary Shares.

#### **46. DRAG ALONG**

46.1. In the event of a Sale that would result in an unconnected third party acquiring a Controlling Interest in any of: (i) the Company; or (ii) the Parent Shareholder; or (iii) any Parent Undertaking, the intending transferor of such Shares has the right to give notice (the "**Drag Along Notice**") to all the Shareholders of the B Ordinary Shares requiring them to transfer all of their B Ordinary Shares, together with all their interests in, and rights in respect of, such B Ordinary Shares, to the proposed acquirer or its nominee under the sale in accordance with this Article 46. For the purposes of this Article 46, a third party shall not be deemed to be 'connected' solely because (A) certain B Ordinary Shareholders (i) exchange or agree to exchange their B Ordinary Shares for shares in the capital of the third party (ii) are granted shares in the capital of third party or any member of its group (iii) provide debt funding or any form of loan capital to the third party or any member of its group, and (iv) receive debt funding or any form of loan capital from the third party of any member of its group; or (B) any deferred consideration or vendor loan note (or equivalent) applies in relation to a Sale.

46.2. Any transfers pursuant to the Drag Along Notice are completed at the same time as the proposed Sale. The Drag Along Notice must:

46.2.1. be in Writing;

46.2.2. in the case of B Ordinary Shares, be for a consideration equal to the B Ordinary Share Reference Value attaching to those B Ordinary Shares (calculated by the Remuneration Committee in accordance with Article 45) on the date that the Drag Along Notice is issued;

46.2.3. specify that Completion of the purchase will be conditional on the Completion of the proposed Sale and will occur at the same time;

46.2.4. be open for acceptance for a period of not less than 10 working days; and

46.2.5. otherwise have no terms or conditions that are less favourable for the offeree Shareholder.

46.3. The purchase of shares pursuant to the Drag Along Notice is not subject to any of the other restrictions on transfer of Shares under these Articles.

46.4. No Drag Along Notice need be issued if a Tag Notice has been served under Article 47.

#### **47. TAG ALONG**

47.1. In the event of a Sale that would result in an unconnected third party acquiring a Controlling Interest in any of: (i) the Company; or (ii) the Parent Shareholder; or (iii) any Parent Undertaking, the intending transferor of such Shares may not complete that transfer

unless it has first procured the proposed acquirer or its nominee to make an offer (the "Tag Offer") to all of the Shareholders of the B Ordinary Shares to acquire all of their B Ordinary Shares, together with all their interests in, and rights in respect of, such B Ordinary Shares, in accordance with Article 47.2.

- 47.2. Any purchases pursuant to the Tag Offer are completed at the same time as the proposed sale. The Tag Offer must:

47.2.1. be in Writing;

47.2.2. in the case of B Ordinary Shares, be for a consideration equal to the B Ordinary Share Reference Value attaching to those B Ordinary Shares (calculated by the Remuneration Committee in accordance with Article 45) on the date that the Tag Offer is issued;

47.2.3. specify that Completion of the purchase will be conditional on the Completion of the proposed third party sale and will occur at the same time;

47.2.4. be open for acceptance for a period of not less than 2 working days; and

47.2.5. otherwise have no terms or conditions that are less favourable for the offeree Shareholder.

- 47.3. The purchase of Shares pursuant to the Tag Offer is not subject to any of the other restrictions on transfer of Shares under these Articles.

- 47.4. No Tag Offer need be issued if a Drag Along Notice has been served under Article 46.

#### **48. COMPULSORY TRANSFER OF B ORDINARY SHARES: CESSATION OF EMPLOYMENT**

- 48.1. In the event that a B Ordinary Shareholder ceases to be employed by the Group he will, if required to do so by written notice from the Remuneration Committee, be required to transfer his B Ordinary Shares to the Parent Shareholder in accordance with Article 48.2 or to any person nominated by the Remuneration Committee provided that such person has accepted such nomination in its sole discretion and the provisions of Article 48.2 shall apply mutatis mutandis except that the Remuneration Committee's nominee shall replace references to the Parent Shareholder.

- 48.2. The B Ordinary Shareholder shall be required to transfer his B Ordinary Shares to the Parent Shareholder upon receipt of a Transfer Notice from the Parent Shareholder or the Remuneration Committee.

48.2.1. The Transfer Notice may be issued by the Parent Shareholder or the Remuneration Committee at any time on or after the date on which Article 48.1 first applies and shall contain:

- (a) notification of the number of B Ordinary Shares to be transferred;

- (b) the price per share (in accordance with Article 48.3) at which the B Ordinary Shares will be acquired;
- (c) a date, or period during which the sale and purchase of the B Ordinary Shares is to be completed (the "**Completion Date**"), which shall be determined at the sole discretion of the Remuneration Committee; and
- (d) *any conditions as are deemed necessary to be satisfied by the Parent Shareholder or the Remuneration Committee before the transfer can complete such as the obtaining of any consents from third parties.*

48.2.2. The B Ordinary Shareholder must transfer his B Ordinary Shares pursuant to the Transfer Notice to the Parent Shareholder free from all liens, charges and encumbrances together with all rights attaching to such Shares.

48.2.3. By the Completion Date, the B Ordinary Shareholder shall deliver to the Parent Shareholder all relevant documents and a power of attorney to execute the transfer of the relevant Shares. On the Completion Date the Parent Shareholder shall pay the relevant B Ordinary Shareholder the specified price for the relevant B Ordinary Shares. If a transfer of B Ordinary Shares is executed on behalf of a B Ordinary Shareholder under this Article 48 then the Parent Shareholder shall hold the purchase money in trust for that B Ordinary Shareholder and the receipt of the Parent Shareholder for the purchase money shall be a good discharge for *the Parent Shareholder's nominee (if applicable) who shall not be bound to see to the application of the purchase money.*

48.3. The transfer price of the B Ordinary Shares in accordance with Article 48.2 will be the amount calculated in accordance with the Employee Shareholder Agreement.

48.4. If any B Ordinary Shareholder does not execute the transfer in respect any B Ordinary Shareholder subject to transfer under Article 48.1, the defaulting B Ordinary Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Remuneration Committee to be his agent to execute all necessary transfers on his behalf, against receipt by the Parent Shareholder (on trust for such Shareholder) of the consideration payable for such B Ordinary Shares, to deliver such transfer to the nominated transferee as the Shareholder thereof. After the transferee has been registered as the B Ordinary Shareholder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of the B Ordinary Shares under this Article 48.

48.5. For the purposes of this Article 48, a B Ordinary Shareholder shall be deemed to have ceased to be employed on the earlier of:

- 48.5.1. no longer holding any employment of office with any company within the Group;
- 48.5.2. giving or being given notice; or
- 48.5.3. being placed on garden leave,

or such later date as the Remuneration Committee may, in its absolute discretion, determine.

**49. COMPULSORY TRANSFER OF B ORDINARY SHARES: BANKRUPTCY, BREACH, DISPOSAL VALUE BELOW BASE HURDLE ETC.**

**49.1. In the event of:**

49.1.1. the Bankruptcy of a B Ordinary Shareholder; or

49.1.2. a B Ordinary Shareholder being convicted of a criminal offence (other than minor offences under road traffic legislation for which a fine or non-custodial sentence is imposed); or

49.1.3. a B Ordinary Shareholder being disqualified from acting as a director; or

49.1.4. a receiver being appointed having the power of sale over the property of a B Ordinary Shareholder; or

49.1.5. the B Ordinary Share Reference Value determined pursuant to Article 45 being less than the Base Hurdle upon an Exit Event; or

49.1.6. an allotment or transfer of Shares in breach of Article 35.3,

subject to the Remuneration Committee's direction in Writing such B Ordinary Shareholder will be required to transfer his shares to the Parent Shareholder in accordance with Article 49.2 or to any person nominated by the Remuneration Committee provided that such person has accepted such nomination and the provisions of Article 49.2 shall apply mutatis mutandis except that the Parent Shareholder's nominee shall replace references to the Parent Shareholder.

49.2. The Parent Shareholder shall deliver a Transfer Notice (in accordance with article 61 of these Articles) to the B Ordinary Shareholder and the B Ordinary Shareholder shall be required to transfer his B Ordinary Shares to the Parent Shareholder pursuant to the terms of the Transfer Notice and with immediate effect if so required.

**49.2.1. The Transfer Notice shall contain:**

- (a) notification of the number of B Ordinary Shares which the Parent Shareholder proposes to acquire;
- (b) the price per share at which the B Ordinary Shares will be acquired, being £1 in aggregate; and
- (c) the Completion Date, which shall be determined at the sole discretion of the Remuneration Committee.

- 49.2.2. Each relevant B Ordinary Shareholder must transfer his B Ordinary Shares pursuant to the *Transfer Notice to the Parent Shareholder free from all liens, charges and encumbrances together with all rights attaching to such Shares.*
- 49.2.3. By the Completion Date each relevant B Ordinary Shareholder shall deliver to the Parent Shareholder all relevant documents and a power of attorney to execute the transfer of the relevant Shares. On the Completion Date the Parent Shareholder shall pay the relevant B Ordinary Shareholder the specified price for the relevant B Ordinary Shares.
- 49.3. If any B Ordinary Shareholder does not execute the transfer in respect of any B Ordinary Shares subject to transfer under Article 49.1, the defaulting B Ordinary Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Parent Shareholder to be his agent to execute all necessary transfers on his behalf, against receipt by the Parent Shareholder (on trust for such Shareholder) of the consideration payable for the B Ordinary Shares, to deliver such transfer to the nominated transferee as the B Ordinary Shareholder thereof. After the transferee has been registered as the B Ordinary Shareholder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of Shares under this Article 49.

## **PART 4**

### **DECISION-MAKING BY SHAREHOLDERS**

#### **ORGANISATION OF GENERAL MEETINGS**

##### **50. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

- 50.1. 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.*
- 50.2. A person is able to exercise the right to vote at a general meeting when:
- 50.2.1. that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- 50.2.2. *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.*
- 50.3. 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.
- 50.4. In determining attendance at a general meeting, it is immaterial whether any two or more Shareholders attending it are in the same place as each other.



- 50.5. 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.

## **51. QUORUM FOR GENERAL MEETINGS**

- 51.1. No business other than the appointment of the Chairman of the Meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum. One A Ordinary Shareholder attending the meeting shall be a quorum.
- 51.2. *If and for so long as the Company has only one member and that member takes any decision which is required to be taken in general meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in general meeting, subject as provided in Article 51.4 below.*
- 51.3. Any decision taken by a sole member pursuant to Article 51.2 above shall be recorded in writing and delivered by that member to the Company for entry in the Company's minute book.
- 51.4. Resolutions under section 168 of the Act for the removal of a director before the expiration of his period of office and under section 510 of the Act for the removal of an auditor before the expiration of his period of office shall only be considered and passed by the Company in general meeting.

## **52. CHAIRING GENERAL MEETINGS**

- 52.1. If the Directors have appointed a Chairman, the Chairman shall chair general meetings if present and willing to do so.
- 52.2. 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:
- 52.2.1. the Directors present; or
- 52.2.2. (if no Directors are present), the meeting,
- must appoint a Director or Shareholder to chair the meeting, and such appointment must be the first business of the meeting.*
- 52.3. The person chairing a meeting in accordance with this Article 52 is referred to as the "**Chairman of the Meeting**".

## **53. ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS**

- 53.1. Directors may attend and speak at general meetings, whether or not they are Shareholders.
- 53.2. The Chairman of the Meeting may permit other persons who are not:

53.2.1. shareholders of the Company; or

53.2.2. otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

#### **54. ADJOURNMENT**

54.1. 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 to the same day in the next week at the same time and place or to such other time and place as the Directors may determine; and if at the adjourned General Meeting a quorum is not present within half an hour from the time appointed therefor such adjourned General Meeting should be dissolved.

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

54.2.1. the meeting consents to an adjournment; or

54.2.2. the Chairman of the Meeting considers 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.

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

54.4. When adjourning a general meeting, the Chairman of the Meeting must 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.

54.5. 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):

54.5.1. to the same person to whom notice of the Company's general meetings is required to be given; and

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

54.6. 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**

##### **55. VOTING: GENERAL**

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

## **56. ERRORS AND DISPUTES**

- 56.1. 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.
- 56.2. Any such objection must be referred to the Chairman of the Meeting, whose decision is final.

## **57. POLL VOTES**

- 57.1. A poll on a resolution may be demanded:
  - 57.1.1. in advance of the general meeting where it is to be put to the vote; or
  - 57.1.2. 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.
- 57.2. A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting. Article 44(2) of the Model Articles shall not apply to these articles.
- 57.3. A demand for a poll may be withdrawn if:
  - 57.3.1. the poll has not yet been taken; and
  - 57.3.2. the Chairman of the Meeting consents to the withdrawal.
- 57.4. A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.
- 57.5. Polls must be taken immediately and in such manner as the Chairman of the Meeting directs.

## **58. CONTENT OF PROXY NOTICES**

- 58.1. Proxies may only validly be appointed by a notice in Writing (a "**Proxy Notice**") which:
  - 58.1.1. states the name and address of the Shareholder appointing the proxy;
  - 58.1.2. identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed;
  - 58.1.3. is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and
  - 58.1.4. is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.

- 58.2. The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.
- 58.3. 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.

**59. DELIVERY OF PROXY NOTICES**

- 59.1. An instrument of proxy is deemed (unless the contrary is stated in it) to confer authority to demand or join in demanding a poll and to speak at the meeting and to vote (whether on a show of hands or on a poll) on any resolution or amendment of a resolution put to, or other business which may properly come before, the meeting or meetings for which it is given, as the proxy thinks fit.
- 59.2. Where the same person is appointed proxy for more than one member he shall on a show of hands have as many votes as the number of members for whom he is proxy in addition to his own vote (if any) as a member.
- 59.3. Subject to section 327 of the Act, the instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may be deposited at the place specified in the notice of meeting up to the commencement of the meeting or (in any case where a poll is taken otherwise than at the meeting) of the taking of the poll or may be handed to the chairman of the meeting prior to the commencement of the business of the meeting.
- 59.4. 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.
- 59.5. 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.
- 59.6. 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*.
- 59.7. 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.
- 59.8. Any vote cast or poll demanded by a proxy shall not be invalidated by the previous death or insanity of the Shareholder or by the revocation or termination of the appointment of the proxy or of the authority under which the appointment was made unless notice of such death, insanity, revocation or termination was received in Writing at the place specified in the notice of meeting for the receipt of Proxy Notices (or, if no place is specified, the registered office for the time being) before the start of the meeting or (in the case of a poll

taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll.

## **60. AMENDMENTS TO RESOLUTIONS**

60.1. An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:

60.1.1. 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

60.1.2. the proposed amendment does not, in the reasonable opinion of the Chairman of the Meeting, materially alter the scope of the resolution.

60.2. A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution, if:

60.2.1. the Chairman of the Meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and

60.2.2. the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

60.3. If the Chairman of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairman of the Meeting's error does not invalidate the vote on that resolution.

## **PART 5**

### **ADMINISTRATIVE ARRANGEMENTS**

## **61. MEANS OF COMMUNICATION TO BE USED**

61.1. Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.

61.2. Any notice, Document or information (including a share certificate) which is sent or supplied by the Company in Hard Copy Form, or in Electronic Form but to be delivered other than by electronic means, which is:

61.2.1. sent by hand and properly addressed shall be deemed to have been received by the intended recipient on the day of delivery;

61.2.2. sent by pre-paid post and properly addressed shall be deemed to have been received by the intended recipient at the expiration of 24 hours (or, where first class mail is not employed, 48 hours) after the time it was posted,

and in proving such receipt it shall be sufficient to show that such notice, Document or information was properly addressed and, in the case of post, pre-paid and posted.

- 61.3. Any notice, Document or information which is sent or supplied by the Company by electronic means shall be deemed to have been received by the intended recipient 24 hours after it was transmitted, and in proving such receipt it shall be sufficient to show that such notice, Document or information was properly addressed.
- 61.4. The accidental failure to send, or the non-receipt by any person entitled to, any notice of or *other Document or information relating to any meeting or other proceeding shall not* invalidate the relevant meeting or proceeding.
- 61.5. Subject to the Articles, any notice or Document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.
- 61.6. A Director may agree with the Company that notices, documents or information sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than that provided in this Article 61.

## **62. JOINT SHAREHOLDERS**

- 62.1. Except as otherwise specified in the Articles, anything which needs to be agreed or specified by the joint Shareholders of a share shall for all purposes be taken to be agreed or specified by all the joint Shareholders where it has been agreed or specified by the joint Shareholder whose name stands first in the register of members in respect of the share.
- 62.2. Except as otherwise specified in the Articles, any notice, Document or information which is authorised or required to be sent or supplied to joint Shareholders of a share may be sent or supplied to the joint Shareholder whose name stands first in the register of members in respect of the share, to the exclusion of the other joint Shareholders.
- 62.3. The provisions of this Article 62 shall have effect in place of the provisions of Schedule 5 of the Act regarding joint Shareholders of shares.

## **63. COMPANY SEALS**

- 63.1. Any common seal may only be used by the authority of the Directors or of a committee of Directors.
- 63.2. The Directors may decide by what means and in what form any common seal is to be used.
- 63.3. 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 a Director and by the Secretary or a second Director.
- 63.4. For the purposes of this Article 63, an authorised person is:

63.4.1. any Director of the Company;

63.4.2. the Secretary (if any); or

63.4.3. any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.

63.5. The Company may exercise all powers conferred by the Act with regard to having an *official seal for use abroad and such powers shall be vested in the Directors.*

#### **64. 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.*

#### **65. 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.*

#### **66. AUTHENTICATION OF DOCUMENTS**

66.1. Any Director or the Secretary (if any) or any person appointed by the Directors for the purpose shall have power to authenticate:

66.1.1. any Document affecting the constitution of the Company;

66.1.2. any resolution passed at a general meeting or at a meeting of the Directors or any committee; and

66.1.3. any book, record, Document or account relating to the business of the Company,

and to certify copies or extracts as true copies or extracts.

66.2. A Document purporting to be a copy of any such resolution, or an extract from the minutes of any such meeting, *which is certified shall be conclusive evidence in favour of all persons dealing with the Company that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.*

#### **DIRECTORS' LIABILITIES**

#### **67. INDEMNITY**

67.1. Subject to paragraph 67.2, a Relevant Officer may be indemnified out of the Company's assets or the proceeds of any insurance policy effected by the Company for such purposes

against all costs, charges, losses, expenses and liabilities incurred by him for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, provided that this Article shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this Article, or any element of it, to be treated as void under the Act.

- 67.2. This Article 67 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

## **68. INSURANCE**

The Directors shall have the power to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer.

## **69. DEFENCE EXPENDITURE**

- 69.1. So far as may be permitted by the Act, the Company may:

69.1.1. provide a Relevant Officer with funds to meet expenditure incurred or to be incurred by him in:

- (a) defending any criminal or civil proceedings in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or an Associated Company; or
- (b) in connection with any application for relief under the provisions mentioned in Section 205(5) of the Act; and

69.1.2. do anything to enable any such Relevant Officer to avoid incurring such expenditure.

- 69.2. The terms set out in Section 205(2) of the Act shall apply to any provision of funds or other things done under Article 69.1.

- 69.3. So far as may be permitted by the Act, the Company:

69.3.1. may provide a Relevant Officer with funds to meet expenditure incurred or to be incurred by him in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or any Associated Company; and

69.3.2. may do anything to enable any such Relevant Officer to avoid incurring such expenditure.

- 69.4. Articles 52 and 53 in the Model Articles shall not apply to the Company.



## **PART 6**

### **SHAREHOLDER ARRANGEMENTS**

#### **70. B SHAREHOLDER COVENANT**

- 70.1. Upon any refinancing of the Company's or the Group's debt position and to the extent that the terms of any finance documents are approved by the Directors, each B Shareholder covenants with the Company that it will execute any documents and do all such other things required of him by any debt provider including without limitation entering into any intercreditor arrangements or any security arrangements so required by a debt provider.
- 70.2. In the event that a B Shareholder fails to execute any documents or do anything else so requested of him pursuant to article 70.1 above then each B Shareholder hereby agrees that any Director shall be empowered as his agent to execute any documents on his behalf or do all such other things that he may do in respect of a request made pursuant to article 70.1 above and that the terms of any such arrangements shall be binding upon him.

## **PART 7**

### **TRANSFER OF SHARES**

#### **71. SECURITY**

- 71.1. Notwithstanding anything contained in these Articles, any pre-emption rights conferred on existing members by these Articles shall not apply and the Company and the directors shall not decline to register any transfer of shares, nor may they suspend such registration, where such transfer:
- 71.1.1. is to any Secured Party; or
  - 71.1.2. is delivered to the Company for registration by a Secured Party in order to perfect its security over the shares; or
  - 71.1.3. is executed by a Secured Party pursuant to the power of sale or otherwise under such security.
- 71.2. Furthermore notwithstanding anything to the contrary contained in these Articles no transferor of any shares in the Company or proposed transferor of such shares to a Secured Party and no Secured Party shall be required to offer the shares which are or are to be the subject of any such aforementioned transfer to the shareholders for the time being of the Company or any of them, and no such shareholder shall have any right under the Articles or otherwise howsoever to require such shares to be transferred to them whether for consideration or not.
- 71.3. For the purposes of this Article, "Secured Party" means any bank, financial institution, trust, fund or other entity or person to which a security interest has been granted over the shares in the Company, or any agent, security agent, nominee, receiver or other entity acting on its behalf.

- 71.4. Any lien on shares which the Company has shall not apply in respect of any shares which have been charged by way of security to a Secured Party.