

Company number: SC482935

**PRIVATE COMPANY LIMITED BY SHARES**

**RESOLUTIONS**

of

**ADVANCE GLOBAL RECRUITMENT (HOLDINGS) LIMITED**

(the "Company")

The following resolutions were duly passed as ordinary and special resolutions of the Company (as indicated) on 8 September 2016 by way of written resolution in accordance with the provisions of Chapter 2 of Part 13 Companies Act 2006:

"THAT:

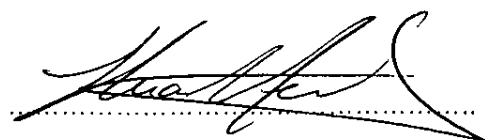
**ORDINARY RESOLUTIONS**

1. the 100 ordinary shares of £1.00 each in the issued share capital of the Company be subdivided into 100,000 ordinary shares of £0.001 each (the "**Shares**"), such Shares having the rights and being subject to the restrictions set out in the New Articles to be adopted pursuant to resolution 5;
2. subject to the passing of resolution 1 above, 6,000 Shares be and hereby are reclassified as 6,000 A ordinary shares of £0.001 each in the capital of the Company (the "**A Shares**") and 12,000 Shares be and hereby are reclassified as 12,000 B ordinary shares of £0.001 each in the capital of the Company (the "**B Shares**") (such A Shares and B Shares having the rights and being subject to the restrictions set out in the New Articles to be adopted pursuant to resolution 5 below);
3. pursuant to section 551 of the Companies Act 2006 (the "**Act**") the directors are hereby generally and unconditionally authorised to exercise all powers of the Company to allot shares up to an aggregate nominal amount of up to £4.44 comprising 4,440 A Shares and this authority shall expire, unless sooner revoked or varied by the Company in general meeting, on the fifth anniversary of the date of passing this resolution save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted after such expiry and the directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired;

**SPECIAL RESOLUTIONS**

4. subject to the passing of the resolution 3 above, and in accordance with section 570 of the Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by resolution 3 above, as if section 561(1) of the Act did not apply to any such allotment, and free of any pre-emption rights in the Company's articles of association (the "**Existing Articles**") or otherwise (and by signing this resolution the undersigned hereby waive any such rights);
5. the articles of association of the Company attached to this resolution be adopted as the articles of association of the Company (the "**New Articles**"), in substitution for, and to the exclusion of, the Existing Articles."

CERTIFIED TRUE COPY



Director

SATURDAY



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SCT

10/09/2016

#188

COMPANIES HOUSE

# HBJ ♦ Gateley

Company number: SC482935

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## ADVANCE GLOBAL RECRUITMENT (HOLDINGS) LIMITED

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ARTICLES OF ASSOCIATION  
adopted on 8 September 2016

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Company number: SC482935

**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION OF**  
**ADVANCE GLOBAL RECRUITMENT (HOLDINGS) LIMITED**

("the Company")

(adopted by special resolution passed on  September 2016)

**1. Definitions and interpretation**

1.1 In these Articles the following definitions will apply:-

<b>"A Ordinary Share"</b>	an A ordinary share of £0.001 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;
<b>"Accounting Period"</b>	an accounting period in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act;
<b>"Act"</b>	the Companies Act 2006;
<b>"acting in concert"</b>	has the meaning set out in the City Code on Takeovers and Mergers in force for the time being;
<b>"Adoption Date"</b>	the date of the adoption of these Articles by the Company;
<b>"Articles"</b>	means these Articles of Association of the Company;
<b>"Auditors"</b>	the auditors of the Company for the time being or if, in relation to any reference made to such auditors in accordance with these Articles, the auditors of the Company are unable or unwilling to act in connection with that reference, a chartered accountant nominated by, and engaged on terms approved by, the Directors in their absolute discretion and acting as agent for the Company and each relevant Member shall, in their absolute discretion, see fit;
<b>"B Ordinary Share"</b>	an B ordinary share of £0.001 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;
<b>"Bad Leaver"</b>	a Member who ceases to be a director or employee of the Company in the circumstances set out in article 7.1.1.7 as a result of:-  (a) the voluntary resignation of that Member (other than for a reason set out in the definition of Good Leaver); or

	(b) any other circumstances in which he is not a Good Leaver;
<b>"Business Day"</b>	any day (other than a Saturday, Sunday or public holiday) during which clearing banks in the City of London are open for normal business;
<b>"Change of Control"</b>	the acquisition (by any means) by a Third Party Purchaser of any interest in any Shares if, upon completion of that acquisition, that Third Party Purchaser (together with any person connected with or acting in concert with that Third Party Purchaser) would be entitled to exercise more than 50% of the total voting rights normally exercisable at any general meeting of the Company;
<b>"Compulsory Transfer Notice"</b>	has the meaning given in article 7.2;
<b>"Compulsory Transfer Shares"</b>	<p>in relation to a Relevant Shareholder, any Shares:-</p> <ul style="list-style-type: none"> <li>(a) held by the Relevant Shareholder at the time of the relevant Transfer Event;</li> <li>(b) held at the time of the relevant Transfer Event by any Family Member or Family Trust of the Relevant Shareholder; and</li> <li>(c) acquired by the Relevant Shareholder, his Family Members, Family Trusts and/or personal representatives after the occurrence of the relevant Transfer Event pursuant to any share option agreement or any other scheme or arrangement entered into prior to the Transfer Event,</li> </ul> <p>together with, in any case, any further Shares received by any person referred to in paragraphs (a), (b) and (c) above at any time after the relevant Transfer Event which are derived from any such Shares, whether by conversion, consolidation or sub-division, or by way of capitalisation, rights or bonus issue or otherwise;</p>
<b>"Director"</b>	a duly appointed director of the Company for the time being;
<b>"distributable profits"</b>	shall have the meaning given to it in the Act;
<b>"Eligible Director"</b>	a Director who would be entitled to vote on a matter at a meeting of the Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter) and references to "eligible directors" in article 8 of the Model Articles shall be construed accordingly;

**"Encumbrance"**

any mortgage, charge (fixed or floating), pledge, lien, option, hypothecation, restriction, right to acquire, right of pre-emption or interest (legal or equitable) including any assignation by way of security, reservation of title, guarantee, trust, right of set off or other third party right or any other encumbrance or security interest having a similar effect howsoever arising;

**"Expert"**

the expert identified and engaged in accordance with article 20;

**"Fair Value"**

the price which the Auditors state in writing to be their opinion of the fair value of the Shares concerned, calculated on the basis that:-

- (a) the Fair Value is the sum which a willing buyer would agree with a willing seller to be the purchase price for the Shares concerned on a Share Sale;
- (b) no account shall be taken of the size of the holding which the relevant Shares comprise or whether those Shares represent a majority or minority interest;
- (c) no account shall be taken of the fact that the transferability of the relevant Shares is restricted under these Articles;
- (d) if the Company is then carrying on business as a going concern, it will continue to do so; and
- (e) any difficulty in applying any of the bases set out above shall be resolved by the Auditors as they, in their absolute discretion, think fit;

**"Family Member"**

in relation to any Member, the spouse or civil partner of that Member and their children (including step and adopted children) for the time being;

**"Family Trust"**

a trust under which the only persons being (or capable of being) beneficiaries are:-

- (a) the settlor; and/or
- (b) the Family Members of that settlor; and

and under which no power of control over the voting powers conferred by any Share is exercisable at any time by, or subject to the consent of, any person other than the trustees, the settlor or the Family Members of that settlor. For the purposes of this definition:-

- (i) **"settlor"** shall include a testator or an intestate in relation to a Family Trust arising under a testamentary disposition or an intestacy of a deceased Member (as the case may be); and
- (ii) **"Family Member"** shall include the widow or widower of the settlor or the civil partner of such settlor at the date of his death;

**"Good Leaver"**

a Member who ceases to be a director or employee of the Company in the circumstances set out in article 7.1.1.7 as a result of:-

- (a) the death of that Member;
- (b) disability or incapacity through ill health (other than where such ill health arises from the abuse of alcohol or drugs) where the Directors resolve that such ill health is preventing, or is likely to prevent, the Member from performing his normal duties as a Director or employee;
- (c) the sale or disposal of the Company by which he is engaged as a Director;
- (d) the Member voluntarily choosing to retire from the Company with the consent of the board of Directors; or
- (e) any other circumstances which the board of Directors may deem to justify the Member being a Good Leaver;

**"Issue Price"**

in relation to any Share, the amount paid up or credited as paid up on such Share, including the full amount of any premium at which such Share was issued;

**"Listing"**

either:-

- (a) the admission of all or any part of the Shares to listing on the Official List of the United Kingdom Listing Authority and to trading on the London Stock Exchange's market for listed securities;
- (b) the admission of all or any part of the Shares to trading on AIM, a market operated by London Stock Exchange; or
- (c) the admission of all or any part of the Shares to listing and/or trading on any other Recognised Investment Exchange,

and, in any such case, such admission becoming

	unconditionally effective;
<b>"London Stock Exchange"</b>	London Stock Exchange plc;
<b>"Member"</b>	a registered holder of an issued Share from time to time, as recorded in the register of members of the Company;
<b>"Members' Agreement"</b>	the shareholders agreement dated on or around the Adoption Date and made between the Company and the Members on that date;
<b>"Model Articles"</b>	the model articles for private companies limited by shares contained in schedule 1 of the Companies (Model Articles) Regulations 2008 as amended prior to, and in force as at, the Adoption Date;
<b>"Ordinary Share"</b>	an ordinary share of £0.001 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;
<b>"Ordinary Shareholder"</b>	a holder for the time being of any Ordinary Shares;
<b>"Recognised Investment Exchange"</b>	has the meaning given in section 285(1) Financial Services and Markets Act 2000;
<b>"Relevant Shareholder"</b>	a Member in respect of whom the Directors have notified the Company that an event shall be treated as a Transfer Event in accordance with article 7.1;
<b>"Relevant Security"</b>	any Share, or any right to subscribe for or convert any securities into any Share;
<b>"Sale Shares"</b>	has the meaning given in article 6.1.2.1;
<b>"Shareholder Majority"</b>	the holder(s) for the time being of not less than 75% of the issued Shares;
<b>"Shares"</b>	any shares of any class in the capital of the Company;
<b>"Share Sale"</b>	the transfer of any interest in any Shares (whether by one transaction or a series of transactions), other than a transfer in accordance with article 5.1, which results in a Change of Control;
<b>"Third Party Purchaser"</b>	any person who is not a Member for the time being or a person connected with such a Member;
<b>"Transfer Event"</b>	each of the events set out in article 7.1; and
<b>"Transfer Notice"</b>	a notice in accordance with article 6 that a Member wishes to transfer his Shares.

- 1.2 These Articles and the provisions of the Model Articles (subject to any modifications set out in these Articles) shall constitute all the articles of association of the Company.
- 1.3 In these Articles a reference to:-
- 1.3.1 a statutory provision includes a reference to the statutory provision as replaced, modified or re-enacted from time to time before or after the Adoption Date and any subordinate legislation made under the statutory provision before or after the Adoption Date;
  - 1.3.2 a "subsidiary" shall include a reference to a "subsidiary" and a "subsidiary undertaking" (each as defined in the Act) and a reference to a "holding company" shall include a reference to a "holding company" and a "parent undertaking" (each as defined in the Act);
  - 1.3.3 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);
  - 1.3.4 "these Articles" is to these articles of association (including the provisions of the Model Articles incorporated in them), and a reference to an article is to an article of these Articles, in each case as amended from time to time in accordance with the terms of these Articles and the Act; and
  - 1.3.5 any agreement or document is to that agreement or document as in force for the time being and as amended from time to time in accordance with the terms of that agreement or document or with the agreement of all the relevant parties.
- 1.4 The contents table and headings in these Articles are for convenience only and do not affect the interpretation or construction of these Articles.
- 1.5 Words importing the singular include the plural and vice versa and words importing a gender include every gender.
- 1.6 The words "other", "include", "including" and "in particular" do not limit the generality of any preceding words and any words which follow them shall not be construed as being limited in scope to the same class as the preceding words where a wider construction is possible.
- 1.7 Any question as to whether a person is connected with another shall be determined in accordance with section 1122 of the Corporation Tax Act 2010 (except that in construing section 1122 "control" has the meaning given by section 1124 or section 450 of that Act so that there is control whenever section 1124 or 450 requires) which shall apply in relation to this agreement as it applies in relation to that Act.
- 1.8 These Articles shall be binding on and shall survive for the benefit of the personal representatives and successors-in-title of each Member.
- 1.9 The Company shall recognise any trusts in respect of any of the shares of the Company. Notwithstanding any such recognition, the Company shall not be bound to see to the execution, administration or observance of any trust (whether express, implied or constructive) in respect of any shares of the Company and shall be entitled to recognise and give effect to the acts and deeds of the holders of such shares as if they were the absolute owners thereof. For the purposes of this article, "trust" includes any right thereto in respect of any shares of the Company other than an absolute right thereto in the holder thereof for the time being or such other rights in case of transmission thereof as are mentioned in the Model Articles. Article 23 of the Model Articles shall not apply to the Company.

2. **Differing Share Classes and rights pertaining to each**

- 2.1 At the date of adoption of these Articles there are 3 classes of shares in issue in the Company as follows:-
- 2.1.1 82,000 Ordinary Shares;
  - 2.1.2 10,440 A Ordinary Shares; and
  - 2.1.3 12,000 B Ordinary Shares.
- 2.2 The Ordinary Shares, A Ordinary Shares and B Ordinary Shares all have equal voting rights (one vote per Ordinary Share, A Ordinary Share and B Ordinary Share held).
- 2.3 The Ordinary Shares, A Ordinary Shares and B Ordinary Shares all rank equally on a return of capital by the Company on liquidation or otherwise
- 2.4 No dividends whatsoever (whether on the Ordinary Shares, A Ordinary Shares or B Ordinary Shares) will be paid by the Company without the prior approval of a majority of the board of Directors.
- 2.5 Subject to Article 2.4 above, in any financial year of the Company:-
- 2.5.1 the first £180,000 of the Company's distributable profits will be paid (by way of dividend) to the holders of the Ordinary Shares (equally between them); and
  - 2.5.2 the next £40,000 of the Company's distributable profits will be paid by way of dividend to the holders of the B Ordinary Shares (equally between them); and
  - 2.5.3 any remaining distributable profits of the Company in excess of the £220,000 in aggregate paid out under Articles 2.5.1 and 2.5.2 above (if any) may be paid by way of dividend as the board of Directors see fit in accordance with the Members' Agreement.

3. **Issue of Shares**

- 3.1 Unless otherwise determined by special resolution of the Company, any Relevant Securities which the Directors propose to allot or grant shall, before they are so allotted or granted, be offered to the Members holding Shares of the same class as the Relevant Securities which the Directors propose to allot or grant ("**Relevant Members**"). Such offer shall be made by means of a notice ("**Subscription Notice**") served by the Directors on all Relevant Members which shall:-
- 3.1.1 state the number and class of Relevant Securities offered;
  - 3.1.2 state the subscription price per Relevant Security, which shall be determined by the Directors;
  - 3.1.3 invite the relevant offerees to respond in writing to the Company stating the number of Relevant Securities for which they wish to subscribe; and
  - 3.1.4 expire, and the offer made therein to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on the date specified in that notice, being not less than 10 nor more than 20 Business Days after the date of the Subscription Notice.
- 3.2 After the expiry of the period referred to in the Subscription Notice or, if sooner, upon all Relevant Members having responded to the Subscription Notice (in either case, the "**Subscription Allocation Date**"), the Directors shall allocate the Relevant Securities in accordance with the applications received provided that:

- 3.2.1 no Relevant Securities shall be allocated to any Relevant Member who, at the Subscription Allocation Date, is bound to give, or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name (including, for the avoidance of doubt, a Compulsory Transfer Notice);
- 3.2.2 if there are applications for more than the number of Relevant Securities available, the Relevant Securities shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Relevant Securities than he applied for) to the number of Shares (of the same class as the Relevant Securities in question) held by each of them respectively; and
- 3.2.3 the allocation of any fractional entitlements to Relevant Securities amongst the Relevant Members shall be dealt with by the Directors in such manner as they see fit.
- 3.3 Within 5 Business Days of the Subscription Allocation Date the Directors shall give notice in writing (a "**Subscription Allocation Notice**") to each Relevant Member to whom Relevant Securities have been allocated pursuant to article 3.2 (each a "**Subscriber**"). A Subscription Allocation Notice shall state:-
  - 3.3.1 the number and class of Relevant Securities allocated to that Subscriber;
  - 3.3.2 the aggregate subscription price payable by the Subscriber in respect of the Relevant Securities allocated to him; and
  - 3.3.3 the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Subscription Allocation Notice) at which completion of the subscription for the Relevant Securities shall take place.
- 3.4 Completion of a subscription for Relevant Securities pursuant to a Subscription Allocation Notice shall take place at the place, date and time specified in the Subscription Allocation Notice when the Subscriber will pay the relevant subscription monies to the Company in cleared funds and the Company will allot or grant the Relevant Securities to that Subscriber and deliver to that Subscriber a duly executed share certificate or certificate of grant (as the case may be) in respect of those Relevant Securities. If a Subscriber shall fail for any reason to pay the relevant subscription monies in respect of any Relevant Securities to the Company in cleared funds by the date specified in the Subscription Allocation Notice he shall:-
  - 3.4.1 be deemed to have declined the offer made to him in respect of those Relevant Securities which shall immediately be deemed to be released from the provisions of articles 3.1 to 3.3; and
  - 3.4.2 indemnify the Company against all costs, claims and expenses which the Company may suffer or incur as a result of such failure.
- 3.5 Any Relevant Securities which are not accepted pursuant to articles 3.1 to 3.3, and any Relevant Securities released from the provisions of those articles either by virtue of a Subscriber's default in accordance with article 3.4 or by virtue of a special resolution of the Company, may be offered by the Directors to any person and such Relevant Securities shall, subject to the provisions of the Act, be at the disposal of the Directors who may allot or grant them to such persons at such times and generally on such terms and conditions as they think fit in their absolute discretion, provided that:-
  - 3.5.1 no Share shall be issued at a discount;

- 3.5.2 no Relevant Securities shall be allotted, granted or otherwise disposed of on terms which are more favourable than those on which they were offered to the Relevant Members pursuant to article 3.1; and
- 3.5.3 no Relevant Securities shall be allotted, granted or otherwise disposed of more than 3 months after the date of the relevant Subscription Notice relating to those Relevant Securities (or, in the case of Relevant Securities released from the provisions of articles 3.1 to 3.3 by virtue of a special resolution, the date of that special resolution) unless the procedure in articles 3.1 to 3.3 is repeated in relation to that Relevant Security.
- 3.6 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to the Company.
- 3.7 Notwithstanding any other provision of these Articles, no Share shall be allotted to a person who is not already a party to the Members' Agreement unless that person has entered into a deed of adherence to, and in the form required by, the Members' Agreement.
- 4. **Transfer of Shares - general**
- 4.1 Notwithstanding any other provision of these Articles, the Directors shall not register a transfer of any interest in a Share:-
  - 4.1.1 if it is to a minor, undischarged bankrupt, trustee in bankruptcy or person who (in the opinion of the Directors) is of unsound mind; or
  - 4.1.2 unless:
    - 4.1.2.1 the transfer is permitted by article 5; or
    - 4.1.2.2 the transfer is made in accordance with article 6, 7, 8 or 9
 and in either case (other than in respect of a transfer under article 8 or 9) the transferee, if not already a party to the Members' Agreement, has entered into a deed of adherence to, and in the form required by, the Members' Agreement.
- 4.2 The Directors may only refuse to register a transfer of Shares which is either permitted under article 5 or made in accordance with articles 6, 7, 8 or 9 if:-
  - 4.2.1 the transfer has not been lodged at the Company's registered office (or such other place as the Directors may nominate for this purpose);
  - 4.2.2 the transfer is not accompanied by the certificate for the Shares to which it relates and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer;
  - 4.2.3 the transfer is in favour of more than 2 transferees; or
  - 4.2.4 the transfer has not been properly stamped or certified as being not liable to stamp duty.

In all other cases, the Directors must register such a transfer of Shares. Article 26(5) of the Model Articles shall not apply to the Company.
- 4.3 For the purposes of ensuring that:
  - 4.3.1 a transfer of any Share is in accordance with these Articles; or
  - 4.3.2 no circumstances have arisen whereby a Member is required to give or may be deemed to have given a Transfer Notice in respect of any Share; or

4.3.3 no circumstances have arisen whereby the provisions of article 9 are required to be or ought to have been triggered,

the Directors may from time to time require any Member to provide, or to procure that any person named as the transferee in any transfer lodged for registration or any other person whom the Directors reasonably believe to have information relevant to such purpose provides, such information and evidence as the Directors may require for such purpose. Pending such information or evidence being provided, the Directors are entitled to refuse to register any relevant transfer of Shares.

- 4.4 If any information or evidence provided pursuant to article 4.3 discloses to the reasonable satisfaction of the Directors that circumstances have arisen whereby a Member may be required to give or be deemed to have given a Transfer Notice, the Directors may, by notice in writing to the relevant Member, require that a Transfer Notice be given in respect of the Shares concerned.
- 4.5 In any case where a Member is required to give a Transfer Notice in accordance with the provisions of these Articles and such Transfer Notice is not duly given within a period of 10 Business Days of written notice from the Directors to the relevant Member requesting that such Transfer Notice be duly given, such Transfer Notice shall be deemed to have been given immediately upon the expiry of that period of 10 Business Days. Notwithstanding any other provision of these Articles, unless the Directors resolve otherwise, any Shares which are the subject of a Transfer Notice deemed to have been served in accordance with this article 4.5 (and any Shares received after the date of service, or deemed service, of any such Transfer Notice which are derived from any Share which is the subject of that Transfer Notice, whether by conversion, consolidation or sub-division, or by way of capitalisation, rights or bonus issue or otherwise) shall with effect from the date of the relevant Transfer Notice (or, if later, the date on which such Shares are issued), cease to confer upon the holder of such Shares any right to receive notice of, or attend, speak or vote at, any general meeting of the Company (or at any meeting of the holders of any class of Shares) or any right to receive or vote on any written resolution of the Company (or the holders of any class of Shares) until such time as another person is entered in the register of members of the Company as the holder of those Shares.
- 4.6 Notwithstanding any other provision of these Articles, an obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any Encumbrance.
- 4.7 Where any Shares are the subject of a Transfer Notice (including a Compulsory Transfer Notice deemed to have been given in accordance with article 7.2), no transfer of any such Shares shall be permitted pursuant to article 5.

## **5. Permitted transfers**

### **5.1 Transfer with consent**

Any Shares may be transferred at any time with the prior consent of the board of Directors.

### **5.2 Transfer to a Family Member**

5.2.1 Any individual Member may at any time transfer any of the Shares held by him to one or more of his Family Members.

5.2.2 Where, following a transfer of Shares pursuant to article 5.2.1, the transferee of those Shares ceases for any reason to be a Family Member of the original transferor of those Shares, such transferee shall forthwith, and in any event within 20 Business Days of the date on which the transferee ceased to be a Family Member of the original transferor,

transfer all the Shares held by him to the original transferor failing which the Directors may at any time authorise and instruct any Director to execute a transfer of the Shares on behalf of the relevant transferee and register the original transferor of those Shares as the holder of such Shares.

- 5.2.3 A Family Member to whom Shares have been transferred pursuant to this article 5.2 may transfer those Shares back to the original transferor at any time but may not otherwise transfer such Shares pursuant to this article 5.2 or article 5.3.

### **5.3 Transfer to a Family Trust**

- 5.3.1 Any individual Member may at any time transfer any of the Shares held by him to one or more trustees to be held on a Family Trust.

- 5.3.2 No transfer of Shares shall be permitted pursuant to article 5.3.1 unless the Directors are satisfied:-

5.3.2.1 with the terms of the instrument constituting the Family Trust;

5.3.2.2 with the identity of the proposed trustee(s) of the Family Trust; and

5.3.2.3 that no costs incurred in the setting up or administration of the Family Trust are to be paid by the Company.

- 5.3.3 Where any Shares are held by a trustee(s) on a Family Trust, those Shares may be transferred to:-

5.3.3.1 any new trustee(s) of the Family Trust appointed on a change in trustee(s);

5.3.3.2 the settlor of such Family Trust;

5.3.3.3 the trustees of another Family Trust which has the same settlor; or

5.3.3.4 any Family Member of the settlor of such Family Trust.

- 5.3.4 Where any Shares are held by a trustee(s) on a Family Trust and either:-

5.3.4.1 the relevant trust ceases to be a Family Trust in relation to the settlor; or

5.3.4.2 there ceases to be any beneficiaries of the Family Trust other than charities,

the trustee(s) shall forthwith, and in any event within 20 Business Days of the date on which the trust ceased to be such a Family Trust or there ceased to be any beneficiaries as above, transfer all the Shares held by them to the original transferor, failing which the Directors may at any time authorise and instruct any Director to execute a transfer of the Shares on behalf of the relevant transferee and register the original transferor of those Shares as the holder of such Shares.

## **6. Pre-emption on transfer of Shares**

### **6.1 Transfer Notice**

- 6.1.1 Except as permitted under article 5 (Permitted Transfers) or as provided for in article 8 (Drag Along) and article 9 (Tag Along), any Member (a "Seller") who wishes to transfer any Share (or any interest in any Share)

shall, before transferring or agreeing to transfer such Share (or interest), give notice in writing (a "**Transfer Notice**") to the Company of his wish.

6.1.2 Subject to article 6.1.3, a Transfer Notice shall:-

- 6.1.2.1 state the number and class of Shares (the "**Sale Shares**") which the Seller wishes to transfer;
- 6.1.2.2 state the name of the person (if any) to whom the Seller wishes to transfer the Sale Shares;
- 6.1.2.3 state the price per Share (the "**Proposed Price**") at which the Seller wishes to transfer the Sale Shares;
- 6.1.2.4 state if the Transfer Notice is conditional upon all (and not only part) of the Sale Shares being sold pursuant to this article 6 (a "**Total Transfer Condition**");
- 6.1.2.5 constitute the Company as the agent of the Seller in relation to the sale of the Sale Shares in accordance with this article 6; and
- 6.1.2.6 not be capable of variation or cancellation without the consent of the Directors or as provided for in article 6.2.4.

6.1.3 Where a Transfer Notice is one which is deemed to have been given by virtue of any provision of these Articles (including a Compulsory Transfer Notice deemed to have been served in accordance with article 7.2):-

- 6.1.3.1 it shall relate to all the Shares registered in the name of the Seller;
- 6.1.3.2 it shall not contain a Total Transfer Condition;
- 6.1.3.3 subject to article 7.3, the Transfer Price shall be such price as may be agreed between the Seller and the Directors within 10 Business Days of the date of service (or deemed service) of the Transfer Notice or if no price is agreed within such period or the Directors direct at any time during that period, the Fair Value determined in accordance with article 6.2.2;
- 6.1.3.4 it shall be irrevocable; and
- 6.1.3.5 subject to articles 4.5 and 7.6, the Seller may retain any Sale Shares for which Buyers (as defined in article 6.3.5) are not found provided that the Seller shall not at any time thereafter be permitted to transfer all or any of such retained Sale Shares pursuant to article 5.

## 6.2 Transfer Price

6.2.1 The Sale Shares will be offered for sale in accordance with this article 6 at the following price (the "**Transfer Price**"):-

- 6.2.1.1 subject to the consent of the Directors, the Proposed Price; or
- 6.2.1.2 such other price as may be agreed between the Seller and the Directors, within 10 Business Days of the date of service (or deemed service) of the Transfer Notice; or
- 6.2.1.3 if no price is agreed pursuant to article 6.2.1.2 within the period specified in that article, or if the Directors direct at

any time during that period, whichever is the lower of (i) the Proposed Price and (ii) the Fair Value.

6.2.2 If the Seller and the Directors are unable to agree on the Transfer Price in accordance with article 6.2.1.2 or if the Directors direct in accordance with article 6.2.1.3 (or article 6.1.3.3 in the case of a Transfer Notice which is deemed to have been given by virtue of any provision of these Articles), the Directors shall instruct the Auditors to determine and certify the Fair Value of the Sale Shares. The decision of the Auditors (who shall be deemed to act as an expert and not as an arbiter) shall be final and binding on the Members, save in the event of fraud or manifest error, and their costs for reporting on their opinion of the Fair Value shall, subject to article 6.2.3, be borne as directed by the Auditors (taking into account the conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, in the absence of any such direction, as to one half by the Seller and the other half by the Company.

6.2.3 Where either:

6.2.3.1 the Seller revokes the Transfer Notice in accordance with article 6.2.4; or

6.2.3.2 in the case of a Transfer Notice which is deemed to have been given by virtue of any provision of these Articles, the Fair Value is less than the price proposed by the Directors to the Seller not less than 5 Business Days prior to receipt of the Auditors' report on the Fair Value by the Company,

then the Auditors' fees shall be borne wholly by the Seller.

6.2.4 Where the Fair Value is less than the Proposed Price the Seller may revoke the Transfer Notice by notice in writing served on the Company within 5 Business Days of the date on which the notification of the Fair Value was first served on the Seller by the Company or the Auditors.

6.2.5 A Transfer Notice may not be revoked under article 6.2.4 if that Transfer Notice is stated to be irrevocable or is deemed to be irrevocable by virtue of any provision of these Articles.

### 6.3 Offer Notice

6.3.1 Subject to article 6.3.2, the Directors shall serve a notice (an "**Offer Notice**") on all Ordinary Shareholders within 10 Business Days of the Transfer Price being agreed or determined in accordance with these Articles.

6.3.2 An Offer Notice shall not be sent, and no Sale Shares shall be treated as offered to, the Seller or to any Ordinary Shareholder who, at the date of the Offer Notice, is bound to give, or has given or is deemed to have given a Transfer Notice in respect of any Shares registered in his name.

6.3.3 An Offer Notice shall:-

6.3.3.1 state the Transfer Price;

6.3.3.2 contain the other information set out in the Transfer Notice;

6.3.3.3 invite the relevant Ordinary Shareholder to respond in writing to the Company stating the number of Sale Shares which they wish to purchase; and

6.3.3.4 expire, and the offer made in that Offer Notice shall be deemed to be withdrawn, on a date which is not less than

10 nor more than 20 Business Days after the date of the Offer Notice.

- 6.3.4 Following the service of an Offer Notice on all Ordinary Shareholders and the expiry of the period specified in the Offer Notice (the "**Allocation Date**") the Directors shall allocate the Sale Shares in accordance with the applications received provided that:-
- 6.3.4.1 if there are applications for more than the number of Sale Shares available, the Sale Shares shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Sale Shares than he applied for) to the number of Shares (of the same class as the Sale Shares) held by each of them respectively;
  - 6.3.4.2 the allocation of any fractional entitlements to Sale Shares amongst the Ordinary Shareholders shall be dealt with by the Directors in such manner as they see fit; and
  - 6.3.4.3 no Sale Shares shall be allocated to any Ordinary Shareholder who, at the Allocation Date, is bound to give, or has given or is deemed to have given, a Transfer Notice (including a Compulsory Transfer Notice) in respect of any Shares registered in his name.
- 6.3.5 Within 5 Business Days of the Allocation Date the Directors shall give notice in writing (an "**Allocation Notice**") to the Seller and each Ordinary Shareholder to whom Sale Shares have been allocated pursuant to article 6.3.4 (each a "**Buyer**"). An Allocation Notice shall state:-
- 6.3.5.1 the number and class of Sale Shares allocated to that Buyer;
  - 6.3.5.2 the name and address of the Buyer;
  - 6.3.5.3 the aggregate purchase price payable by the Buyer in respect of the Sale Shares allocated to him;
  - 6.3.5.4 the information (if any) required pursuant to article 6.3.7; and
  - 6.3.5.5 subject to article 6.3.7, the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Allocation Notice) at which completion of the sale and purchase of the relevant Sale Shares shall take place.
- 6.3.6 Subject to article 6.3.7, completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the place, date and time specified in the Allocation Notice when the Seller will, upon payment of the Transfer Price in respect of the Sale Shares allocated to a Buyer, transfer those Sale Shares, and deliver the relevant share certificate(s) in respect of such Sale Shares, to that Buyer.
- 6.3.7 If the Transfer Notice contained a Total Transfer Condition and the total number of Shares applied for and allocated to the Buyers in accordance with article 6.3.4 is less than the total number of Sale Shares then:-
- 6.3.7.1 the Allocation Notice will refer to the Total Transfer Condition and will contain a further offer (the "**Further Offer**") to the Buyers inviting them to apply for further Sale Shares at the Transfer Price;

- 6.3.7.2 the Further Offer shall expire, and shall be deemed to be withdrawn, upon the expiry of the period (being not more than 20 Business Days) specified in the Allocation Notice;
- 6.3.7.3 any Sale Shares accepted by the Buyers pursuant to the Further Offer shall be allocated amongst them in accordance with the provisions of articles 6.3.4.1 to 6.3.4.3; and
- 6.3.7.4 following the allocation of any Sale Shares amongst the Buyers in accordance with article 6.3.4, and provided all the Sale Shares have then been allocated, the Directors shall issue revised Allocation Notices in accordance with article 6.3.5 but omitting article 6.3.5.4.
- 6.3.8 Subject to article 6.3.9, the service of an Allocation Notice (or a revised Allocation Notice in accordance with article 6.3.7) shall constitute the acceptance by a Buyer of the offer to purchase the number of Sale Shares specified in that Allocation Notice on the terms offered to that Buyer.
- 6.3.9 If after following the procedure set out in this article 6 the total number of Shares applied for and allocated to the Buyers remains less than the total number of Sale Shares, then:-
  - 6.3.9.1 if the Transfer Notice contained a Total Transfer Condition, then notwithstanding any other provision of this article 6 no Sale Shares shall be deemed to have been allocated to any Buyer and the Seller and the Buyers shall not be bound to sell or purchase any Sale Shares in accordance with this article 6; and
  - 6.3.9.2 the Company shall notify the Seller that it has failed to find Buyers for all or some (as the case may be) of the Sale Shares.
- 6.4 **Default by the Seller**
  - 6.4.1 If a Seller shall fail for any reason (including death) to transfer any Sale Shares to a Buyer when required by this article 6, the Directors may authorise any Director to execute each necessary transfer of Sale Shares on the Seller's behalf and to deliver that transfer to the relevant Buyer.
  - 6.4.2 The Company may receive the purchase money from a Buyer on behalf of the Seller and shall then, subject to due stamping, enter the name of that Buyer in the register of members of the Company as the holder of the Sale Shares so transferred to him. The receipt of the Company for the purchase money shall constitute a good discharge to the Buyer (who shall not be bound to see to the application of it) and after the Buyer has been registered in purported exercise of the power conferred by this article 6.4 the validity of the proceedings shall not be questioned by any person.
  - 6.4.3 The Company shall hold the relevant purchase money on trust for the Seller (but without interest) and the Company shall not pay such money to the Seller until he has delivered to the Company the share certificate(s) in respect of the relevant Shares (or a suitable indemnity in a form reasonably satisfactory to the Directors).

## **6.5 Transfers following exhaustion of pre-emption rights**

If any Sale Shares are not allocated to a Buyer under any of the previous provisions of this article 6 the Seller may, at any time within 3 calendar months of the date of service of the notice referred to in article 6.3.9.2, sell any of those unallocated Sale Shares to the person named in the Transfer Notice (or, if none was so named, any other person) at not less than the Transfer Price (without any deduction, rebate or allowance to the proposed purchaser) provided that:-

- 6.5.1 no Share shall be sold to, and the Directors shall not register a transfer to, a person who is not already a Member without the prior written consent of the Directors;
- 6.5.2 if the Transfer Notice contained a Total Transfer Condition, the Seller shall not be entitled to sell only some of the Sale Shares without the prior written consent of the Directors; and
- 6.5.3 the Directors may require to be satisfied that the relevant Sale Shares are being transferred under a bona fide sale for the consideration stated in the transfer without deduction, rebate or allowance to the proposed purchaser and, if not so satisfied, may refuse to register the transfer (without prejudice to any power of the Directors to refuse to register a transfer in accordance with article 4); and
- 6.5.4 the Directors shall not register the transfer if as a result of such transfer the proposed purchaser would be required to make an offer in accordance with article 9 until such time as that offer has been made and, if accepted, completed.

## **7. Compulsory transfers**

7.1 In this article 7 each of the following shall be a "**Transfer Event**" in relation to any Member:-

- 7.1.1 in the case of an individual Member:-
  - 7.1.1.1 the death of that Member;
  - 7.1.1.2 an order being made for the bankruptcy of that Member or a petition being presented for such bankruptcy which petition is not withdrawn or dismissed within 10 Business Days of being presented;
  - 7.1.1.3 the Member convening a meeting of his creditors or circulating a proposal in relation to, or taking any other steps with a view to, making an arrangement or composition in satisfaction of his creditors generally;
  - 7.1.1.4 the Member being unable to pay his debts as they fall due (within the meaning of section 268 Insolvency Act 1968);
  - 7.1.1.5 any proceedings or orders equivalent or analogous to any of those described in articles 7.1.1.2 to 7.1.1.4 above occurring in respect of the Member under the law of any jurisdiction outside Scotland;
  - 7.1.1.6 that Member suffering from mental disorder and being admitted to hospital or, by reason of his mental health, being subject to any court order which wholly or partly prevents that Member from personally exercising any powers or rights which that Member would otherwise have;

- 7.1.1.7 that Member, being a director or employee of the Company, ceasing to be such a director or employee; or
- 7.1.1.8 that Member breaching any material provision of these Articles or the Members' Agreement which breach, if capable of remedy, has not been remedied to the satisfaction of the Directors within 10 Business Days of a notice from the Directors to the Member requesting such remedy.
- 7.2 Upon the Directors notifying the Company that an event is a Transfer Event in respect of a Member in accordance with article 7.1, the Relevant Shareholder and any other person holding Compulsory Transfer Shares, shall, unless otherwise agreed by the board of Directors, be deemed to have served a Transfer Notice (a "**Compulsory Transfer Notice**") in respect of all the Compulsory Transfer Shares held from time to time by each of them respectively. A Compulsory Transfer Notice shall supersede any current Transfer Notice in respect of any Compulsory Transfer Shares.
- 7.3 The Compulsory Transfer Shares shall be offered for sale in accordance with the provisions of article 6 as if the Compulsory Transfer Shares were Sale Shares except that where the relevant Transfer Event falls within the provisions of article 7.1.1.7, the Transfer Price in respect of the Compulsory Transfer Shares shall be:-
  - 7.3.1 where the Relevant Shareholder is a Bad Leaver, whichever is the lower of:
    - 7.3.1.1 their Fair Value; and
    - 7.3.1.2 their Issue Price, or
  - 7.3.2 where the Relevant Shareholder is a Good Leaver, their Fair Value.
- 7.4 Any dispute as to whether the provisions of article 7.3.1 or 7.3.2 apply in relation to any Compulsory Transfer Notice shall not affect the validity of a Compulsory Transfer Notice nor shall it delay the procedure to be followed under article 6 in respect of such notice.
- 7.5 For the purposes of article 7.1.1.7 the date of cessation of a Member's directorship or employment shall be (or be deemed to be) whichever is the first to occur of:-
  - 7.5.1 the date of a notice given by the Company to the Member terminating (or purporting to terminate) that Member's directorship or employment with the Company (or, if later, the date specified in any such notice as being the termination date);
  - 7.5.2 the date of a notice given by a Member to the Company terminating (or purporting to terminate) that Member's directorship or employment with the Company (or, if later, the date specified in any such notice as being the termination date);
  - 7.5.3 in any circumstances other than those specified in articles 7.5.1 or 7.5.2, the date on which the Member actually ceases to be a director or employee of the Company.
- 7.6 Notwithstanding any other provision of these Articles, unless the Directors resolve otherwise, any Compulsory Transfer Shares shall, with effect from the date of the relevant Compulsory Transfer Notice (or, if later, the date on which such Shares are issued), cease to confer upon the holder of those Shares any right to receive notice of, or attend, speak or vote at, any general meeting of the Company or any right to receive or vote on any written resolution of the Company until such time as another

person is entered in the register of members of the Company as the holder of those Compulsory Transfer Shares (or other Shares).

7.7 Articles 27(2)(a) and 28 of the Model Articles shall not apply to the Company.

8. **Drag along**

8.1 If Members constituting a Shareholder Majority (together the "**Selling Members**") wish to transfer all their Shares to a proposed purchaser (the "**Proposed Purchaser**"), they shall have the option (a "**Drag Along Option**") to require all of the other Members (the "**Remaining Members**") to transfer all their Shares with full title guarantee to the Proposed Purchaser (or as the Proposed Purchaser shall direct) in accordance with this article 8.

8.2 The Selling Members shall exercise the Drag Along Option by giving notice to that effect (a "**Drag Along Notice**") to each of the Remaining Members at any time before the registration of the transfer of the Selling Members' Shares. A Drag Along Notice shall specify:-

8.2.1 that the Remaining Members are required to transfer all their Shares (the "**Remaining Shares**") pursuant to this article 8;

8.2.2 the identity of the Proposed Purchaser;

8.2.3 the consideration for which, or the price at which, the Remaining Shares are to be transferred, determined in accordance with article 8.4 (the "**Drag Along Consideration**"); and

8.2.4 the proposed date of transfer (if known).

8.3 A Drag Along Notice:-

8.3.1 may be revoked by the Selling Members at any time prior to the completion of the sale and purchase of the Remaining Shares; and

8.3.2 shall lapse if for any reason the sale of the Selling Members' Shares to the Proposed Purchaser is not completed within 40 Business Days of the date of service of the Drag Along Notice (such lapse being without prejudice to the right of the Selling Members to serve any further Drag Along Notice following such lapse).

8.4 The Drag Along Consideration shall be the same consideration per Remaining Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Proposed Purchaser in respect of each Share held by the Selling Members together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Selling Members which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Shares held by those Selling Members.

8.5 If the Drag Along Consideration cannot be agreed between the Proposed Purchaser and the holders of not less than 50% of the Remaining Shares within 10 Business Days of the date of the Drag Along Notice, such matter shall be referred for determination to the Auditors (in accordance with article 20) and, pending their determination, the sale or transfer of the Selling Members' Shares shall have no effect and shall not be registered.

8.6 Completion of the sale and purchase of the Remaining Shares shall take place on the same date as completion of the sale and purchase of the Selling Members' Shares (unless the Directors and all of the Remaining Members shall agree otherwise).

- 8.7 Upon the service of a Drag Along Notice each Remaining Member shall be deemed to have irrevocably appointed each of the Selling Members (severally) as the agent of the Remaining Member to execute, in the name of and on behalf of that Remaining Member, any stock transfer form in respect of the Remaining Shares registered in the name of that Remaining Member and to do such other things as the agent may consider necessary or desirable to transfer and complete the sale of the Remaining Shares pursuant to this article 8.
- 8.8 The provisions of this article 8 shall prevail over any contrary provisions of these Articles and, for the avoidance of doubt, the rights of pre-emption and other restrictions on transfer of Shares contained in these Articles shall not apply to the transfer of any Shares to a Proposed Purchaser named in a Drag Along Notice (or as that Proposed Purchaser may direct). Any Transfer Notice or Compulsory Transfer Notice served in respect of a Share which has not been allocated to a Buyer in accordance with article 6 shall automatically be revoked by the service of a Drag Along Notice.
- 8.9 Upon any person (a "**New Member**") becoming, at any time after the service of a Drag Along Notice, a registered holder of any Share pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Shares, a Drag Along Notice, on the same terms as the then current Drag Along Notice, shall immediately be deemed to have been served upon that New Member. Upon the deemed service of a Drag Along Notice pursuant to this article 8.9 the New Member shall become bound to sell and transfer to the Proposed Purchaser (or as the Proposed Purchaser may direct) any Share acquired by him as a result of the exercise of any such option, warrant or other right to subscribe for or acquire Shares. The provisions of this article 8 shall apply mutatis mutandis to the sale of any such Shares by such New Member provided that completion of the sale and purchase of those Shares shall take place on whichever is the later of:-
- 8.9.1 the date on which a Drag Along Notice is deemed to have been served on the New Member pursuant to this article 8.9; and
- 8.9.2 the date of completion of the sale and purchase of the Remaining Shares pursuant to the original Drag Along Notice.
9. **Tag along**
- 9.1 Subject to article 8 and save in the case of a transfer of Shares which is permitted in accordance with the provisions of article 5, but otherwise notwithstanding any other provision of these Articles, no sale or other disposition of any Shares (the "**Committed Shares**") which would result in a Change of Control shall be made or registered unless before the transfer is lodged for registration the relevant Third Party Purchaser has made a bona fide offer (a "**Tag Along Offer**") by notice in writing (a "**Tag Along Notice**") to acquire, in accordance with this article 9, from all the Members other than the Third Party Purchaser (or persons connected with or acting in concert with him) all the Shares which are not Committed Shares (the "**Uncommitted Shares**") for the consideration, or at the price, (the "**Tag Along Consideration**") calculated in accordance with articles 9.3 and 9.4.
- 9.2 A Tag Along Notice shall:-
- 9.2.1 state the Tag Along Consideration (subject to article 9.4);
- 9.2.2 state the identity of the Third Party Purchaser;
- 9.2.3 invite the relevant offerees to respond in writing to the Third Party Purchaser stating that they wish to accept the Tag Along Offer; and

- 9.2.4 subject to article 9.4.1, expire, and the offer made in that notice to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on the date (being not less than 5 nor more than 20 Business Days after the date of the Tag Along Notice) specified in that notice.
- 9.3 For the purposes of this article 9, the Tag Along Consideration shall be the same consideration per Uncommitted Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of each Committed Share together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Committed Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Committed Shares.
- 9.4 If the Tag Along Consideration cannot be agreed between the Third Party Purchaser and the holders of not less than 50% of the Uncommitted Shares within 10 Business Days of the date of the Tag Along Notice, such matter shall be referred for determination to the Auditors (in accordance with article 20) and, pending their determination:-
- 9.4.1 the period specified in the Tag Along Notice for acceptance of the Tag Along Offer shall not start to run until such time as the Auditors' determination of the Tag Along Consideration is served on the Third Party Purchaser and the Members holding Uncommitted Shares; and
- 9.4.2 the sale or transfer of the Committed Shares shall have no effect and shall not be registered.
- 10. General meetings**
- 10.1 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Two Ordinary Shareholders present either in person or by proxy shall be a quorum.
- 10.2 Article 41 of the Model Articles shall be amended by the addition of the following as a new paragraph 41(7) in that article: "If within half an hour of the time appointed for the holding of an adjourned meeting a quorum is not present, the meeting shall be dissolved".
- 10.3 Article 39 of the Model Articles shall not apply to the Company.
- 10.4 A poll may be demanded at any general meeting by:-
- 10.4.1 the chairman; or
- 10.4.2 any Member present (in person or by proxy) and entitled to vote on the relevant resolution.
- 10.5 Article 44(2) of the Model Articles shall not apply to the Company.
- 10.6 Article 44(3) of the Model Articles shall be amended by the insertion of the following as a new paragraph at the end of that article: "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.".
- 10.7 Article 45(1) of the Model Articles shall be amended as follows:-
- 10.7.1 by the deletion of the words in Article 45(1)(d) and the insertion in their place of the following: "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 exercised

- and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate."; and
- 10.7.2 by the insertion of the following as a new paragraph at the end of Article 45(1): "and a proxy notice which is not delivered in such manner shall be invalid unless the Directors, in their discretion accept the proxy notice at any time before the meeting."
- 10.8 The Company shall not be required to give notice of a general meeting to a Member:-
- 10.8.1 whose registered address is outside the United Kingdom unless he has provided an address for service within the United Kingdom; or
- 10.8.2 for whom the Company no longer has a valid United Kingdom address.
- 11. Appointment and removal of Directors**
- 11.1 Unless and until determined otherwise by ordinary resolution of the Company, the number of Directors (other than alternate directors) shall not be less than 2 nor more than 6 and is not subject to any maximum.
- 11.2 In any case where, as a result of death or bankruptcy, the Company has no Members and no Directors, the transmittee(s) of the last Member to have died or to have a bankruptcy order made against him (as the case may be) has the right, by notice in writing, to appoint a natural person who is willing to act and is permitted to do so, to be a Director. Article 27(3) of the Model Articles shall be modified accordingly.
- 12. Alternate Directors**
- 12.1 Any Director (in this article 12, an "**appointor**") may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:-
- 12.1.1 exercise that director's powers; and
- 12.1.2 carry out that director's responsibilities,
- in relation to the taking of decisions by the Directors, in the absence of the alternate's appointor.
- 12.2 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.
- 12.3 The notice must:-
- 12.3.1 identify the proposed alternate; and
- 12.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.
- 12.4 An alternate Director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor.
- 12.5 Save as provided otherwise in these Articles, alternate Directors:-
- 12.5.1 are deemed for all purposes to be Directors;
- 12.5.2 are liable for their own acts and omissions;
- 12.5.3 are subject to the same restrictions as their appointors; and
- 12.5.4 are not deemed to be agents of or for their appointors,

and, in particular, each alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member.

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

12.6.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

12.6.2 may participate in a unanimous decision of the Directors (but only if his appointor is an Eligible Director in relation to that decision and does not himself participate); and

12.6.3 shall not be counted as more than one Director for the purposes of articles 12.6.1 and 12.6.2.

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

**12.8 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the remuneration of the alternate's appointor as the appointor may direct by notice in writing to the Company. An alternate Director shall be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director.**

**12.9 The appointment of an alternate Director terminates:-**

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

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

12.9.3 on the death of the alternate's appointor;

12.9.4 when the appointment of the alternate's appointor as a Director terminates; or

12.9.5 when written notice from the alternate, resigning his office, is received by the Company.

**13. Proceedings of Directors**

**13.1 Save where the Company has a sole Director, two Eligible Directors, present either in person or by a duly appointed alternate, shall be a quorum. For the purpose of any meeting held to authorise a director's conflict of interest under article 15 or section 175 of the Act if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting shall be one Eligible Director. Article 11(2) of the Model Articles shall not apply to the Company.**

**13.2 If the number of votes for and against a proposal at a Directors' meeting are equal, the chairman shall not have a casting vote, and the chairman shall also not have a casting vote if he is not an Eligible Director for the purposes of the relevant directors' decision. Article 13 of the Model Articles shall not apply to the Company.**

**14. Transactions or other arrangements with the Company**

**14.1 Subject to sections 177 and 182 of the Act, and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director**

who is in any way (whether directly or indirectly) interested in an existing or proposed transaction or arrangement with the Company:-

- 14.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
  - 14.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or a committee of Directors) in respect of such contract or proposed contract in which he is interested;
  - 14.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision of the Directors, in respect of such contract or proposed contract in which he is interested;
  - 14.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
  - 14.1.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
  - 14.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.
- 14.2 Articles 14(1) to 14(4) of the Model Articles shall not apply to the Company.
15. **Directors' conflicts of interest**
- 15.1 The Directors may, in accordance with the requirements set out in this article 15, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Act to avoid conflicts of interest (a "**Conflict**").
- 15.2 Any authorisation under this article will be effective only if:-
- 15.2.1 the matter in question shall have been proposed by any Director for consideration at a meeting of Directors in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
  - 15.2.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question; and
  - 15.2.3 the matter was agreed to without the Director in question or would have been agreed to if his vote had not been counted.
- 15.3 Any authorisation of a Conflict under this article 15 may (whether at the time of giving the authorisation or subsequently):-
- 15.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;

- 15.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine; and
  - 15.3.3 be terminated or varied by the Directors at any time.
- This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation.
- 15.4 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to:-
    - 15.4.1 disclose such information to the Directors or to any Director or other officer or employee of the Company; or
    - 15.4.2 use or apply any such information in performing his duties as a Director, where to do so would amount to a breach of that confidence.
  - 15.5 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide that the Director:-
    - 15.5.1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict;
    - 15.5.2 is not given any documents or other information relating to the Conflict; and
    - 15.5.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict.
  - 15.6 Where the Directors authorise a Conflict:-
    - 15.6.1 the relevant Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict; and
    - 15.6.2 the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation.
  - 15.7 A Director may, notwithstanding his office, be a director or other officer of, or employed by or otherwise interested in:-
    - 15.7.1 any company in the same group of companies of which the Company forms part from time to time; or
    - 15.7.2 any Member who appointed him as a Director (or any company which is for the time being a subsidiary or holding company of that Member or another subsidiary of such holding company),

and no authorisation under article 15.1, shall be necessary in respect of such interest.
  - 15.8 A Director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

**16. Secretary**

The Directors may appoint any person who is willing to act as the Secretary of the Company for such term, on such remuneration and on such conditions as they may think fit and may from time to time remove or replace such person.

**17. Service of Documents**

17.1 Any notice, document or other information given in accordance with these Articles shall be deemed served on or delivered to the intended recipient:-

- 17.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;
- 17.1.2 if properly addressed and sent by reputable international overnight courier to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, 5 Business Days after posting provided that delivery in at least 5 Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider;
- 17.1.3 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 17.1.4 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 17.1.5 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article 17.1, no account shall be taken of any part of a day that is not a working day.

17.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

**18. Indemnity**

18.1 Subject to article 18.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:-

- 18.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported lawful and proper execution and/or discharge of his duties, including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company; and
- 18.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 18.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

- 18.2 This article 18 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.
- 18.3 In this article 18 and in article 19 a "**relevant officer**" means any director or other officer or former director or other officer of the Company, but excluding any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).
- 18.4 Article 52 of the Model Articles shall not apply to the Company.
19. **Insurance**
- 19.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any loss or liability which has been or may be incurred by that relevant officer in connection with his duties or powers in relation to the Company.
- 19.2 Article 53 of the Model Articles shall not apply to the Company.
20. **Disputes**
- 20.1 Where these Articles provide for any dispute in relation to a particular matter to be determined pursuant to this article 20, such dispute shall be referred, at the request of any Member or Director, to the Auditors. The decision of the Auditors (who shall be deemed to act as an expert and not as an arbitrator) shall, save in the event of fraud or manifest error, be final and binding on the Company and the Members.
- 20.2 The cost of such reference shall be borne as directed in the relevant article or, where no such direction is given, by the party or parties named by the Auditors (taking into account the conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, where no such party is named by the Auditors, equally by the parties concerned.