

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
CERTIFIED WRITTEN RESOLUTIONS
FRONT PAGE 2012 LIMITED
(Registered Number SC424624)

Effective date of the Resolution(s): 23 September 2013 ("the Effective Date")

The undernoted resolutions were duly passed as Special and Ordinary Resolutions of the Preference Shareholders of the above named company by Written Resolutions of the Preference Shareholders of the Company on the Effective Date, viz:-

SPECIAL RESOLUTION

"That the Articles of Association in the form annexed and signed by the Chairman of the Company for the purposes of identification be adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company."

ORDINARY RESOLUTION

"That

- (a) the directors of the Company be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (as amended) (the "Act") to allot and issue such number of relevant securities (as defined in that section) and on such terms and conditions as they may in their discretion think fit subject always to the following conditions and to the Articles of Association of the Company:-
- (i) the maximum nominal amount of relevant securities to be allotted in pursuance of this authority shall be 100 B Ordinary Shares of 50pence each;
- (ii) this authority shall expire, unless sooner revoked or altered by the Company in general meeting, five years after the passing of this resolution, and provided further that the Company may before the expiry of this authority make an offer or agreement which would or might require relevant securities to be allotted after the expiry of this authority and the directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired; and


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all other authorities conferred on the directors prior to the date of passing of this resolution to allot relevant securities are hereby revoked."

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.....
Director

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COMPANY LIMITED BY SHARES
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FRONT PAGE 2012 LIMITED
(Registered Number SC424624)

Effective date of the Resolution(s): 23 September 2013 ("the Effective Date")

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all other authorities conferred on the directors prior to the date of passing of this resolution to allot relevant securities are hereby revoked."

CERTIFIED A TRUE COPY


.....
Director

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

FRONT PAGE 2012 LIMITED

(Adopted by special resolution passed on 23 September 2013)

INTRODUCTION

1. INTERPRETATION

- 1.1 In these Articles, unless expressly provided otherwise, the following words have the following meanings:

Act: the Companies Act 2006;

Adoption Date: the date of adoption of these Articles;

Articles: the Company's articles of association for the time being in force;

Available Profits: profits available for distribution within the meaning of part 23 of the Act;

B Ordinary Shares: the B Ordinary shares of 50pence each in the capital of the Company;

Bad Leaver: a Departing Employee Shareholder who becomes a Departing Employee Shareholder in circumstances where he is not a Good Leaver;

Business Day: any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

Companies Acts: has the meaning given to it in the Act;

Company: means Front Page 2012 Limited (Company number SC424624);

Jan D. [Signature]

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connected: has the meaning given in section 252 of the Act;

Controlling Interest: an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 840 of the Income and Corporation Taxes Act 1988;

Deemed Transfer Notice: a Transfer Notice which is deemed to have been served by any of the provisions of these Articles;

Departing Employee Shareholder: an Employee Shareholder who ceases to be a director or employee of any Group Company and who does not continue as, or become, a director or employee of any other Group Company;

Directors: the directors of the Company from time to time;

Disposal: the disposal by the Company of all, or a substantial part of, its business and assets;

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

Employee Shareholder: an Ordinary Shareholder who is, or has been, a director and/or an employee of any Group Company;

Exit: a Disposal, a Listing, a Redemption or a Sale Share;

Fair Value: has the meaning given in *article 14.2*;

Family Trust: as regards any particular individual Shareholder (or deceased or former individual Shareholder) trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than the particular Shareholder and/or any of the Privileged Relations of that Shareholder (and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons);

Financial Year: an accounting reference period (as defined in section 391 of the Act) of the Company;

First Offer Shareholders: in respect of:

(a) an offer of Preference Shares, the holders of Preference Shares; and

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(b) an offer of Ordinary Shares, the holders of Ordinary Shares;

Good Leaver A: an Employee Shareholder who becomes a Departing Employee Shareholder by reason of:

(a) death; or

(b) permanent disability or permanent incapacity through ill-health;

Good Leaver B: an Employee Shareholder who becomes a Departing Employee Shareholder by reason of retirement at normal retirement age;

Good Leaver C: an Employee Shareholder who becomes a Departing Employee Shareholder by reason of:

(a) ceasing to be employed by any Group Company as a result of a Group Company ceasing to be a Group Company; or

(b) dismissal by the Company (or other Group Company) which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal, to be wrongful;

Group: the Company and its subsidiaries (if any) from time to time and **Group Company** shall be construed accordingly;

holding company: has the meaning given in section 1159 of the Act;

Independent Expert: the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants appointed, and whose terms of appointment are agreed, by the President, for the time being, of the Institute of Chartered Accountants of Scotland (in each case acting as an expert and not as an arbiter);

Investors: Ms Johnson, Mr McMillan and Mr Pyke as holders for the time being of Preference Shares or their respective Permitted Transferees and **Investor** means any one of them;

Investor Directors: the two directors appointed by the Investors;

Issue Price: in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium;

Listing: the successful application and admission of all or any of the Shares, or securities representing such Shares (including American depositary receipts, American depositary shares and/or other instruments) to the Official List of the UK Listing Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc., or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

Ms Johnson: Felicity Anne Stirling Johnson;

Mr McMillan: Ian Douglas McMillan;

Mr Pyke: Alan Pyke;

Model Articles: the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the Adoption Date;

Ordinary Shares: the ordinary shares of £1 each in the capital of the Company;

Original Shareholder: has the meaning given in *article* 12.1;

Permitted Transfer: a transfer of Shares made in accordance with *article* 12;

Permitted Transferee: in relation to a Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust;

Preference Shares: the preference shares of £1 each in the capital of the Company;

Privileged Relation: in relation to a Shareholder who is an individual Shareholder (or a deceased or former individual Shareholder) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue);

Redemption Price: in relation to a Preference Share shall be the Issue Price together with any arrears, deficiencies or accruals of the Preference Dividend and any accrued interest thereon, calculated to the Relevant Date;

Relevant Date: in relation to the Redemption Price shall be the date of Redemption or the date of Exit or the date of the Transfer Notice or deemed Transfer Notice;

Relevant Shares: in relation to an Employee Shareholder means all Shares held by:

- (a) the Employee Shareholder in question; and
- (b) any Permitted Transferee of that Employee Shareholder;

Sale Shares: has the meaning given in *article* 13.2(a);

Second Offer Shareholders: in respect of:

- (a) an offer of Preference Shares, the holders of Ordinary Shares; and
- (b) an offer of Ordinary Shares, the holders of Preference Shares;

Seller: has the meaning given in *article 13.2*;

Shareholder: a holder for the time being of Shares;

Shares: shares (of any class) in the capital of the Company;

Share Sale: the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with him together acquiring a Controlling Interest, except where the Shareholders and the proportion of Shares held by each of them following completion of the sale are the same as the Shareholders and their shareholdings in the Company immediately before to the sale;

subsidiary: in relation to a holding company wherever incorporated, means a "subsidiary" (as defined in section 1159 of the Act) for the time being and any other company which for the time being is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company;

Subscription Agreement: means the subscription agreement amongst Ian Douglas McMillan, Felicity Anne Stirling Johnston, Alan Pyke, John William Tafe, Jacqueline Margaret Arnott-Raymond and Front Page 2012 Limited dated 27 June 2012;

Termination Date:

(a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;

(b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;

(c) where an Employee Shareholder dies, the date of his death;

(d) where the Employee Shareholder concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the relevant Group Company is terminated; or

(e) in any other case, the date on which the employment or holding of office is terminated;

Transfer Notice: has the meaning given in *article 13.2*; and

Transfer Price: has the meaning given in *article 144*.

1.2 A reference in these Articles to:

- (a) an **Article** is a reference to the relevant numbered article of these Articles; and
- (b) a **model article** is a reference to the relevant article,

unless expressly provided otherwise.

- 1.3 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date).
- 1.4 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.5 In these Articles, words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa.
- 1.6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - (a) any subordinate legislation from time to time made under it; and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

2. ADOPTION OF THE MODEL ARTICLES

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation. A copy is set out in the schedule to these Articles.
- 2.2 Model articles 7, 8, 9(1) and (3), 11(2) and (3), 22, 26(5) and 44(2) shall not apply to the Company.
- 2.3 Model article 20 shall be amended by the insertion of the words "and the secretary" before the words "properly incur".

- 2.4 In model article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.5 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

DIRECTORS

3. NUMBER OF DIRECTORS

- 3.1 Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than four, two of whom shall be appointed by the Investors.

4. PROCEEDINGS OF DIRECTORS

- 4.1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with *article 4.2* (subject to *article 4.3* and *article 4.4*). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.
- 4.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.3 A decision taken in accordance with *article 4.2* 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.
- 4.4 A decision may not be taken in accordance with *article 4.2* if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter.
- 4.5 Meetings of the Directors shall take place as required for the proper conduct of the business of the Company. Any Director may call a meeting of the Directors. At least 10 Business Days' advance notice in writing of each such meeting shall be given to each Director (except with the prior consent in writing of all the Directors, when meetings of the Directors may take place on shorter notice).

- 4.6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors, which must include one of the Investor Directors in office for the time being, unless there is no Investor Director in office for the time being in which case, the quorum for such meeting (or part of the meeting, as the case may be) shall be any two Eligible Directors. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Chairman determines. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed.
- 4.7 If the number of Directors in office for the time being is less than two, the Director in office must not take any decision other than a decision to:
- (a) appoint further Directors; or
 - (b) call a general meeting so as to enable the Shareholders to appoint further Directors.
- 4.8 The Chairman shall be Mr McMillan (or such other person as Mr McMillan nominates) until the "Trigger Date" (as such term is defined in the Subscription Agreement). In the event that Mr McMillan or his nominee is not present then the Chairman of the meeting shall be an Investor Director.
- 4.9 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairman (or other chairman of the meeting) shall have a second or casting vote.
- 4.10 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

5. APPOINTMENT AND REMOVAL OF DIRECTORS

- 5.1 Model article 17(1) shall be modified by the inclusion, at the end of that model article, of the words "provided that the appointment does not cause the number of Directors to exceed the maximum number set out in article 3.1 of these Articles".
- 5.2 Model article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director:
- (a) he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director;

- (b) save in the case of an Investor Director, a majority of the other Directors resolve that he cease to be a Director; and
- (c) in the case of an executive Director only, he shall cease to be employed by the Company or other Group Company (as appropriate) and does not continue as an employee of any other Group Company.

SHARES AND DISTRIBUTIONS

6. SHARE CAPITAL

- 6.1 The share capital of the Company at the date of adoption of these Articles is £1,001,050 divided into 1,000,000 Preference Shares, 1,000 Ordinary Shares and 100 B Ordinary Shares.

7. DIVIDENDS

- 7.1 In respect of any Financial Year until the number of Preference Shares in issue is reduced to 200,000 (the "**Trigger**"), the Available Profits of the Company shall be used to pay dividends as set out in *article 7.2 to article 7.4* and thereafter in accordance with *article 7.5*.
- 7.2 The Company shall, without need for a resolution of the Directors, or the Company in general meeting and before application of any Available Profits to reserves or for any other purpose, pay in respect of each Preference Share a fixed, cumulative, preferential dividend (**Preference Dividend**) at an annual rate of 2% of the Issue Price per Preference Share to the person registered as its holder on the due date (such date determined in accordance with this *article 7*).
- 7.3 The Preference Dividend shall be paid in cash in four quarterly instalments on 31 March, 30 June, 30 September and 31 December in each year, the first such payment to be made on 30 September 2012 in respect of the period from the Adoption Date to (and including) 30 September 2012.
- 7.4 Subject to payment of the Preference Dividend and any arrears of Preference Dividend any proportion of the remaining Available Profits which the Company may determine to distribute in any Financial Year shall be distributed to the holders of the B Ordinary Shares at such rate per B Ordinary Share as may be recommended by a unanimous decision of the Board.

- 7.5 The Company shall not declare or pay any further dividend unless and until the Trigger and then only after all arrears and accruals of the Preference Dividend have been paid.
- 7.6 After the Trigger and subject to the payment of all arrears and accruals of Preference Dividend any Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed as determined by a unanimous decision of the Board.
- 7.7 Each dividend shall be distributed to the appropriate Shareholders pro rata according to the number of Shares held by them respectively and shall accrue daily (assuming a 365 day year) as well after as before the commencement of a winding up. All dividends are expressed net and shall be paid in cash.
- 7.8 Unless the Company has insufficient Available Profits, the Preference Dividend shall, notwithstanding that such dividend is expressed to be cumulative, be paid immediately on the due date.
- 7.9 If, as a result of not having sufficient Available Profits, the Company is not lawfully permitted to pay the Preference Dividend in full on the due date, it shall pay the Preference Dividend to the extent it is lawfully able to do so. The unpaid amount shall:
- (a) be a debt due from the Company; and
 - (b) accrue interest daily (assuming a 365 day year) at the rate of 2% above the base lending rate of Clydesdale Bank PLC in respect of the period from the due date to the actual date of payment (both dates inclusive), compounded to the end of each calendar month and such interest shall, to the extent outstanding for the time being, be paid on the date of payment of the Preference Dividend in respect of which the relevant interest accrues.
- 7.10 If the Company is in arrears in paying the Preference Dividend, the first Available Profits arising shall be applied in or towards paying off any arrears of Preference Dividend.

The Company shall procure that the profits of any other Group Company available for distribution shall from time to time (and to the extent lawful), be paid by way of dividend to the Company (or, as the case may be, the relevant Group Company that is its immediate holding company) to the extent necessary to permit lawful and prompt payment by the Company of the Preference Dividend

8. LIQUIDATION PREFERENCE

On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) in the following order of priority:

- (a) first, in paying to the holders of the Preference Shares in respect of each Preference Share held the Issue Price of that Preference Share, together with a sum equal to any arrears and accruals of the Preference Dividend in respect of that Preference Share calculated down to (and including) the date of the return of capital and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the Preference Shares pro rata to the aggregate amounts due under this *article 7(a)* to each such Preference Share held;
- (b) second, in paying to the holders of the Ordinary Shares and the B Ordinary Shares in respect of each Ordinary Share or B Ordinary Share held the Issue Price of that Ordinary Share or B Ordinary Share if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the Ordinary Shares and B Ordinary Shares pro rata to the aggregate amounts due under this *article 7(b)* to each such Ordinary Share or B Ordinary Share held; and
- (c) third, in paying to the holders of the Ordinary Shares and the B Ordinary Shares any surplus of assets remaining on the basis that each B Ordinary Share will be paid at the rate which is one hundredth of the rate at which each Ordinary Share is paid out.

9. VARIATION OF CLASS RIGHTS

- 9.1 Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) with the consent in writing of the holders of at least 75% in nominal value of the issued Shares of that class.

10. ISSUE OF FURTHER SHARES

- 10.1 Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution, the Directors shall not exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.

11. TRANSFERS OF SHARES: GENERAL

- 11.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.
- 11.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to *article 11.4*, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 11.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.
- 11.4 The Directors may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company and the Investors agreeing to be bound by the terms of the Subscription Agreement (or similar document) in force between any of the Shareholders and the Company, in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor). If any condition is imposed in accordance with this *article 11.4*, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.
- 11.5 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may, and shall if so requested by an Investor Director, require:
- (a) any holder (or the legal representatives of a deceased holder); or
 - (b) any person named as a transferee in a transfer lodged for registration; or
 - (c) such other person as the Directors may reasonably believe to have information relevant to that purpose,
- to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose.
- 11.6 If any such information or evidence referred to in *article 11.5* is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence

provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and , if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within ten Business Days of receipt of such written notice, then,:

- (a) the relevant Shares shall cease to confer on the holder of them any rights:
 - (i) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
 - (ii) to receive dividends or other distributions (other than the amount to which they may be entitled pursuant to the application of *article 7.2*) otherwise attaching to those Shares; and
- (b) the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).

The Directors may reinstate the rights referred to in *article 11.6(a)* at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to *article 11.6(b)*.

11.7 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that:

- (a) it does not contain a Minimum Transfer Condition; and
- (b) the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).

11.8 Any Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.

12. PERMITTED TRANSFERS OF SHARES

12.1 A Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee.

12.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:

- (a) the Original Shareholder;
- (b) any Privileged Relation(s) of the Original Shareholder;
- (c) subject to *article 12.3* the trustee(s) of another Family Trust of which the Original Shareholder is the settlor; or
- (d) subject to *article 12.3*, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

12.3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Directors are satisfied:

- (a) with the terms of the trust instrument and, in particular, with the powers of the trustee(s);
- (b) with the identity of the proposed trustee(s);
- (c) that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
- (d) that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

12.4 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within twenty Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:

- (a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
- (b) give a Transfer Notice to the Company in accordance with *article 13*,

failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this *article 12.4*.

12.5 Notwithstanding any other provision of this *article 12*, a transfer of any Shares approved by the Directors may be made without any price or other restriction and any such transfer shall be registered by the Directors.

13. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

13.1 Except where the provisions of *article 12*, apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this *article 13*.

13.2 A Shareholder who wishes to transfer Shares (a **Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company specifying:

- (a) subject to *article 11.7(b)*, the number of Shares he wishes to transfer (**Sale Shares**);
- (b) the name of the proposed transferee, if any;
- (c) subject to *article 13.18*, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**); and
- (d) subject to *article 11.7(a)*, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**).

13.3 Except in the case of a Deemed Transfer Notice (which may not be withdrawn), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price the Seller may, within twenty Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. Otherwise, a Transfer Notice may only be withdrawn with consent of the Directors.

13.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

13.5 As soon as practicable following the later of:

- (a) receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
- (b) the determination of the Transfer Price,

the Directors shall (unless the Transfer Notice is withdrawn in accordance with *article 13.3*) offer the Sale Shares for sale in the manner set out in the remaining provisions of this *article 13* at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

13.6 If the Sale Shares are Preference Shares, the Company shall, subject to *article 155*, offer them in the following order of priority:

- (a) first, to the holders of Preference Shares; and
- (b) second, to the holders of Ordinary Shares,

in each case on the basis set out in *article 13.8 to article 13.16* (inclusive).

13.7 If the Sale Shares are Ordinary Shares being sold pursuant to a Deemed Transfer Notice under *article 14*, the Company shall offer them in the following order of priority:

- (a) first, to the holders of Ordinary Shares; and
- (b) second, to the holders of Preference Shares,

in each case on the basis set out in *article 13.8 to article 13.16* (inclusive).

13.8 The Directors shall offer the Sale Shares in the order of priority referred to in *article 13.6* or *article 13.7* (as appropriate) to the First Offer Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date twenty Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.

13.9 If:

- (a) at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each First Offer Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares of the class being offered held by all First Offer Shareholders (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
- (b) not all Sale Shares are allocated following allocations in accordance with *article 13.9(a)*, but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in *article 13.9(a)*. The procedure set out in this *article 13.9(b)* shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and

- (c) at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the First Offer Shareholders in accordance with their applications. The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with *article 13.10*.

13.10 At the end of the First Offer Period, the Directors shall offer the Initial Surplus Shares (if any) to the Second Offer Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date twenty Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

13.11 If:

- (a) at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to each Second Offer Shareholder who has applied for Initial Surplus Shares in the proportion which his existing holding of Shares of the class held by Second Offer Shareholders bears to the total number of Shares of the class held by all Second Offer Shareholders (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). No allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy;
- (b) not all Initial Surplus Shares are allocated following allocations in accordance with *article 13.11(a)*, but there are applications for Initial Surplus Shares that have not been satisfied, the Directors shall allocate the remaining Initial Surplus Shares to such applicants in accordance with the procedure set out in *article 13.11(a)*. The procedure set out in this *article 13.11(b)* shall apply on any number of consecutive occasions until either all Initial Surplus Shares have been allocated or all applications for Initial Surplus Shares have been satisfied; and
- (c) at the end of the Second Offer Period, the total number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to the Second Offer Shareholders in accordance with their applications. The balance (the **Second Surplus Shares**) shall, subject to *article 13.13*, be offered to any other person in accordance with *article 13.16*.

13.12 Where the Transfer Notice contains a Minimum Transfer Condition:

- (a) any allocation made under *article 13.7* to *article 13.11* (inclusive) shall be conditional on the fulfilment of the Minimum Transfer Condition; and
- (b) if the total number of Sale Shares applied for under *article 13.7* to *article 13.11* (inclusive) is less than the number of Sale Shares, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

13.13 Where either:

- (a) the Transfer Notice does not contain a Minimum Transfer Condition; or
- (b) allocations have been made in respect of all the Sale Shares,

the Directors shall, when no further offers or allocations are required to be made under *article 13.7* to *article 13.11* (inclusive), give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least ten Business Days, but not more than twenty Business Days, after the date of the Allocation Notice).

13.14 Except as otherwise provided in these articles in relation to Bad Leavers and Good Leavers on the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice.

13.15 If the Seller fails to comply with *article 13.14*:

- (a) the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney] on behalf of the Seller):
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (ii) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and

(iii) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and

(b) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.

13.16 Where an Allocation Notice does not relate to all the Sale Shares or the Transfer Notice lapses pursuant to *article 13.12(b)* then, subject to *article 13.17*, the Seller may, at any time during the twenty Business Days following the date of service of the Allocation Notice, transfer the Sale Shares (in the case of a lapsed offer) or the Second Surplus Shares (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this *article 13.16* shall continue to be subject to any Minimum Transfer Condition.

13.17 The Seller's right to transfer Shares under *article 13.16* does not apply if the Directors reasonably consider that:

- (a) the transferee is a person (or a nominee for a person) whom the Directors determine to be a competitor (or a Member of the Same Group as a competitor) of the business of any Group Company;
- (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
- (c) the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable it to form the opinion referred to in *article 13.17(b)*.

13.18 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a transfer shall be further qualified:

- (a) in the case of a Bad Leaver the Transfer Price shall be restricted to the Issue Price of such Sale Shares;
- (b) in the case of a Good Leaver A, the Transfer Price shall be restricted to 80% of Fair Value of such Sale Shares which will be paid as provided for in *article 13.14*;
- (c) in the case of a Good Leaver B, the Transfer Price shall be restricted to 80% of Fair Value of such Sale Shares which will be paid one hundred and twenty monthly instalments commencing one month after the date of the Transfer Notice or Deemed Transfer Notice; and

- (d) in the case of a Good Leaver C the Transfer Price shall be restricted to 50% of Fair Value of such Sale Shares which will be paid by six half yearly instalments commencing six months after the date of the Transfer Notice or Deemed Transfer Notice;

14. VALUATION

- 14.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be in the case of a Preference Share the Redemption Price and in the case of an Ordinary Share be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting), and the Seller or, in default of agreement within twenty Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share.
- 14.2 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:
 - (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
 - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - (c) that the Sale Shares are capable of being transferred without restriction;
 - (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Ordinary Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
 - (e) reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 14.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 14.4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.

- 14.5 The parties are entitled to make submissions to the Independent Expert including oral submissions and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.
- 14.6 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 14.7 The Independent Expert shall be requested to determine the Fair Value within twenty Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 14.8 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless:
- (a) the Seller withdraws the relevant Transfer Notice in accordance with *article 13.3*; or
 - (b) in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,

in which case the Seller shall bear the cost.

15. COMPULSORY TRANSFERS

- 15.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction) shall be deemed to have given a Transfer notice in respect of that Share at such time as the Directors may determine.
- 15.2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or suffers or takes any equivalent action, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors may determine.

DECISION-MAKING BY SHAREHOLDERS

16. GENERAL MEETINGS

- 16.1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 16.2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

17. VOTING

- 17.1 The holders of the Preference Shares shall be entitled to receive notice of and to attend all general meetings, but shall not be entitled to vote at any general meetings unless:-
- (a) at the date of the notice or requisition to convene the meeting any Preference Dividend is in arrears; or
 - (b) the business of the meeting includes the consideration of a resolution relating to an alteration of the class rights attaching to the Preference Shares including a deemed variation of class rights as set out in *article 9*;
- in which case every holder of Preference Shares shall be entitled to one vote for each 10 Preference Shares held by him.
- 17.2 The holders of the Ordinary Shares shall be entitled to one hundred votes for each such share held.
- 17.3 The holders of the B Ordinary Shares shall be entitled to one vote for each such share held.
- 17.4 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.
- 17.5 Model article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that model article.

17.6 Model article 45(1) shall be amended by:

- (a) the deletion of model article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"; and
- (b) the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting]" as a new paragraph at the end of that model article.



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PART 1
INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise—

“articles” means the company’s articles of association;

“bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

“chairman” has the meaning given in article 12;
“chairman of the meeting” has the meaning given in article 39;
“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;
“director” means a director of the company, and includes any person occupying the position of director, by whatever name called;
“distribution recipient” has the meaning given in article 31;
“document” includes, unless otherwise specified, any document sent or supplied in electronic form;
“electronic form” has the meaning given in section 1168 of the Companies Act 2006;
“fully paid” in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;
“hard copy form” has the meaning given in section 1168 of the Companies Act 2006;
“holder” in relation to shares means the person whose name is entered in the register of members as the holder of the shares;
“instrument” means a document in hard copy form;
“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;
“paid” means paid or credited as paid;
“participate”, in relation to a directors’ meeting, has the meaning given in article 10;
“proxy notice” has the meaning given in article 45;
“shareholder” means a person who is the holder of a share;
“shares” means shares in the company;
“special resolution” has the meaning given in section 283 of the Companies Act 2006;
“subsidiary” has the meaning given in section 1159 of the Companies Act 2006;
“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and
“writing” 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.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

Liability of members

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

PART 2

DIRECTORS

DIRECTORS’ POWERS AND RESPONSIBILITIES

Directors’ general authority

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.

Shareholders' reserve power

—(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.

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

Directors may delegate

—(2) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—

- i. to such person or committee;
- ii. by such means (including by power of attorney);
- iii. to such an extent;
- iv. in relation to such matters or territories; and
- v. on such terms and conditions;

as they think fit.

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

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

Committees

—(3) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

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

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

—(4) 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 in accordance with article 8.

If—

- vi. the company only has one director, and
- vii. 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.

viii.

Unanimous decisions

—(5) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

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Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

Calling a directors' meeting

—(6) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

Notice of any directors' meeting must indicate—

ix. its proposed date and time;

x. where it is to take place; and

xi. 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.

Notice of a directors' meeting must be given to each director, but need not be in writing.

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 not more than 7 days 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.

Participation in directors' meetings

—(7) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—

xii. the meeting has been called and takes place in accordance with the articles, and

xiii. they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

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.

Quorum for directors' meetings

—(8) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

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.

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—

xiv. to appoint further directors, or

xv. to call a general meeting so as to enable the shareholders to appoint further directors.

Chairing of directors' meetings

—(9) The directors may appoint a director to chair their meetings.

The person so appointed for the time being is known as the chairman.

The directors may terminate the chairman's appointment at any time.

If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

Casting vote

—(10) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

Conflicts of interest

—(11) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.

But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company

is to be counted as participating in the decision-making process for quorum and voting purposes.

This paragraph applies when—

- xvi. the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
- xvii. the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- xviii. the director's conflict of interest arises from a permitted cause.

For the purposes of this article, the following are permitted causes—

- xix. a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
- xx. subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
- xxi. arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

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 or majority decision taken by the directors.

Directors' discretion to make further rules

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

APPOINTMENT OF DIRECTORS

Methods of appointing directors

—(12) 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—

xxii. by ordinary resolution, or

xxiii. by a decision of the directors.

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.

For the purposes of paragraph (2), where 2 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.

Termination of director's appointment

A person ceases to be a director as soon as—

xxiv. that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;

xxv. a bankruptcy order is made against that person;

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

xxvii. 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;

xxviii. 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;

xxix. 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.

Directors' remuneration

—(13) Directors may undertake any services for the company that the directors decide.

Directors are entitled to such remuneration as the directors determine—

xxx. for their services to the company as directors, and

xxxi. for any other service which they undertake for the company.

Subject to the articles, a director's remuneration may—

xxxii. take any form, and

xxxiii. 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.

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

Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

Directors' expenses

The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—

xxxiv. meetings of directors or committees of directors,

xxxv. general meetings, or

xxxvi. separate meetings of the holders of any class of shares or of debentures of the company,

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

PART 3

SHARES AND DISTRIBUTIONS

SHARES

All shares to be fully paid up

—(14) 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.

This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

Powers to issue different classes of share

—(15) 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.

The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

Company not bound by less than absolute interests

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

Share certificates

—(16) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

Every certificate must specify—

xxxvii. in respect of how many shares, of what class, it is issued;

xxxviii. the nominal value of those shares;

xxxix. that the shares are fully paid; and

xl. any distinguishing numbers assigned to them.

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

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

Certificates must—

xli. have affixed to them the company's common seal, or

xlii. be otherwise executed in accordance with the Companies Acts.

Replacement share certificates

—(17) If a certificate issued in respect of a shareholder's shares is—

xliii. damaged or defaced, or

xliv. said to be lost, stolen or destroyed,

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

A shareholder exercising the right to be issued with such a replacement certificate—

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

xlvi. must return the certificate which is to be replaced to the company if it is damaged or defaced; and

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

Share transfers

—(18) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

The company may retain any instrument of transfer which is registered.

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

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

Transmission of shares

—(19) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.

A transmittee who produces such evidence of entitlement to shares as the directors may properly require—

xlvi. may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and

xlix. subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

Exercise of transmittees' rights

—(20) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.

If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

Transmittees bound by prior notices

If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

—(21) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

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.

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

Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.

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 arrear.

The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

Payment of dividends and other distributions

—(22) 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—

- i. transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
- ii. sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
- iii. sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
- iiii. any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

- liv. the holder of the share; or
- lv. if the share has two or more joint holders, whichever of them is named first in the register of members; or
- lvi. if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

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—

- lvii. the terms on which the share was issued, or
- lviii. the provisions of another agreement between the holder of that share and the company.

Unclaimed distributions

—(23) All dividends or other sums which are—

- lix. payable in respect of shares, and
- lx. 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.

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

If—

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

lxii. the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

Non-cash distributions

—(24) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

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—

lxiii. fixing the value of any assets;

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

lxv. vesting any assets in trustees.

Waiver of distributions

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if—

lxvi. the share has more than one holder, or

lxvii. more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

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

CAPITALISATION OF PROFITS

Authority to capitalise and appropriation of capitalised sums

—(25) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

lxviii. decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and

lxix. 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.

Capitalised sums must be applied—

lxx. on behalf of the persons entitled, and

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

Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.

Subject to the articles the directors may—

lxxii. apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;

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

lxxiv. authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

PART 4

DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

—(26) 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.

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

lxxv. that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

lxxvi. 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.

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.

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

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.

Quorum for general meetings

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.

Chairing general meetings

—(27) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

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—

lxxvii. the directors present, or

lxxviii. (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

Attendance and speaking by directors and non-shareholders

—(28) Directors may attend and speak at general meetings, whether or not they are shareholders.

The chairman of the meeting may permit other persons who are not—

lxxix. shareholders of the company, or

lxxx. otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting.

Adjournment

—(29) 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.

The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

lxxx. i. the meeting consents to an adjournment, or

lxxxii. it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

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

When adjourning a general meeting, the chairman of the meeting must—

lxxxiii. 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

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

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)—

lxxxv. to the same persons to whom notice of the company's general meetings is required to be given, and

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

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

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.

Errors and disputes

—(30) 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.

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

Poll votes

—(31) A poll on a resolution may be demanded—

lxxxvii. in advance of the general meeting where it is to be put to the vote, or

lxxxviii. 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.

A poll may be demanded by—

lxxxix. the chairman of the meeting;

xc. the directors;

xc. two or more persons having the right to vote on the resolution; or

xcii. a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.

A demand for a poll may be withdrawn if—

xciii. the poll has not yet been taken, and

xciv. the chairman of the meeting consents to the withdrawal.

Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

—(32) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which—

- xcv. states the name and address of the shareholder appointing the proxy;
- xcvi. identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
- xcvii. is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
- xcviii. 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.

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

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.

Unless a proxy notice indicates otherwise, it must be treated as—

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

Delivery of proxy notices

—(33) 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.

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.

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.

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.

Amendments to resolutions

—(34) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

- ci. 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
- cii. the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—

- ciii. the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

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

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

PART 5 ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

—(35) 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 Companies Act 2006 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.

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.

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.

Company seals

—(36) Any common seal may only be used by the authority of the directors.

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

Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

For the purposes of this article, an authorised person is—

cv. any director of the company;

cvi. the company secretary (if any); or

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

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.

Provision for employees on cessation of business

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

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

—(37) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—

cviii. any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,

cix. any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),

cx. any other liability incurred by that director as an officer of the company or an associated company.

This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

In this article—

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

cxiii. a "relevant director" means any director or former director of the company or an associated company.

Insurance

—(38) 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.

In this article—

cxiiii. a "relevant director" means any director or former director of the company or an associated company,

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

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