

Company Number 06250955

The Companies Act 2006

Private Company Limited By Shares

ARTICLES OF ASSOCIATION

of

RESIDENT HOTELS LIMITED

(the Company)

(Adopted by special resolution on 10 July 2023)



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1 PRELIMINARY

- 1.1 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 shall together with these Articles constitute the articles of association of the Company.
- 1.2 Model articles 11(2), 12, 13, 14(1) to (4) (inclusive), 17(2), 26(5), 44(2), 49, and 51 to 53 (inclusive) shall not apply to the Company.
- 1.3 Model article 20 shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 1.4 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".

2 INTERPRETATION

- 2.1 In these Articles:

A/B Opening Value	£2,000,000.
Act	means the Companies Act 2006 including any statutory modification or re-enactment thereof in force at the date of adoption of these Articles.
address	in relation to electronic communications, includes any number or address used for the purposes of such communications.
Adjusted Opening Value	means the sum calculated in accordance with Article 4.3.2.2(ii).
Adjusted Sustainable EBITDA	means: <ul style="list-style-type: none">• if the Crystallisation Event is the Calculation Date, the simple annual average of the EBITDA for the financial year to the Calculation Date, the budgeted EBITDA (as, at the Calculation Date, was approved by the Board) for the year ending 31 December 2027 and the forecast EBITDA (as, at the

Calculation Date, was approved by the Board) for the year ending 31 December 2028; and

- if the Crystallisation Event is an Exit, the simple annual average of the EBITDA for the financial year prior to year in which the Exit occurs, the forecast EBITDA for the year in which the Exit occurs (being, as at the date of Exit, the latest such forecast previously approved by the Board) and the forecast EBITDA for the year following the year in which the Exit occurs (being, as at the date of Exit, the latest such forecast previously approved by the Board);

in each case as determined by the Auditors in their sole discretion and in each case taking into account only those revenues resulting from contracted unconditional hotel management agreements entered into by the Company as at the Crystallisation Date and disregarding any revenues generated from any other source.

Adoption Date

means the date of adoption of these Articles.

Affiliate

with respect to any company, any other company that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, such company. For purposes of this definition "control" (including the terms "controlled by" and "under common control with"), means the ability to direct the affairs of another whether by virtue of the ownership of shares, contract or otherwise.

A Growth Shares

the 1,000 redeemable shares of £0.01 each in issue in the capital of the Company as at the Adoption Date and designed as A Growth Shares.

Allocated Percentage

means:

- in the case of the A Growth Shares, an aggregate of 10% of the Allocation Amount (attaching to the A Growth Shares pro rata);
- in the case of the B Growth Shares, an aggregate of 6% of the Allocation Amount (attaching to the B Growth Shares pro rata); and
- in the case of the C Growth Shares, an aggregate of 4% of the Allocation Amount (attaching to the C Growth Shares pro rata).

Allocation Amount	has the meaning given in Article 4.3.2.2(ii).
Allocation Notice	has the meaning given in Article 4.3.2.4.
Articles	means the articles of association of the Company for the time being in force.
Associated Company	has the meaning given to it in section 25(4) of the Corporation Tax Act 2010.
Auditors	the Company's auditors from time to time unless they decline the instruction, in which case Auditors shall mean such independent accountants as the Company may in its discretion appoint for this purpose, in each case who shall act as experts and not as arbitrators.
Bad Leaver	<p>an Employee who ceases to be an Employee as a consequence of:</p> <ul style="list-style-type: none"> • such person's resignation as an Employee, except in circumstances which constitute a constructive, wrongful and/or unfair dismissal save in the case that unfair dismissal is as a result of a procedural defect; or • that person's dismissal as an Employee for cause, where "cause" shall mean: (i) the lawful termination of that person's contract of employment or consultancy without notice or payment in lieu of notice as a consequence of that person's misconduct or as otherwise permitted pursuant to the terms of that person's contract of employment or consultancy; and/or (ii) that person's fair dismissal pursuant to section 98(2) (a) (capability) or 98(2) (b) (conduct) of the Employment Rights Act 1996; or • that person leaving or being dismissed during their probation period for any reason whatsoever.
B Growth Shares	the 600 redeemable shares of £0.01 each in issue in the capital of the Company as at the Adoption Date and designed as B Growth Shares.
Board	the board of directors of the Company as constituted from time to time.
Calculation Date	31 December 2026.
Capital Value	has the meaning given in Article 4.3.2.3.
C Growth Shares	the 400 redeemable shares of £0.01 each in issue in the capital of the Company as at the Adoption Date and designed as C Growth Shares.

clear days	in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
communication	includes a communication comprising sounds or images or both and a communication effecting payment.
Controlling Interest	an interest in shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.
C Opening Value	£3,000,000.
CPI	the consumer price index or any replacement index published by the Office of National Statistics or any successor body from time to time.
Crystallisation Date	the date on which a Crystallisation Event occurs.
Crystallisation Event	the earlier of: <ul style="list-style-type: none"> • an Exit; • the payment of any capital return (whether by way of liquidation, capital reduction or otherwise); or • the Calculation Date.
Debt	as at the date of the Crystallisation Event, the aggregate amount of the Company's borrowings and other financial indebtedness in the nature of borrowing including all unpaid accrued interest on any borrowings or indebtedness and any Shares or element of Shares shown as liabilities as required by applicable accounting standards but excluding all Working Capital Debt and any uncertainty as to whether an amount is Debt shall be determined by the Auditors in their sole discretion.
Deemed Dividends	has the meaning given in Article 4.3.2.5
Departing Employee	a holder of Growth Shares who ceases to be a director or employee of, or consultant to, the any Group Company, or become a director or employee or consultant of any Group Company.
Disposal	the disposal by the Company of all, or a substantial part of, its business and assets.
Drag-Along Right	has the meaning given in Article 9.1.

EBITDA	means the Group Companies' earnings before interest, taxes, depreciation and amortisation calculated in accordance with UK GAAP.
electronic communication	means a communication transmitted (whether from one person to another, from one device to another or from a person to a device or vice versa).
Employee	an individual who is, or has been, a director and/or an employee of, or who does provide or has provided consultancy services to, the Company.
End Value	the sum being: (Adjusted Sustainable EBITDA as at the Crystallisation Date x 7.5) less Debt.
Executed	includes any mode of execution.
execution by corporate bodies	execution on behalf a body corporate shall be sufficient if effected by a director or the secretary of such body corporate or by a person who has been duly appointed as the attorney of such body corporate or who has been authorised by such body corporate in accordance with the Act.
Excess Shares	has the meaning given in Article 6.3.3.
Exit	means a Share Sale or a Disposal.
Family Member	the wife, husband, brother, sister, children and grandchildren (including step and adopted children and grandchildren) of the holder
Family Trust	means a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of the holder or any of the holder's Family Members and under which no power of control over the voting powers conferred by any shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees of the trust or such holder or any of his Family Members.
Good Leaver	an Employee who ceases to be an Employee and who is not a Bad Leaver.
Group Company	the Company or any subsidiary or holding company of the Company, or any subsidiary of any such holding company, or any Associated Company or any of the aforementioned.
Growth Shares	the redeemable A Growth Shares, the B Growth Shares and the redeemable C Growth Shares,

	together with any other shares of £0.01 each designated as Growth Shares from time to time.
holder	in relation to shares means the member whose name is entered in the register of members as the holder of the shares.
Hurdle IRR Rate	the higher of: <ul style="list-style-type: none"> • 4% per annum; and • CPI per annum.
MHHL	Mactaggart Hotel Holdings Limited, a company incorporated and registered in England and Wales (company number 09760601) whose registered office is at 2 Babmaes Street, London SW1Y 6HD.
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.
notices and resolutions	references to any notice or resolution in writing includes either: (a) a single document or a single communication; or (b) more than one document and/or communication the content of each of which is in the same terms and each of which has been executed and/or delivered by or on behalf of one or more of the persons required to do so. The date of any such notice or resolution shall be when it is signed, executed or delivered (as appropriate) by or on behalf of the last person required to do so.
Other Holders	has the meaning given in Article 8.1.
Ordinary Shares	the ordinary non-redeemable shares of £0.01 each designated as Ordinary Shares from time to time.
Permitted Transfer	has the meaning given in Article 7.14.
Permitted Transferee	has the meaning set out at Article 7.15.
Prescribed Price	has the meaning given in Article 7.7.
Proposing Transferor	has the meaning given in Article 7.6.
Proceeds of Sale	means the consideration payable (including any referred and/or contingent consideration) whether in cash or otherwise to those shareholders selling Shares under a Share Sale.
purchasers	has the meaning given in Article 7.9.

Redemption Notice	has the meaning given in Article 4.4.2.
seal	means the common seal (if any) of the Company.
Secretary	means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary.
Selling Holder	has the meaning given in Article 8.1.
Shares	means any share, however described, issued in the share 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 identities of the shareholders in the buyer and the proportion of shares of the buyer held by each of them following completion of the sale are the same as the identities of the holders and their respective shareholdings in the Company immediately before the sale.
Tag Along Right	has the meaning given in Article 8.1.
Termination Date	means: <ul style="list-style-type: none"> • where employment ceases by virtue of notice given by the employer to the employee, the date on which notice of termination was served; • 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; • where an Employee dies, the date of his death; • where the Employee concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the Company is terminated; or • in any other case, the date on which the employment or holding of office is terminated.
Transfer Notice	has the meaning given in Article 7.6.
Trigger Date	31 December 2028.
United Kingdom	means Great Britain and Northern Ireland.
Working Capital Debt	means any liability of the Company that under applicable accounting standards represents trade

creditors, a tax liability or accruals and any other amount that is not Debt as determined by the Auditors in their sole discretion.

registered office

means the registered office of the Company from time to time.

writing

references to "writing" include printing, lithography, photography, email and any other method of electronic communication and (notwithstanding any other provision of these Articles) any such electronic communication which is made by or with the authority of the person by or on whose behalf it purports to be made, need not be signed or executed by or on behalf of that person.

- 2.2 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 2.3 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 2.4 Unless expressly provided otherwise, a reference to legislation or a legislative provision is a reference to it as amended, extended or re-enacted from time to time, and a reference to legislation or a legislative provision shall include all subordinate legislation made from time to time under that legislation or legislative provision.
- 2.5 Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 2.6 Where the context permits, other and otherwise are illustrative and shall not limit the sense of the words preceding them.
- 2.7 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.

3 SHARE CAPITAL

- 3.1 As at the Adoption Date, the Company has two classes of share, being Ordinary Shares and Growth Shares.
- 3.2 The Company may create new classes of share from time to time, but shall not amend the rights attaching to the any of the classes of share as at the Adoption Date without the consent of holders holding at least 75% of the issued shares of that class.
- 3.3 Except as otherwise provided in these Articles, all classes of share shall rank *pari pasu* in all respects.
- 3.4 If there are no shares of any class remaining in issue, then until further shares of that class are issued, the Articles shall be read as if they did not include any reference to that class of share.

- 3.5 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by the Articles or by law) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the holder.

4 RIGHTS ATTACHING TO SHARES

4.1 Voting

4.1.1 The holders of the Ordinary Shares shall have the right to receive notice of, attend and vote at any general meeting of the Company and to receive a copy of and vote on all written resolutions of the Company.

4.1.2 The holders of the Growth Shares shall have no right to receive notice of, attend or vote at any general meetings of the Company nor to receive a copy of or vote on any written resolutions of the Company.

4.2 Dividends

4.2.1 The holders of the Ordinary Shares shall have the right to participate in the profits of the Company available for distribution and the right to receive a dividend in each case declared in accordance with Article 18.

4.2.2 The holders of the Growth Shares shall have no right to participate in any profits of the Company available for distribution and shall have no right to receive a dividend.

4.3 Capital

4.3.1 The holders of the Ordinary Shares shall have the right to participate in any distribution of capital, whether by way of a liquidation, capital reduction or otherwise, subject always to any capital return due to the holders of the Growth Shares as set out in Article 4.3.2.

4.3.2

4.3.2.1 The Growth Shares shall have the right to participate in any distribution of capital, whether by way of a liquidation, capital reduction or otherwise, up to their Allocated Percentage (subject always to Article 4.3.2.3).

4.3.2.2 On a Crystallisation Event, the Company shall instruct the Auditors:

- (i) to calculate the End Value of the Company as at the Crystallisation Date; and
- (ii) once ascertained, to calculate: (i) the **Adjusted Opening Value**, by reference to (a) the A/B Opening Value (in respect of the A Growth Shares and the B Growth Shares) and the C Opening Value (in respect of the C Growth Shares) and (b) the Hurdle IRR Rate and (c) taking into account any intervening dividend payments (including Deemed Dividends) to appropriately reduce the A/B Opening Value and/or the C Growth Value (as the case may be) and (ii) whether the End

Value exceeds the Adjusted Opening Value (and so that if it does, the excess shall be the **Allocation Amount**).

- 4.3.2.3 To the extent that the Auditors determine there is an Allocation Amount, the holders of the Growth Shares shall be entitled to their respective Allocated Percentage of any such Allocation Amount (the Capital Value).
- 4.3.2.4 The Auditors shall notify the directors and the holders of the Growth Shares in writing as soon as reasonably practicable after calculating the Capital Value including details of their calculations (the **Allocation Notice**) and such calculations shall be final and binding in the absence of manifest error.
- 4.3.2.5 The holders of the Ordinary Shares may in their sole discretion instruct the directors to reduce or eliminate any dividend that the directors might otherwise have declared in the normal course of business having regard to the financial needs of the business (**Deemed Dividends**). To the extent that Deemed Dividends reduce the dividend which would otherwise have been paid, the calculation for the Adjusted Opening Value will take into account the payment of a dividend at the rate that would otherwise have been paid.
- 4.3.2.6 To the extent there are insufficient monies available to pay the Capital Value then due, the amount then paid shall be apportioned pro rata between the A Growth Shares, the B Growth Shares and the C Growth Shares and the balance thereof shall remain outstanding and paid at the next Crystallisation Event (so that on any subsequent Crystallisation Event any Capital Value shall be reduced to take into account amounts paid on the Growth Shares to date).

4.4 Exit provisions

- 4.4.1 On a Share Sale the Proceeds of Sale shall be distributed in the order set out in Article 4.3 and the Directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed save in respect of any Shares not sold in connection with that Share Sale provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale:
 - 4.4.1.1 the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the order set out in Article 4.3; and
 - 4.4.1.2 the holders shall take any action required to ensure that the Proceeds of Sale in their entirety are distributed in the order set out in Article 4.3.
- 4.4.2 In the event that the Proceeds of Sale are distributed on more than one occasion (for any deferred or contingent consideration or otherwise), the consideration so distributed on any further occasion shall be paid by continuing the distribution from the previous distribution of consideration in the order set out in Article 4.3.
- 4.4.3 On a Disposal the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order set out in Article 4.3.

4.5 Redemption

- 4.5.1 The Ordinary Shares shall not be redeemable.
- 4.5.2 The Growth Shares shall be redeemable (in whole or in part and relating to one or both sub-classes of Growth Share at the discretion of the Company) at any time after the Trigger Date (but not before) at the option of the Company by the giving of written notice to holder(s) of the Growth Shares (a **Redemption Notice**).
- 4.5.3 The Redemption Notice shall state:
 - 4.5.3.1 the class and number of Growth Shares being redeemed;
 - 4.5.3.2 the redemption price, which shall be the same as the Capital Value calculated in accordance with Article 4.4.3 as if a Crystallisation Event had occurred on the date proposed for the redemption of such Shares; and
 - 4.5.3.3 the date for completion of the redemption, which may at the discretion of the Company take place in tranches over a period of three years from the date of and as specified in the Redemption Notice.
- 4.5.4 Once given, a Redemption Notice shall be irrevocable unless unanimously approved by the directors.
- 4.5.5 At completion as specified in the Redemption Notice the holder of the Growth Shares and the Company shall enter into such documentation as shall be required to give effect to the redemption and if the holder of the Growth Shares fails to execute any such documents, he is deemed to have irrevocably appointed any person nominated for the purpose by the Company to be his agent and attorney to execute all necessary documents on his behalf, against receipt of which by the Company the directors shall complete the redemption of such Growth Shares.
- 4.5.6 Upon completion of any redemption of Growth Shares:
 - 4.5.6.1 the register of members shall be updated with respect to the Growth Shares that have been redeemed; and
 - 4.5.6.2 the Growth Shares then being redeemed shall be cancelled or become treasury shares as determined by the directors.

5 AUTHORITY TO ALLOT SHARES

- 5.1 Subject to the provisions of these Articles, the directors are generally and unconditionally authorised for the purpose of section 551 of the Act to exercise any power of the Company to:
 - 5.1.1 offer or allot;
 - 5.1.2 grant rights to subscribe for or to convert any security into; and
 - 5.1.3 otherwise deal in, or dispose of;

any shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for shares) to any person, at any time and subject to any terms and conditions as the directors think proper.

5.2 The authority referred to in Article 5.1:

- 5.2.1 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
- 5.2.2 may only be exercised for a period of five years from the Adoption Date save that, subject to these Articles, the directors may make an offer or agreement which would, or might, require any shares to be allotted after the expiry of such authority (and the directors may allot shares in pursuance of an offer or agreement as if such authority had not expired).

6 **ISSUE OF NEW SHARES**

- 6.1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.
- 6.2 Unless otherwise agreed by special resolution, the Company shall not issue any Ordinary Shares in the Company to any person without first offering such shares to all of the holders then holding Ordinary Shares (**Offerees**) on a pari passu basis and in the respective proportions that the number of Ordinary Shares held by each such holder bears to the total number of Ordinary Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Ordinary Shares are being, or are to be, offered to any other person.
- 6.3 An offer made under Article 6.2 shall:
 - 6.3.1 be in writing and give details of the number, class and subscription price (including any share premium) of the shares being offered;
 - 6.3.2 remain open for a period of 10 Business Days from the date of service of the offer; and
 - 6.3.3 stipulate that any Offeree who wishes to subscribe for a number of Ordinary Shares in excess of the number to which he is entitled under this Article 6 shall, in his acceptance, state the number of excess Ordinary Shares (**Excess Shares**) for which he wishes to subscribe.
- 6.4 If, on the expiry of an offer made in accordance with Article 6.3, the total number of Ordinary Shares applied for is less than the total number of Ordinary Shares so offered, the directors shall allot the Ordinary Shares to the offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 6.5 Any Ordinary Shares not accepted by Offerees pursuant to an offer made in accordance with Article 6.3 shall be used to satisfy any requests for Excess Shares made pursuant to Article 6.3.3. If there are insufficient Excess Shares to satisfy such requests, the Excess Shares shall be allotted to the applicants in the respective proportions that the number of Ordinary Shares held by each such applicant bears to the total number of such Ordinary Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Shares allotted to any holder beyond that applied for by him). After those allotments, any Excess Shares may within a period of 180 days be offered to any other person(s) as the directors may determine, at a price not less than that offered to the holders and otherwise on terms no more favourable than those offered to the holders.

- 6.6 The directors may allot Growth Shares to such person or persons as they see fit without first having to offer them to the existing holders of any class of shares.

7 TRANSFER OF SHARES

General

- 7.1 No transfer of shares shall be made other than in accordance with these Articles.
- 7.2 For the purposes of ensuring that a transfer of shares is duly authorised hereunder and that no circumstances have arisen whereby a Transfer Notice is required to be served, the directors may from time to time require any member or past member or the personal representatives or transferee in bankruptcy, receiver, administrative receiver, liquidator, administrator or similar officer of any member or any person named as a transferee in any instrument of transfer lodged for registration, to furnish to them such information and evidence as the directors may reasonably think fit regarding any matter which they consider relevant to establish whether such transfer is duly authorised or whether any circumstances have arisen whereby a Transfer Notice is required to be served. Failing such information or evidence being furnished to the reasonable satisfaction of the directors within a reasonable time after it has been requested, or if in the reasonable opinion of the directors any such information or evidence is false in any material respect, the directors may refuse to register the relevant transfer and/or declare by notice in writing to the relevant member, personal representatives, trustees in bankruptcy, receiver, administrative receiver or administrator or similar officer that a Transfer Notice shall be deemed to have been given in respect of any relevant shares.
- 7.3 If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
- 7.4 No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
- 7.5 The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

Ordinary Shares

- 7.6 Every member (and every person entitled to an Ordinary Share or Ordinary Shares in consequence of the death or bankruptcy of a member or by operation of law) who intends to transfer or otherwise dispose of any Ordinary Shares or any legal or beneficial interest in any such shares or to mortgage or charge any such shares or any such legal or beneficial interest (the **Proposing Transferor**) shall, before doing so or agreeing to do so, inform the Company of his intention by giving it notice in writing (a **Transfer Notice**). The Transfer Notice shall constitute the Company the Proposing Transferor's agent empowered to sell the shares referred to in the Transfer Notice (together with all rights attached to such) at the Prescribed Price (as defined in Article 7.7.7) to any member in the manner set out in this Article 7 and shall not be revocable except with the unanimous agreement of the directors.
- 7.7 If not more than 14 days after the date on which such Transfer Notice was given (or deemed to have been given) the Proposing Transferor and the directors shall have agreed in writing a cash price per Ordinary Share as representing the fair market value thereof, or as being acceptable to the Proposing Transferor, then such price shall be the **Prescribed Price**. In the absence of any agreement having been reached within the said period of 14 days, the

directors shall forthwith request the auditors for the time being of the Company to determine and certify in writing to the Company the cash sum per Ordinary Share considered by them to be the fair market value thereof as at the date on which the Transfer Notice was given (or deemed to have been given) and the sum per Ordinary Share so determined and certified shall be the Prescribed Price. In so certifying the auditors are irrevocably instructed to value the relevant shares at the same proportion of the market value of the Company as a whole, as such shares bear to the Ordinary Shares then in issue in the capital of the Company. The auditors shall act hereunder at the cost and expense of the Proposed Transferor as experts and not as arbitrators and their determination shall be final and binding for all purposes (save in respect of manifest error).

- 7.8 Within seven days of the Prescribed Price being so agreed or determined and fixed, all Ordinary Shares included in any Transfer Notice shall be offered for purchase at the Prescribed Price by notice in writing given by the Company to all members holding Ordinary Shares (other than the member to whose shares the Transfer Notice relates). Such offer shall be on the basis that in the case of competition for them the shares so offered shall (in accordance with, but subject to, Article 7.99) be sold to all acceptors in proportion (as nearly as may without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holdings of Ordinary Shares. Any such offer shall specify a period (being not less than 21 days and not more than 42 days) within which it must be accepted or will lapse.
- 7.9 If members (hereinafter called **purchasers**) shall within the offer period referred to in Article 7.8 agree to purchase the Ordinary Shares concerned or any of them the Company shall forthwith give notice in writing to the Proposing Transferor and to the purchasers. Every such notice shall state the name and address of each purchaser and the number of Ordinary Shares agreed to be purchased by him and the purchase shall be completed at a place and time to be appointed by the directors not being less than seven days nor more than 30 days after the date of such notice provided always that if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the shares referred to in the Transfer Notice then the foregoing provisions of this Article 7.9 shall not apply unless the Company shall have found purchasers for all of such shares and any offer referred to in Article 7.8 shall be deemed to have lapsed without having been validly accepted.
- 7.10 Upon payment of the Prescribed Price the Proposing Transferor shall be bound to transfer the relevant Ordinary Shares to the respective purchasers accordingly with full title guarantee. If a Proposing Transferor shall fail or refuse to transfer any such shares to a purchaser, the directors may authorise some person to execute the necessary transfer and may deliver it on his behalf and the Company may receive the purchase money in trust for the Proposing Transferor (which the Company shall pay into a separate account in the Company's name) and cause the purchaser to be registered as the holder of such shares. The receipt of the Company for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see the application thereof) and after the purchaser has been registered in purported exercise of the aforesaid powers, the validity of the proceedings shall not be questioned by any person.
- 7.11 If, at the expiry of the offer period referred to in Article 7.8, members of the Company shall not have agreed to purchase all the Ordinary Shares so offered, the Company shall forthwith give notice in writing thereof to the Proposing Transferor and he shall then be at liberty, at any time in the three months after the date of such notice, to transfer those Ordinary Shares which members shall not have so agreed to purchase to any person on a bona fide sale at any cash price not being less than the Prescribed Price provided that:
- 7.11.1 if the Transfer Notice states that the Proposing Transferor is not willing to transfer part only of the Ordinary Shares the subject of the Transfer Notice, he shall not

be entitled hereunder to transfer any of such shares unless in aggregate the whole of such shares are so transferred; and

- 7.11.2 the directors may require to be satisfied that such shares are being transferred in pursuance of a bona fide sale for the consideration stated in the instrument of transfer without any deduction rebate or allowance whatsoever being given to the purchaser; and if not so satisfied may refuse to register the instrument of transfer.
- 7.12 The executors or administrators or other personal representatives (if any) of any deceased member or the trustee in bankruptcy of a bankrupt member shall be bound at the expiry of two months from the date of his death or bankruptcy (as applicable), to give a Transfer Notice in respect of all the Ordinary Shares registered in the name of the deceased member at the date of his death or bankruptcy, or such of the same as still remain so registered, and should such executors, administrators, trustee in bankruptcy or other personal representative fail to give such Transfer Notice within 14 days after the expiry of such period of two months or should there be no such executors or administrators, trustee in bankruptcy or other personal representative at the expiry of such period of two months, a Transfer Notice shall be deemed to have been given (on the basis that there is no requirement that all but not some only of the Ordinary Shares the subject thereof must be sold to existing members) and the provisions of this Article 7 shall have effect accordingly.
- 7.13 If any member (being a corporation) shall enter into liquidation (compulsorily or voluntarily) or have an administrator appointed or have a receiver, administrator, administrative receiver, manager or similar official appointed of the whole or any part of its assets, its liquidator, administrator, receiver, administrative receiver or other similar official shall be bound forthwith to give to the Company a Transfer Notice in respect of all the Ordinary Shares registered in the name of such member, and in default of such Transfer Notice being given within 30 days of it entering into liquidation or having an administrator, receiver, administrative receiver or other similar official shall be deemed to have given such notice at the expiration of the said period of 30 days (on the basis that there is no requirement that all but not some only of the Ordinary Shares the subject thereof must be sold to existing members) and the provisions of this Article 7 shall apply accordingly.

Permitted Transfers

- 7.14 Notwithstanding Article 7.2 to 7.13, a holder may transfer all or any portion of the Ordinary Shares held by it to a (i) Permitted Transferee (ii) or with the prior written approval of all of the other holders. Any transfer under this Article 7.14 shall be referred to as a **Permitted Transfer**.
- 7.15 A **Permitted Transferee** means:
- 7.15.1 where the holder is a company, any Affiliate of the ultimate parent company of the holder. If such Affiliate, whilst it is a holder of the shares, ceases to be an Affiliate of the parent, it shall within 30 days of so ceasing, transfer the shares held by it to the parent or any Affiliate of the parent; and
- 7.15.2 where the holder is an individual, a transfer to any person shown to the reasonable satisfaction of the Board to be (i) a Family Member; or (ii) a Family Trust.
- 7.16 If at any time a person who holds Ordinary Shares ceases to be a Family Member of the holder, or there is any change in the beneficiaries of a Family Trust which results in such Family Trust not being solely for the benefit of the holder and/or its Family Members, then

that person or trust shall within 30 days of the cessation transfer all the Ordinary Shares held by them back to the holder or any Family Member or Family Trust of the holder.

7.16.1 No shares may be transferred by any person or trust who previously acquired those shares by way of transfer under Article 7.15.2 save to the original holder of such shares or another individual who is a Family Member of the original holder of such shares.

7.16.2 If the personal representatives of a holder who is an individual are permitted under the Articles to become registered as the holders of any of the deceased holder's shares and elect to do so, those shares may at any time be transferred by those personal representatives to any person to whom the deceased holder could have transferred such shares if he had remained a holder of them. No other transfer of shares by personal representatives shall be permitted.

7.17 Any transfer to a Permitted Transferee shall only be effective when written notice of the transfer is given to all the other holders of Ordinary Shares.

7.18 The transfer shall not relieve the transferring holder of any liability under these Articles whether accruing before or after such transfer and, unless all of the other shareholders otherwise agree in writing, such transferring holder shall remain liable for any breach of these Articles by the Permitted Transferee on a joint and several basis.

7.19 Subject to the provisions of this Article 7 and Article 9 the directors may, in their absolute discretion and without assigning any reason therefor, decline to register any other transfer of Ordinary Shares.

Growth Shares

7.20 Save as set out in Articles 4.4 and 7.21 to 7.23, the directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of Growth Shares.

Compulsory redemption of Growth Shares

7.21 If a holder of Growth Shares becomes a Departing Employee, the Company shall, unless the directors otherwise unanimously agree, be entitled to redeem all the Growth Shares then held by the Departing Employee by the giving of written notice to the Departing Employee.

7.22 Notwithstanding any other provisions of these Articles, the redemption price for any Growth Shares redeemed pursuant to Article 7.21 shall, where the Departing Employee is:

7.22.1 a Bad Leaver, be par value for such shares; and

7.22.2 a Good Leaver, be the price to which the Departing Employee would have been entitled if an Exit had occurred on (but immediately prior to) the Termination Date.

7.23 Save as set out in these Article 7.21 to 7.23, the provisions of Article 4.2.4 shall otherwise apply to the redemption of the Growth Shares from a Departing Employee.

8 TAG ALONG RIGHTS

8.1 If any current holder or holders holding at least 50% of the Ordinary Shares in the Company are willing to transfer 50% or more of the Ordinary Shares in the Company, whether as a single or series of transactions, to any person other than by way of a Permitted Transfer they may only do so if they procure that all of the other holders of Ordinary Shares (the **Other**

Holders) have the right (the **Tag Along Right**) to participate with such holders (the **Selling Holder**) in the sale of their shares on the same terms as that offered to the Selling Holder as set out in this Article 8. The Selling Holder must:

- 8.1.1 provide details of the third party offer to the Other Holders and the Company; and
 - 8.1.2 procure that the third party offer includes an irrevocable written offer from the third party purchaser to purchase the entire legal and beneficial interest for all of the shares owned by each of the Other Holders on the same terms (including the price per share, taking into account all direct or indirect consideration offered to the Selling Holder for its shares) as apply to the purchase of the shares of the Selling Holder.
- 8.2 If any of the Other Holders wants to exercise their Tag Along Right, they shall within 10 Business Days of receiving the notice referred to in Article 8.1 from the Selling Holder, notify the Other Holders and the Company that they wish to exercise their Tag Along Right.
- 8.3 If any of the Other Holders decide to exercise their Tag Along Right, then:
- 8.3.1 the provisions of Article 7.8 shall not apply to the proposed transfer of shares by the Selling Holder to the third party purchaser; and
 - 8.3.2 every holder shall be bound to transfer all his shares to the third party purchaser on the terms of the third party offer (subject to receipt of any regulatory approvals that may be required for such a transfer); and
 - 8.3.3 if any holder referred to in Article 8.3.2 shall fail to transfer any of his Ordinary Shares, the directors may authorise any person to execute any transfers or other documents necessary to effect the transfer on such defaulting holder's behalf and the defaulting holder hereby appoints the Company as its attorney for such purpose. The consideration due to such defaulting holder shall be received by the Company or by any other person appointed by the directors who shall hold the same on trust for the defaulting holder, without any interest accruing. The receipt by the Company or such authorised person of such consideration on behalf of the defaulting shareholder shall be good discharge to the third party purchaser (who shall have no obligation to see the application of such consideration).
- 8.4 The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.

9 DRAG ALONG RIGHTS

- 9.1 If members holding at least 50% of the Ordinary Shares of the Company is willing to accept a bona fide offer from a third party to buy their shares and such third party is willing to purchase the entire issued share capital of the Company, such holder (the **Selling Holder**) may at its discretion require all of the Other Holders to sell their shares to the third party pursuant to the terms of this Article (the **Drag-Along Right**).
- 9.2 If the Selling Holder decides to exercise the Drag-Along Right, it shall:
- 9.2.1 provide details of the third party offer to the Other Holders and the Company; and
 - 9.2.2 procure that the third party offer includes an irrevocable written offer from the third party purchaser to purchase the entire legal and beneficial interest for all of the shares owned by each of the Other Holders on the same terms (including the

price per share, taking into account all direct or indirect consideration offered to Selling Holder for its shares) as apply to the purchase of the shares of the Selling Holder.

9.3 If the Selling Holder decides to exercise the Drag-Along Right, then:

9.3.1 every holder shall be bound to transfer all his shares to the third party purchaser on the terms of the third party offer (subject to the receipt of any regulatory approvals that may be required for such a transfer); and

9.3.2 if any holder shall fail to transfer any of his shares, the directors may authorise any person to execute any transfers or other documents necessary to effect the transfer on such defaulting holder's behalf and the defaulting holder hereby appoints the Company as its attorney for such purpose. The consideration due to such defaulting holder shall be received by the Company or by any other person appointed by the directors who shall hold the same on trust for the defaulting holder, without any interest accruing. The receipt by the Company or such authorised person of such consideration on behalf of the defaulting holder shall be good discharge to the third party purchaser (who shall have no obligation to see the application of such consideration).

10 PURCHASE OWN SHARES

Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

10.1 £15,000; and

10.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

11 PROCEEDINGS AT GENERAL MEETINGS

11.1 No business shall be transacted at any general meeting unless a quorum is present. If and so long as the Company has more than one member two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum. If and so long as the Company has only one member, one member present in person, by a duly appointed representative of a corporation or by proxy shall be a quorum.

11.2 If within half an hour of the time appointed for a general meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved; in any other case it shall stand adjourned to such day and at such time and place as the directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

11.3 The chairman, if any, of the Board or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.

- 11.4 If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.
- 11.5 A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
- 11.6 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 11.7 Any resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or any member who is present in person or by proxy or, in the case of a corporate member, by means of a duly authorised representative and in either case entitled to vote. Unless a poll is so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and entry to that effect in the book containing the Minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 11.8 In the event of an equality of votes the Chairman shall not have a second or casting vote.
- 11.9 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 11.10 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 11.11 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 11.12 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 11.13 Members, the duly appointed proxies of members or the duly authorised representatives of corporate members may in order to consider and transact the business of the Company in general meeting convene together all or some through the medium of one or more conference telephone or videophone or other communications equipment whereby all persons participating may hear each other and be heard sufficiently to permit contemporaneous exchange and debate. Subject mutatis mutandis to the notice and quorum provision of these Articles being observed each such convention of members the duly

appointed proxies of members or the duly authorised representatives of corporate members shall be deemed to constitute a general meeting of the Company and participation in a meeting in such manner shall be deemed to constitute presence in person or by proxy as appropriate at such meeting. If a majority of the participants in such convention are present in person or by proxy in one place that place shall be deemed the location of the meeting. Voting in any such convention shall be by way of poll taken orally.

12 PROXIES

- 12.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced 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".
- 12.2 Article 45(1) of the Model Articles shall be amended by 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 article.

13 APPOINTMENT AND RETIREMENT OF DIRECTORS

- 13.1 Unless otherwise determined by ordinary resolution of the Company there shall be no maximum number of directors and the minimum number of directors shall be two.
- 13.2 In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

14 ALTERNATE DIRECTORS

- 14.1 Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.
- 14.2 An 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, to attend and vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the company for his services as an alternate director. But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.
- 14.3 An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment.
- 14.4 Any appointment or removal of an alternate director shall be by notice to the company signed by the director making or revoking the appointment or in any other manner approved by the directors.

- 14.5 Save as otherwise provided in the Articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

15 DELEGATION OF DIRECTORS' POWERS

The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of directors so far as they are capable of applying.

16 PROCEEDINGS OF DIRECTORS

- 16.1 The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum (but not otherwise).
- 16.2 The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the minimum number of directors permitted under these Articles and less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
- 16.3 If, and in such case for so long as, the minimum number of directors permitted under these Articles is one, a sole director may exercise all the powers conferred on the directors by these Articles, and shall do so by written resolution under his hand and, so long as there is such a sole director the four immediately preceding Articles shall not apply to the Company.
- 16.4 The directors may appoint one of their number to be the chairman of the Board and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present but shall not have a second or casting vote at such meetings. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

17 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 17.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:
- 17.1.1 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;
- 17.1.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;

- 17.1.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- 17.1.4 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;
- 17.1.5 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
- 17.1.6 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 transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such 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.

18 DIRECTORS' CONFLICTS OF INTEREST

- 18.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 18.2 Any authorisation under this Article 18 will be effective only if:
 - 18.2.1 the matter in question shall have been proposed by any director for consideration 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;
 - 18.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
 - 18.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 18.3 Any authorisation of a Conflict under this Article 18 may (whether at the time of giving the authorisation or subsequently):
 - 18.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 18.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
 - 18.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;

- 18.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - 18.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and
 - 18.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 18.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 18.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 18.6 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.

19 DIVIDENDS

Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.

20 RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

21 ADMINISTRATIVE ARRANGEMENTS

- 21.1 Subject to Article 21.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- 21.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
 - 21.1.2 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or

- 21.1.3 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
- 21.1.4 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
- 21.1.5 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; and
- 21.1.6 if deemed receipt under the previous paragraphs of this Article 21.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

21.2 To prove service, it is sufficient to prove that:

- 21.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- 21.2.2 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- 21.2.3 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

22 INDEMNITY

22.1 Subject to article 22.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- 22.1.1 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 execution and/or discharge of his duties, or in relation to them including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and
- 22.1.2 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 22.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

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

22.3 In this article:

22.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

22.3.2 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act)).

23 **INSURANCE**

23.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

23.2 In this article:

23.2.1 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act));

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

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