

**THE COMPANIES ACT 1985**  
**SPECIAL RESOLUTION**  
**KIRKLANDS LAW LIMITED (SC294759)**  
**CHANGE OF ARTICLES OF ASSOCIATION**

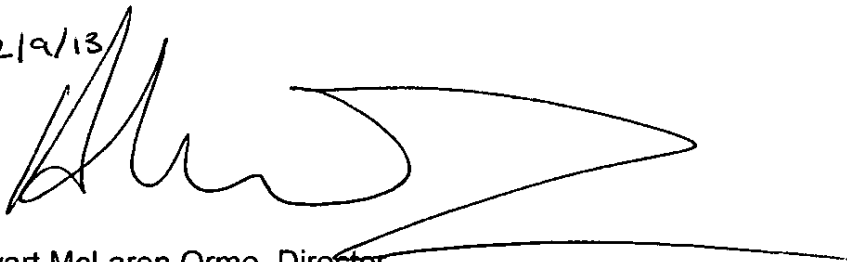
At a general meeting of the members of the above named company, duly convened and held  
at 20 WEEKS ROAD, FALKIRK..... on 2<sup>nd</sup> SEPTEMBER 2013.

The following Special Resolution was duly passed:

That the regulations set forth in the printed document produced to this meeting and for the purposes of identification marked with an 'A,' be approved and adopted as the Articles of Association of the Company, in substitution for, and to the exclusion of, all the existing Articles.

DATED: 2/9/13

SIGNED:



Alan Stewart McLaren Orme, Director

WEDNESDAY



SCT

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04/09/2013

#364

COMPANIES HOUSE

# Articles of Association

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## Articles of Association

Company Number: SC294759

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF

KIRKLANDS LAW LIMITED

(Adopted by Special Resolution passed on [INSERT DATE])

### 1 DEFINITIONS AND INTERPRETATION

1.1 The definitions set out in this Article 1.1 apply in these articles.

**"A Director"** a Director appointed by the A Shareholders or Shareholders pursuant to these articles.

**"A Shareholder"** the Holder or Holders of the A Shares from time to time.

**"A Shares"** the A ordinary shares of £1 each in the Company from time to time.

**"Acceptance Period"** has the meaning given in Article 38.2.

**"Act"** the Companies Act 2006.

**"Adoption Date"** the date of adoption of these articles.

**"Alternate"** has the meaning given in Article 25.1.

**"Appointor"** has the meaning given in Article 25.1.

**"Authorisation"** has the meaning given in Article 17.2.

**"Authorised Person":**

- (a) any Director;
- (b) the company secretary (if any); or
- (c) any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.

**"B Director"** a Director appointed by the B Shareholder pursuant to these articles.

**"B Shares"** the B ordinary shares of £1 each in the Company from time to time.

**"B Shareholder"** the Holder of the B Shares from time to time.

**"Buyer"** has the meaning given in Article 38.1.

**"Capitalised Sum"** has the meaning given in Article 36.1.

**"Chairman"** the chairman of the Company from time to time.

**"Chairman of the Meeting"** the person chairing the relevant general meeting in accordance with Article 48.

**"Company"** Kirklands Law Limited.

**"Completion"** has the meaning given in Article 38.4.

**"Compulsory Transfer Event"** in relation to any Shareholder:

- (a) the liquidation (voluntary or otherwise) of that Shareholder (other than a genuine solvent reconstruction or amalgamation in which the new company assumes (and is capable of assuming) all the obligations of that Shareholder);
- (b) the making of an order by a court of competent jurisdiction, the passing of a resolution for the administration of that Shareholder, the filing of documents with a court for the appointment of an administrator, or the giving by that Shareholder, its directors or a qualifying floating charge holder (as defined in paragraph 14 of schedule B1 to the Insolvency Act 1986) of notice of intention to appoint an administrator;
- (c) the appointment of a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of that Shareholder;
- (d) that Shareholder entering into a formal composition or arrangement with its creditors;
- (e) that Shareholder dying, becoming bankrupt or retiring from office to age or ill health;

- (f) a breach of the Business Obligations contained in the Shareholders Agreement; or
- (g) any event analogous to any of those referred to in any of (a) to (f) (inclusive) above occurs in respect of that Shareholder in any jurisdiction in which that Shareholder carries on business.

**"Conflict"** has the meaning given in Article 17.1.

**"Conflicted Director"** has the meaning given in Article 17.1.

**"CTE Shares"** has the meaning given in Article 38.1.

**"Director"** a director of the Company, including any person occupying the position of director, by whatever name called.

**"Electronic Form"** has the meaning given in section 1168 of the Act.

**"Eligible Directors"** in relation to any matter, the Directors who would have been entitled to vote on, and whose votes would have been counted in respect of, that matter had it been proposed as a resolution at a Directors' meeting.

**"Equity Securities"** has the meaning given in section 560(1) of the Act.

**"Expert"** a firm of chartered accountants (acting as an expert and not as an arbitrator) nominated by the Buyer and the Seller or, in the event of disagreement as to nomination for a period of seven days, appointed on the application of either the Buyer or the Seller by the President for the time being of the Institute of Chartered Accountants in England and Wales.

**"Final Notice"** has the meaning given in Article 38.2.

**"Fully Paid"** in relation to a Share, that the nominal value and any premium to be paid to the Company in respect of that Share have been Paid to the Company.

**"Group"** the Company and each Subsidiary.

**"Group Company"** any member of the Group.

**"Hard Copy Form"** has the meaning given in section 1168 of the Act.

**"Holder"** in relation to a Share, the person whose name is entered in the register of members as the holder of that Share from time to time.

**"Initial Notice"** has the meaning given in Article 38.1.

**"Interested Director"** has the meaning given in Article 18.1.

**"Ordinary Resolution"** has the meaning given in section 282 of the Act.

**"Paid"** paid or credited as paid.

**"Participate"** has the meaning given in Article 11.1 and **"Participating"** shall be construed accordingly.

**"Persons Entitled"** has the meaning given in Article 36.1.

**"Price"** has the meaning given in Article 38.1.

**"Proxy Notice"** has the meaning given in Article 54.1.

**"Proxy Notification Address"** has the meaning given in Article 55.1.

**"Qualifying Representative"** in relation to a Shareholder:

- (a) a person authorised under section 323 of the Act to act as the representative of that Shareholder in relation to the relevant general meeting; or
- (b) a person appointed as proxy of that Shareholder in relation to the relevant general meeting.

**"Relevant Director"** any director or former director of any Group Company.

**"Relevant Loss"** any loss or liability which has been or may be incurred by a Relevant Director in connection with his duties or powers in relation to any Group Company or any pension fund or employees' share scheme of any Group Company.

**"Rules of Company"** means the rules laid out in the Shareholders Agreement.

**"Seller"** has the meaning given in Article 38.1.

**"Shareholder Consent"** the prior consent in Writing of all the Shareholders.

**"Shareholders"** the A and B Shareholders.

**"Shareholder's Group"** in relation to a Shareholder:

- (a) that Shareholder;
- (b) any company which is from time to time a subsidiary of that Shareholder;  
and
- (c) any company of which that Shareholder is a subsidiary from time to time (its holding company) and any other subsidiaries of any such holding company from time to time.

**"Shares"** the A Shares and the B Shares.

**"Special Resolution"** has the meaning given in section 283 of the Act.

**"Subsidiary"** any company which is a subsidiary of the Company from time to time.

**"Transaction"** has the meaning given in Article 18.1.

**"Transfer Form"** an instrument of transfer of Shares in any usual form or in any other form approved by the Directors, which is executed by or on behalf of the transferor.

**"Unanimous Decision"** has the meaning given in Article 9.1 in respect of Directors and the meaning given in respect of Shareholders.

**"Writing"** 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.

1.2 The rules of interpretation set out in Articles 1.3 to 1.8 (inclusive) apply in these articles.

1.3 A reference to:

1.3.1 a **"person"** includes a reference to:

- 1.3.1.1 any individual, firm, partnership, unincorporated association or company wherever incorporated or situate;  
and



- 1.3.1.2 that person's legal personal representatives and successors;
- 1.3.2 **"bankruptcy"** includes individual insolvency proceedings in a jurisdiction other than Scotland which have an effect similar to that of bankruptcy;
- 1.3.3 a **"document"** includes, unless otherwise specified, any document sent or supplied in Electronic Form; and
- 1.3.4 a **"company"** shall include any company, corporation or other body corporate, however incorporated or established and in whichever jurisdiction.
- 1.4 Unless the context otherwise requires:
  - 1.4.1 words denoting the singular shall include the plural and vice versa;
  - 1.4.2 words denoting a gender shall include all genders; and
  - 1.4.3 references to (or to any specified provision of) these articles or any other document shall be construed as references to these articles, that provision or that document as in force and as amended from time to time.
- 1.5 Unless stated to the contrary, a reference to a statute, statutory provision or subordinate legislation includes a reference to it as modified, replaced, amended and/or re-enacted from time to time (before or after the Adoption Date) and any prior or subsequent legislation made under it but this Article 1.5 shall not operate so as to impose on any person any greater obligation than would otherwise apply.
- 1.6 Unless the context otherwise requires, words or expressions used in these articles shall have the same meaning as in the Act.
- 1.7 The terms **"including"**, **"include"**, **"in particular"** or similar expressions, shall not limit the sense or application of any words preceding those terms.
- 1.8 A reference to an **"Article"** is to an article of these articles.

- 1.9 A reference to a “**transfer of Shares**” or any similar expression shall include a sale or transfer of any interest in any Shares (whether legal, beneficial or otherwise) and any charge, mortgage or other encumbrance granted over any Shares.

## **2 MODEL ARTICLES SHALL NOT APPLY**

Neither the model articles for private companies limited by shares prescribed pursuant to the Act, nor any other articles of association (whether prescribed pursuant to the Act or set out in any other statute, statutory instrument or other subordinate legislation concerning companies) shall apply to the Company.

## **3 LIABILITY OF SHAREHOLDERS**

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

## **4 DIRECTORS' GENERAL AUTHORITY**

Subject to the other provisions of these articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

## **5 LAW SOCIETY RESTRICTIONS**

5.1 The Shares shall be under the control of the Directors and the Directors may allot, grant options over, or otherwise dispose of or deal with any unissued shares and relevant securities (as defined by Section 80 (2) of the Act) to a solicitor or incorporated practice as defined by Solicitors (Scotland) (Incorporated Practices) Practice Rules 2001 (hereinafter called “the Practice Rules”) and to no other person and that on such terms and in such manner as they think fit.

- 5.2 (a) Subject to Rule 8(7) of the Practice Rules any Member who ceases to be a solicitor or incorporated practice shall forthwith transfer his or its share or other interest in the Company to another solicitor or incorporated practice, or otherwise cease to be a Member of the Company in the manner following.

- (b) All share transfers shall take place at a price herein called the transfer price unless a different price is negotiated between the parties to it. The transfer price shall be an amount equivalent to the net asset value of the company which is proportionate to the number of shares included in the transfer and is current at the date of valuation. For this purpose equipment and tangible assets shall be valued at the higher of written down value for tax purposes or net realisable value; work in progress shall be valued at the lower of cost or net realisable value apportioned if appropriate at the date of valuation; fair and reasonable provision shall be made for bad debts; goodwill shall be valued at zero unless otherwise agreed or otherwise expressed herein. Any dispute as to value shall be referred to the final decision of an independent solicitor acting as expert to be appointed in default of agreement by the Society of Procurators and Solicitors in the City.
- (c) In the event that a member wishes either (a) to cease to carry on practice as a solicitor or incorporated practice or (b) to cease to be a member of the company and to carry on practice in another solicitor's practice or incorporated practice, he shall give not less than 3 months prior written notice to the secretary of the company of his intention to resign or retire and to transfer all of his shares in the company. The remaining members shall thereafter be bound to acquire all the shares of the retiring member at the transfer price on the date of retrial. Payment shall be made in two instalments. The first instalment shall be paid on the date of retrial. It shall amount to one half of the anticipated amount of the transfer price fixed by agreement and in default of agreement by reference to figures in the last balance sheet of the company before the date of retrial. The second payment shall be made six months after the date or retrial and shall amount to the balance of the transfer price. The transferring member shall be bound to transfer his shares to the purchasing member in exchange for payment of the first instalment and the balance of the transfer price shall thereafter be a

personal obligation due by the purchaser or purchasers to the transferring member.

## **6 DIRECTORS MAY DELEGATE**

6.1 Subject to the other provisions of these articles, the Directors may delegate any of the powers which are conferred on them under these articles:

6.1.1 to such person or committee;

6.1.2 by such means (including by power of attorney);

6.1.3 to such an extent;

6.1.4 in relation to such matters or territories; and

6.1.5 on such terms and/or conditions;

as they think fit.

6.2 If the Directors so specify, any delegation pursuant to Article 6.1 may authorise further delegation of the Directors' powers by any person to whom they are delegated.

6.3 The Directors may at any time revoke any delegation made pursuant to Article 6.1 in whole or part, or alter its terms and/or conditions.

## **7 COMMITTEES OF DIRECTORS**

7.1 Committees to which the Directors delegate any of their powers must include all Directors and must follow procedures which are based (as far as they are applicable) on those provisions of these articles which govern the taking of decisions by Directors.

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

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

Any decision of the Directors must be a Unanimous Decision.

## 9 UNANIMOUS DECISIONS

9.1 A decision of the Directors is a unanimous decision (a **"Unanimous Decision"**):

9.1.1 if all Eligible Directors indicate to each other by any means that they share a common view on a matter; and

9.1.2 had the matter in question been proposed as a resolution at a Directors' meeting, the Eligible Directors would have formed a quorum at that meeting.

9.2 A Unanimous Decision may take the form of a resolution in Writing (where each Eligible Director has signed one or more copies of it or to which each Eligible Director has otherwise indicated agreement in Writing).

## 10 CALLING A DIRECTORS' MEETING

10.1 Any Director may call a Directors' meeting by giving notice of that meeting to the Directors or by authorising the company secretary (if any) to give such notice.

10.2 Notice of any Directors' meeting must indicate:

10.2.1 its proposed date and time;

10.2.2 where it is to take place; and

10.2.3 if it is anticipated that the Directors Participating in that meeting will not be in the same place, how it is proposed that they should communicate with each other during that meeting.

10.3 Notice of a Directors' meeting must be given to each Director but need not be in Writing.

10.4 Notice of a Directors' meeting need not be given to any Director who waives his entitlement to notice of that meeting by giving notice to that effect to the Company either before or not more than seven days after the date on which that meeting is held. Where such notice is given after the relevant meeting has been held, that does not affect the validity of that meeting or of any business conducted at it.

## 11 PARTICIPATION IN DIRECTORS' MEETINGS

- 11.1 Subject to the other provisions of these articles, Directors participate ("**Participate**") in a Directors' meeting, or part of a Directors' meeting, when they can each communicate to the others any information or opinions they have on any particular item of the business of that meeting (and for these purposes it is irrelevant where any Director is or how they communicate with each other).
- 11.2 If all the Directors Participating in a Directors' 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.
- 11.3 Subject to Article 11.4, if a question arises at a Directors' meeting or a meeting of a committee of Directors as to the right of any Director to vote or count in the quorum at that meeting (or part of that meeting), the question may, before the conclusion of that meeting, be referred to the Chairman whose ruling in relation to any Director (other than the Chairman) is to be final and conclusive.
- 11.4 If a question arises at a Directors' meeting or a meeting of a committee of Directors as to the right of the Chairman to vote or count in the quorum at that meeting (or part of that meeting), that question is to be decided by a decision of the Directors Participating at that meeting (provided that in relation to that question, the Chairman is not entitled to vote or count in the quorum).

## 12 NUMBER OF DIRECTORS

The number of Directors shall not be less than two.

## 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 The quorum for Directors' meetings is the number of Directors appointed at the date of the meeting.

13.3 The Shareholders shall procure (so far as they are able) that a quorum (in accordance with the provisions of these articles) is present throughout each Directors' meeting.

14 **VOTING AT DIRECTORS' MEETINGS**

At each Directors' meeting each Director shall have one vote on each proposed resolution.

15 **CHAIRING OF DIRECTORS' MEETINGS**

15.1 The post of Chairman shall be held for alternate 12 month periods by a Director from a different class in rotation.

15.2 The Shareholder who chose the Chairman in accordance with Article 15.1 may at any time during the relevant 12 month period choose a different Director to be the Chairman for the remainder of that period.

15.3 If the Chairman is not Participating in a Directors' meeting within 10 minutes of the time at which it was to start, the Shareholder who chose him shall be entitled to choose another Director to act as Chairman for that meeting.

16 **CHAIRMAN'S CASTING VOTE**

If at any Directors' meeting the numbers of votes for and against a proposal are equal, the Chairman (or other Director chairing the meeting) does not have a casting vote.

17 **SITUATIONAL CONFLICTS OF INTEREST**

17.1 Subject to the other provisions of these articles, the Directors may, in accordance with (but subject to) the provisions of section 175 of the Act and this Article 17, authorise any matter which would, if not authorised, result in a Director (the "**Conflicted Director**") being in breach of his duty under section 175 of the Act to avoid a situation in which he has, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (a "**Conflict**").

17.2 Any authorisation given under Article 17.1 (an "**Authorisation**") (and any subsequent variation or termination of an Authorisation) will only be effective if:

- 17.2.1 any requirement as to the quorum at the Directors' meeting at which the matter is considered is met without counting the Conflicted Director (or any other interested Director); and
  - 17.2.2 the matter was agreed to without the Conflicted Director (or any other interested Director) voting or would have been agreed to if his (or any other interested Director's) vote had not been counted.
- 17.3 The Directors may at any time:
- 17.3.1 make any Authorisation subject to such terms and conditions as they think fit; and
  - 17.3.2 vary or terminate any Authorisation (provided that this will not affect anything done by the relevant Conflicted Director or the Company in accordance with that Authorisation before any such variation or termination).
- 17.4 Unless as a condition of the relevant Authorisation the Directors provide otherwise, a Conflicted Director who has received an Authorisation in relation to a Conflict:
- 17.4.1 may vote at any future Directors' meeting (or meeting of a committee of the Directors) on any resolution in respect of that Conflict (and if he does vote his vote shall be counted) and he shall be taken into account in determining whether a quorum is Participating at that meeting;
  - 17.4.2 may absent himself from the whole or any part of any Directors' meeting (or meeting of a committee of the Directors) at which anything relating to that Conflict may be discussed;
  - 17.4.3 shall not be required to disclose to the Company (or use for its benefit) any confidential information he obtains, otherwise than in his capacity as a Director, as a result of that Conflict where to do so would be a breach of any duty of confidence owed by him to a third party; and
  - 17.4.4 shall not be liable to account to the Company for any benefit he or any of his Connected Persons derive as a result of that Conflict.



17.5 The Shareholders hereby authorise any Conflict which arises solely by virtue of the relevant Conflicted Director being connected with the Shareholder who appointed him (or any other member of that Shareholder's Group) and the provisions of Article 17.4 shall apply to that Conflicted Director as if he had received an Authorisation with no conditions attaching to it.

## 18 TRANSACTIONAL CONFLICTS OF INTEREST

18.1 If a Director (the "**Interested Director**") is in any way directly or indirectly interested in a proposed or existing transaction or arrangement with the Company (the "**Transaction**") he must declare the nature and extent of that interest to the other Directors in accordance with the provisions of the Act.

18.2 Subject to the provisions of the Act, Article 18.1 and the terms of any relevant Authorisation, an Interested Director:

18.2.1 may be a party to, or otherwise be interested in, the relevant Transaction;

18.2.2 may vote at any Directors' meeting (or meeting of a committee of the Directors) on any resolution in respect of that Transaction (and if he does vote his vote shall be counted) and he shall be taken into account in determining whether a quorum is Participating in that meeting; and

18.2.3 shall not be liable to account to the Company for any benefit he or any of his Connected Persons derive as a result of that Transaction and that Transaction shall not be liable to be avoided on the ground of his interest.

## 19 RECORDS OF DECISIONS TO BE KEPT

The Directors must ensure that the Company keeps a record, in Writing, for at least 10 years from the date of the decision recorded, of every Unanimous Decision and Majority Decision.

## 20 DIRECTORS' DISCRETION TO MAKE FURTHER RULES

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

## 21 APPOINTMENT OF DIRECTORS

21.1 The Shareholders of each class shall:

21.1.1 have the right to appoint and maintain in office one Director and to dismiss and replace that Director in each case by notice in Writing to the Company; and

21.1.2 procure that at all times during the continuance of this agreement there is at least one Director of each class appointed and maintained in office.

## 22 TERMINATION OF DIRECTOR'S APPOINTMENT

Notwithstanding Article 21, a person ceases to be a Director as soon as:

22.1 he ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law;

22.2 a bankruptcy order is made against him;

22.3 a composition is made with his creditors generally in satisfaction of his debts;

22.4 a registered medical practitioner who is treating him gives an opinion in Writing to the Company stating that he has become physically or mentally incapable of acting as a Director and may remain so for more than three months;

22.5 by reason of his mental health, a court makes an order which wholly or partly prevents him from personally exercising any powers or rights which he would otherwise have; or

22.6 notification is received by the Company from him that he is resigning from office and that resignation has taken effect in accordance with its terms.

22.7 As soon as a Compulsory transfer event occurs in terms of Article 37.

## 23 DIRECTORS' REMUNERATION

No Director shall be entitled to any remuneration in his capacity as a Director or as a director, officer or employee of any Group Company.

24     **DIRECTORS' EXPENSES**

No Director shall be entitled to claim any expenses in connection with the exercise of his powers and the discharge of his responsibilities in relation to the Company.

25     **APPOINTMENT AND REMOVAL OF ALTERNATES**

25.1     Any Director (the "**Appointor**") may appoint as an alternate director (an "**Alternate**") any other Director (other than a Director representing a different class of Shares) or any other person to:

25.1.1     exercise the Appointor's powers; and

25.1.2     carry out the Appointor's responsibilities;

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

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

25.3     The notice must:

25.3.1     identify the proposed Alternate; and

25.3.2     in the case of a notice of appointment, contain a statement signed by the proposed Alternate that he is willing to act as the Alternate of the Appointor.

25.4     A person may act as the Alternate of more than one Director (but only if each of his Appointors represents the same class of shares).

26     **RIGHTS AND RESPONSIBILITIES OF ALTERNATES**

26.1     An Alternate has the same rights, in relation to any Directors' meeting or Unanimous Decision, as his Appointor.

26.2     Except as otherwise provided by these articles, an Alternate:

26.2.1     is deemed for all purposes to be the Director appointed by the Director representing that class;

- 26.2.2 is liable for his own acts and omissions;
  - 26.2.3 is subject to the same restrictions as his Appointor; and
  - 26.2.4 is not deemed to be an agent of or for his Appointor.
- 26.3 Subject to the other provisions of these articles, a person who is an Alternate but is not otherwise a Director:
- 26.3.1 shall be counted in the quorum at any Directors' meeting in which he is Participating (but only if his Appointor would be counted in the quorum and is not Participating);
  - 26.3.2 may vote at any Directors' meeting in which he is Participating (but only if his Appointor would be eligible to vote and is not Participating); and
  - 26.3.3 may participate in taking any Unanimous Decision (but only if his Appointor is an Eligible Director for the purposes of that Unanimous Decision and does not himself participate in taking that Unanimous Decision).
- 26.4 An Alternate is not entitled to receive any remuneration from the Company for serving as an Alternate.

## **27 TERMINATION OF APPOINTMENT OF ALTERNATES**

An Alternate's appointment as an Alternate terminates:

- 27.1 when his Appointor revokes the appointment by notice in Writing to the Company specifying when it is to terminate;
- 27.2 on the occurrence (in relation to that Alternate) of any event which, if it occurred in relation to his Appointor, would result in the termination of that Appointor's appointment as a Director;
- 27.3 on the death of his Appointor; or
- 27.4 when his Appointor's appointment as a Director terminates.

28     **SHARE CAPITAL**

The share capital of the Company is comprised of A Shares and B Shares.

29     **SHARE RIGHTS**

The A Shares and B Shares shall have the same rights (except as otherwise provided in these articles) but shall constitute separate classes of shares.

30     **AUTHORITY TO ALLOT SHARES**

Subject to Article 31, the Directors are generally and unconditionally authorised for the purposes of section 551 of the Act, to allot Shares (up to an aggregate nominal amount of £1 (inclusive of the Shares in issue at the Adoption Date)) at any time or times during the period of five years from the Adoption Date and the Directors may, after that period, allot any Shares under this authority in pursuance of an offer or agreement so to do made by the Company within that period. This authority may at any time (subject to section 551 of the Act) be renewed, revoked or varied by Ordinary Resolution.

31     **UNISSUED SHARES**

31.1     No Equity Securities shall be allotted without Shareholder Consent.

31.2     The requirements of sections 561 and 562 of the Act shall not apply to any allotment of Equity Securities by the Company.

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

32.1     Subject to Article 32.2, no Share is to be issued for less than the aggregate of its nominal value and any premium to be Paid to the Company in consideration for its issue.

32.2     Article 32.1 does not apply to the Shares taken on the formation of the Company by the subscribers to the Company's memorandum.

33     **POWERS TO ISSUE DIFFERENT CLASSES OF SHARES**

Subject to the other provisions of these articles, but without prejudice to the rights attached to any existing Shares, the Company may:

33.1 issue Shares with such rights or restrictions as may be unanimously agreed by the directors; and

33.2 issue Shares which are to be redeemed or are liable to be redeemed at the option of the Company or the Holder.

**34 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 Shares on any trust and except as otherwise required by law or these articles, the Company is not in any way to be bound by, or obliged to recognise, any interest in any Shares other than the Holder's absolute ownership of them and all the rights attaching to them.

**35 SHARE CERTIFICATES**

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

35.2 Every certificate must specify:

35.2.1 in respect of how many Shares, of what class, it is issued;

35.2.2 the nominal value of those Shares;

35.2.3 that the Shares are Fully Paid; and

35.2.4 any distinguishing numbers assigned to them.

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

35.4 Certificates must:

35.4.1 have affixed to them the Company's common seal; or

35.4.2 be otherwise executed in accordance with the Act.

**36 REPLACEMENT SHARE CERTIFICATES**

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

36.1.1 damaged or defaced; or

36.1.2 said to be lost, stolen or destroyed;

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

36.2 Any Shareholder exercising the right to be issued with a replacement certificate pursuant to Article 36.1:

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

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

36.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

## 37 SHARE TRANSFERS

37.1 Any transfer of Shares made or purported to be made in contravention of the provisions of these articles shall be of no effect.

37.2 Except for a transfer pursuant to Article 38, no Shares may be transferred without Shareholder Consent.

37.3 The Directors shall refuse to register any transfer of Shares made in contravention of the provisions of these articles but shall not otherwise be entitled to refuse to register any transfer of Shares. If the Directors do refuse to register a transfer of Shares, they must, as soon as practicable and in any event within two months after the date on which the relevant Transfer Form was lodged with the Company, return that Transfer Form to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

37.4 Shares shall be transferred by means of a Transfer Form.

37.5 No fee may be charged for registering any Transfer Form or other document relating to or affecting the title to any Shares.

37.6 The Company may retain any Transfer Form which is registered.

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

### 38 COMPULSORY TRANSFERS

- 38.1 If a Compulsory Transfer Event occurs in relation to a Shareholder (the "**Seller**") the other Shareholder (the "**Company**") may (within 28 days of becoming aware of that occurrence) by notice in Writing to the Seller (an "**Initial Notice**") require that a price of £1 (the "**Price**") (but not only some of) the Shares held by the Seller (the "**CTE Shares**").
- 38.2 Within 28 days of the Price being ascertained (the "**Acceptance Period**"), the Company may by notice in Writing to the Seller (a "**Final Notice**") require the Seller to sell the CTE Shares free from all encumbrances to the Company at the Price.
- 38.3 If a Final Notice is served within the Acceptance Period, the Seller shall be bound to sell the CTE Shares to the Company and the Company shall be bound to purchase (or procure the purchase of) the CTE Shares free from all encumbrances at the Price.
- 38.4 Completion of the sale and purchase of the CTE Shares ("**Completion**") shall take place at the registered office of the Company at 2.00 p.m. on the last Business Day preceding the fourteenth day after the date of service of the Final Notice (or such other time and date as the Seller and Company may agree in Writing).
- 38.5 At Completion:
- 38.5.1 the Seller shall transfer the CTE Shares to the Company free from all encumbrances by way of a Transfer Form and shall also deliver to the Buyer:
- 38.5.1.1 the relevant share certificates for the CTE Shares; and
- 38.5.1.2 the resignations of any Directors appointed by the Seller (such resignations shall take effect at Completion and shall contain acknowledgements that those Directors have no claims against the Company);



38.5.2 the Buyer shall pay the Price by cheque or cash to the Seller.

38.6 If the Seller defaults in transferring any CTE Shares pursuant to this Article 38, any Director is unconditionally and irrevocably authorised, as agent of the Seller, to execute a Transfer Form for the CTE Shares in the name, and on behalf, of the Seller and to do such other things as are necessary to transfer the CTE Shares pursuant to this Article 38.

38.7 Following Completion (and subject to the Transfer Form being duly stamped) the Company shall cause the Company to be the Holder of the CTE Shares and after that, the validity of the proceedings shall not be questioned by any person.

### 39 **PROCEDURE FOR DECLARING DIVIDENDS**

39.1 The Company may by Ordinary Resolution declare dividends and the Directors may decide to pay interim dividends.

39.2 A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors.

39.3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights.

39.4 Unless:

39.4.1 the Shareholders' resolution to declare, or Directors' decision to pay, a dividend; or

39.4.2 the terms on which Shares are issued;

specify otherwise, each dividend must be paid by reference to each Shareholder's holding of Shares on the date of the resolution or decision to declare or pay it.

### 40 **PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be paid by one or more of the following means:

- 40.1 transfer to a bank or building society account specified by the relevant Shareholder either in Writing or as the Directors may otherwise decide;
- 40.2 sending a cheque made payable to the relevant Shareholder by post to it at its registered address, or to another address specified by that Shareholder either in Writing or as the Directors may otherwise decide; or
- 40.3 any other means of payment as the Directors agree with the relevant Shareholder either in Writing or by such other means as the Directors decide.

**41 NO INTEREST ON DISTRIBUTIONS**

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

- 41.1 the terms on which that Share was issued; or
- 41.2 the provisions of another agreement between the Holder of that Share and the Company.

**42 UNCLAIMED DISTRIBUTIONS**

- 42.1 All dividends or other sums which are:
  - 42.1.1 payable in respect of Shares; and
  - 42.1.2 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.
- 42.2 The payment of any unclaimed dividend or other sum into a separate account does not make the Company a trustee in respect of it.
- 42.3 If:
  - 42.3.1 12 years have passed from the date on which a dividend or other sum became due for payment; and
  - 42.3.2 the relevant Shareholder has not claimed it;

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

**43 NON-CASH DISTRIBUTIONS**

The Company is prohibited from making non-cash dividends.

**44 WAIVER OF DISTRIBUTIONS**

Any Shareholder may waive its entitlement to a dividend or other distribution payable in respect of any Share by giving the Company notice in Writing to that effect.

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

NOT USED

**46 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

46.1 A person is able to exercise the right to speak at a general meeting when he is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which he has on the business of the meeting.

46.2 A person is able to exercise the right to vote at a general meeting when:

46.2.1 he is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

46.2.2 his 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.

46.3 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.

46.4 In determining attendance at a general meeting, it is immaterial whether any two or more persons attending it are in the same place as each other.

46.5 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.

**47 QUORUM FOR GENERAL MEETINGS**

47.1 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.

47.2 The quorum at general meetings is one A Shareholder (or its Qualifying Representative) and one B Shareholder (or its Qualifying Representative).

**48 CHAIRING GENERAL MEETINGS**

48.1 The Chairman shall chair general meetings if present and willing to do so.

48.2 If the Chairman is unwilling to chair the relevant general meeting or is not present within 10 minutes of the time at which the relevant general meeting was due to start the Shareholder who chose him shall be entitled to choose another Director to chair that meeting and that appointment must be the first business of that meeting.

**49 ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS AT GENERAL MEETINGS**

49.1 Directors may attend and speak at general meetings whether or not they are Shareholders.

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

49.2.1 Shareholders; or

49.2.2 otherwise entitled to exercise the rights of Shareholders in relation to general meetings;

to attend and speak at any general meeting.

**50 ADJOURNMENT OF GENERAL MEETINGS**

50.1 If the persons attending a general meeting within 30 minutes of the time at which the meeting was due to start do not constitute a quorum or if during a general meeting a quorum ceases to be present, the Chairman of the Meeting must adjourn it.

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

- 50.2.1 that meeting consents to an adjournment; or
- 50.2.2 it appears to him that an adjournment is necessary to protect the safety of any person attending that meeting or ensure that the business of that meeting is conducted in an orderly manner.
- 50.3 The Chairman of the Meeting must adjourn a general meeting if directed to do so by that meeting.
- 50.4 When adjourning a general meeting, the Chairman of the Meeting must:
  - 50.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors; and
  - 50.4.2 have regard to any directions as to the time and place of any adjournment which have been given by that meeting.
- 50.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
  - 50.5.1 to the same persons to whom notice of the Company's general meetings is required to be given; and
  - 50.5.2 containing the same information which such notice is required to contain.
- 50.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the relevant general meeting if the adjournment had not taken place.

## 51 VOTING AT GENERAL MEETINGS: GENERAL

- 51.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these articles.
- 51.2 Subject to Article 51.4 on a vote on a resolution on a show of hands at a general meeting every Shareholder (whether present in person by one or more Qualifying Representatives) has one vote.
- 51.3 Subject to Article 51.4, on a vote on:

51.3.1 a poll taken at a general meeting; or

51.3.2 a written resolution;

every Shareholder has one vote in respect of each Share held by it.

51.3 Each class of shareholders shall have one vote

51.4 For the avoidance only the director who is appointed by the shareholders in a class shall have the right to vote

## 52 **ERRORS AND DISPUTES**

52.1 No objection may be raised to the qualification of any person voting at a general meeting except at that meeting or adjourned meeting at which the vote objected to is tendered and every vote not disallowed at that meeting is valid.

52.2 Any objection pursuant to Article 52.1 must be referred to the Chairman of the Meeting, whose decision is final.

## 53 **POLL VOTES**

53.1 A poll on a resolution may be demanded:

53.1.1 in advance of the general meeting where it is to be put to the vote; or

53.1.2 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.

53.2 A poll may be demanded by:

53.2.1 the Chairman of the Meeting;

53.2.2 the Directors;

53.2.3 any Shareholder or Qualifying Representative in attendance and entitled to vote.

53.3 A demand for a poll may be withdrawn if:

53.3.1 the poll has not yet been taken; and

53.3.2 the Chairman of the Meeting consents to the withdrawal.

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

#### 54 CONTENT OF PROXY NOTICES

- 54.1 Proxies may only validly be appointed by a notice in Writing (a **"Proxy Notice"**) which:

- 54.1.1 states the name and address of the Shareholder appointing the proxy;
- 54.1.2 identifies the person appointed to be the proxy and the general meeting in relation to which he is appointed;
- 54.1.3 is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and
- 54.1.4 is delivered to the Company in accordance with these articles and any instructions contained in the notice of the general meeting to which the Proxy Notice relates.

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

- 54.3 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.

- 54.4 Unless a Proxy Notice indicates otherwise, it must be treated as:

- 54.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the relevant general meeting; and
- 54.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as that general meeting itself.

#### 55 DELIVERY OF PROXY NOTICES

- 55.1 Any notice of a general meeting must specify the address or addresses (the **"Proxy Notification Address"**) at which the Company or its agents will receive Proxy

Notices relating to that meeting, or any adjournment of it, delivered in Hard Copy Form or Electronic Form.

- 55.2 A Proxy Notice may be delivered to the Proxy Notification Address at any time before the general meeting or adjourned meeting to which it relates.
- 55.3 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it even though a valid Proxy Notice has been delivered to the Company by or on behalf of that person.
- 55.4 An appointment under a Proxy Notice may be revoked by delivering to the Company a notice in Writing given by or on behalf of the person by whom, or on whose behalf, the Proxy Notice was given to the Proxy Notification Address.
- 55.5 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the general meeting or adjourned general meeting to which it relates.
- 55.6 If a Proxy Notice is not executed by the person appointing the proxy, it must be accompanied by evidence in Writing of the authority of the person who executed it to execute it on the person appointing the proxy's behalf.

## 56 **AMENDMENTS TO RESOLUTIONS**

- 56.1 An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:
  - 56.1.1 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 that meeting is to take place (or such later time as the Chairman of the Meeting may determine); and
  - 56.1.2 the proposed amendment does not, in the reasonable opinion of the Chairman of the Meeting, materially alter the scope of the resolution.
- 56.2 A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:



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

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

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

## 57 MEANS OF COMMUNICATION TO BE USED

57.1 Subject to the other provisions of these articles:

57.1.1 anything sent or supplied by or to the Company under these articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Company; and

57.1.2 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.

57.2 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent and for the specified time to be less than 48 hours.

57.3 Section 1147(5) of the Act shall not apply in relation to documents and information sent or supplied by the Company.

## 58 COMPANY SEALS

58.1 Any common seal may only be used by the authority of the Directors.

58.2 The Directors may decide by what means and in what form any common seal is to be used.

58.3 Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a document, that document must also be signed by at least one Authorised Person in the presence of a witness who attests the signature.

59 **RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

Each Shareholder is entitled to inspect any of the Company's accounting or other records or documents.

60 **DIRECTORS' INDEMNITY**

60.1 Subject to Article 60.2, a Relevant Director may be indemnified out of the Company's assets against:

60.1.1 any liability incurred by him in connection with any negligence, default, breach of duty or breach of trust in relation to any Group Company;

60.1.2 any liability incurred by him in connection with the activities of any Group Company in its capacity as a trustee of any occupational pension scheme (as defined in section 235(6) of the Act);

60.1.3 any other liability incurred by him as an officer of any Group Company.

60.2 Article 60.1 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.

61 **DIRECTORS' INSURANCE**

The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Director in respect of any Relevant Loss.