

Company Number: 07308805

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
SPECIAL RESOLUTIONS
OF
YOUVIEW TV LIMITED
(the "Company")**

Circulation Date: 25th May 2017

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolution (the "**Resolution**") is passed as a special resolution.

SPECIAL RESOLUTION

1. **THAT** the articles of association in the form attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company.

Please read the Notes below before signifying your agreement to the Resolutions.

The undersigned, each being an "eligible member" (as defined in Section 289 of the Companies Act 2006) and entitled to vote on the Resolutions on the circulation date specified above, hereby irrevocably agree to the Resolutions.

THURSDAY



A686DBTD

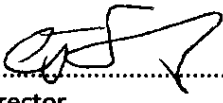
A28

08/06/2017

#115

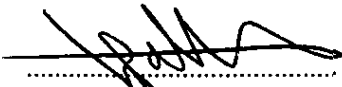
COMPANIES HOUSE

Company Number: 07308805


.....
Director
ITV BROADCASTING LIMITED

24 MAY 2017
.....
Date

Company Number: 07308805

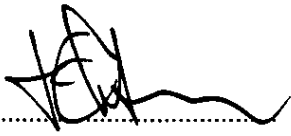
A handwritten signature in black ink, appearing to be 'J. Hall', written over a horizontal dotted line.

Authorised Signatory
ARQIVA LIMITED

25 MAY 2017

Date

Company Number: 07308805

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end.

Director
CHANNEL 5 BROADCASTING LIMITED

25 MAY 2017

Date

Company Number: 07308805

A handwritten signature in black ink, appearing to be 'CN', written over a dotted line.

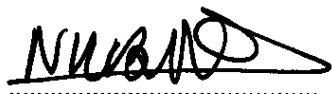
Director

CHANNEL FOUR TELEVISION CORPORATION

25 MAY 2017

Date

Company Number: 07308805

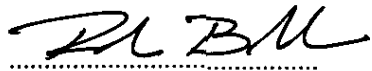


Authorised Officer
THE BRITISH BROADCASTING CORPORATION

25 MAY 2017
Date

NEIL WALKER
BBC BOARD ALTERNATE

Company Number: 07308805



.....
Authorised Signatory
BRITISH TELECOMMUNICATIONS PLC

25/5/17

.....
Date

Company Number: 07308805


.....
Director
TALKTALK TELECOM GROUP PLC

25 MAY 2017
.....
Date

NOTES

- 1 If you agree with the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company before 5pm on the date which is 28 days after the Circulation Date (the “**Lapse Date**”) using one of the following methods:
 - 1.1 By Hand: delivering the signed original copy to the Company, 10 Lower Thames Street, Third Floor, London EC3R 6YT (Attention: Christina Pettit).
 - 1.2 By Post: returning the signed original copy to the Company, 10 Lower Thames Street, Third Floor, London EC3R 6YT (Attention: Christina Pettit).
 - 1.3 By Email: sending a copy of the signed original copy to christina.pettit@youview.com.
- 2 If you do not agree with the Resolution, you do not need to do anything. You will not be deemed to agree if you fail to reply.
- 3 Once you have indicated your agreement to the Resolution, you may not revoke your agreement.
- 4 The Resolution is passed when the required majority of eligible members have signified their agreement to it.
- 5 If the Resolution is not passed by the Lapse Date it will lapse. If the Company receives your signed document after the Lapse Date your agreement to the Resolution will be ineffective.
- 6 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.
- 7 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

Company Number 7308805

A Private Company Limited by Shares

Articles of Association of YouView TV Limited

(Adopted by Special Resolution on [] 2017)

Contents

No	Article	Page
1.	Interpretation	1
1.1	Definitions	1
1.2	Interpretation	4
1.3	Applicability of Model Articles	5
2.	Commercial Objects	5
2.1	Purpose and Proposition	5
2.2	Scale	6
2.3	Common User Experience	6
2.4	Wide range of content and FRND access to listings and search	7
2.5	Wide range of device deployments and media delivery technologies	7
2.6	Cost recovery and Ratecard	8
2.7	Quality	8
2.8	Marketing and Brand	8
2.9	Promotion of Broadband and PSB Content	9
2.10	Data	9
3.	Decision-Making by Directors	9
3.1	Forms of decision-making	9
3.2	Calling a Board Meeting	9
3.3	Quorum for Board Meetings	9
3.4	Voting at Board Meetings	10
3.5	Majority decisions of the Directors outside of Board Meetings	10
3.6	Chairman of the Board	11
3.7	Casting vote	11
3.8	Records of decisions to be kept	11
4.	Appointment and Removal of Directors, Directors' Interests and Alternate Directors	11
4.1	Methods of appointing and removing Directors	11
4.2	Directors' Interests (Transactional Conflicts)	12
4.3	Directors' Interests (Pre-authorised Situational Conflicts)	12
4.4	Directors' Interests (Authorisation of Situational Conflicts by the Board)	13
4.5	Participation in decision-making by conflicted Directors	15
4.6	No liability to account	15

4.7	Alternate directors	15
4.8	Directors' remuneration and expenses	17
5.	Rights Attaching to Shares	17
5.1	Share capital	17
5.2	Voting rights	17
5.3	Income and dividends	17
5.4	Capital rights	18
5.5	Re-designation of shares to Deferred Shares	18
5.6	Redemption of Deferred Shares	18
5.7	Variation of class rights	19
6.	Allotments of Shares	19
6.1	Authority to allot shares	19
6.2	Pre-emption rights	19
7.	Transfer of Shares	20
7.1	General	20
7.2	Permitted transfers	20
7.3	Voluntary Exit Transfers	21
7.4	Obligatory transfers	21
7.5	Rights of pre-emption on transfer	23
8.	Decision-making by Shareholders	25
8.1	Quorum at general meetings	25
8.2	Polls	25
9.	Indemnity and Insurance	25
10.	Notices	25
11.	Company Name	26
	Annex - The Model Articles	27

Company No. 7308805

A Private Company Limited by Shares

Articles of Association of YouView TV Limited

(Adopted by Special Resolution on [] 2017)

1. Interpretation

1.1 Definitions

- (a) In these Articles the following expressions have the following meanings unless the context otherwise requires:

"Act" means the Companies Act 2006, as may be amended, extended, consolidated or re-enacted by or under any other enactment from time to time;

"Adoption Date" the date (as stated above) on which these Articles are adopted by resolution of the Shareholders of the Company as its articles of association;

"Allocations Notice" has the meaning given in Article 7.5(d)(ii);

"Appointing Shareholder" means, in respect of a Director appointed by a Shareholder pursuant to Article 4.1(a), that Shareholder;

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

"BBC" means the British Broadcasting Corporation;

"Board" means the board of Directors, or a quorum of such Directors at a Board Meeting;

"Board Meeting" means a duly convened meeting of the Board;

"Breach Event" has the meaning given in Article 7.4(b);

"Business Day" means a day (other than a Saturday, Sunday or public holiday in England and Wales) when banks in the City of London are open for business;

"Contract Resolution" means, in relation to a Director, a resolution proposed at a Board Meeting or by way of a majority decision of the Directors under Article 3.5 which relates to any contract or proposed contract or other arrangement between the Company and that Director's Appointing Shareholder (other than any shareholders' agreement that may be in force from time to time between the Company and its members) or another Group Company of such Appointing Shareholder;

"Decline Notice" has the meaning given in Article 7.5(d)(i);

"Default Event" has the meaning given in Article 7.4(a);

"Deferred Shares" means the deferred shares of £0.01 each in the capital of the Company having the rights specified in relation to such shares in Article 5;

"Director" means a director of the Company for the time being;

"Dispute Resolution" means, in relation to a Director, a resolution proposed at a Board Meeting or by way of a majority decision of the Directors under Article 3.5 which relates to any dispute or litigation between the Company and that Director's Appointing Shareholder or another Group Company of such Appointing Shareholder;

"DTT" means digital terrestrial television;

"EPG" means electronic programme guide;

"Founder Shares" means the founder shares of £0.01 each in the capital of the Company having the rights specified in relation to such shares in Article 5;

"Group" means in relation to a company: (i) that company; (ii) any holding company of that company; and (iii) any subsidiary of that company or of any such holding company, (and another company which is the member of the same Group as that company shall be a **"Group Company"**);

"ISP" means an internet service provider;

"Liquidation" means the liquidation or winding up of the Company (except for the purposes of a solvent reorganisation, reconstruction or amalgamation where no cash or cash equivalent is distributed to members);

"Liquidity Event" means any of:

- (a) a Liquidation;
- (b) completion of a Sale;
- (c) a distribution of assets by the Company (other than pursuant to Article 5.3);
or
- (d) a return of capital by the Company (but which for the avoidance of doubt shall not include any re-designation of shares pursuant to Article 5.5);

"Model Articles" means the model articles for private companies limited by shares as set out at Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended by the Mental Health (Discrimination) Act 2013, a copy of which is annexed to these Articles, and reference to a numbered Model Article shall be to the relevant article of the Model Articles;

"Offer Shares" has the meaning given in Article 7.5(b);

"Pre-emption Period" means, in respect of a Shareholder that has served or is deemed to have served a Transfer Notice, the period commencing on the date that the Board serves a notice under Article 7.5(c) and ending:

- (a) if there are no applications for Offer Shares in respect to such Transfer Notice, on the date on which a Decline Notice in respect of that Transfer Notice is served by the Board on all Shareholders under Article 7.5(d); or
- (b) if there has been one or more applications for Offer Shares in respect of such Transfer Notice, on the date that is the earlier of: (i) the date on which all Offer Shares that are the subject of an Allocations Notice in respect of that Transfer Notice have been purchased under Articles 7.5(e), 7.5(f) or 7.5(g); and (ii) the expiry of the 7 day period referred to in Article 7.5(g);

"Prescribed Price" has the meaning given in Article 7.5(b);

"Re-designation Date" means the date on which a Re-designation Notice is served or deemed to be served on the Company;

"Re-designation Notice" has the meaning given in Article 5.5(a);

"Re-designation Shares" has the meaning given in Article 5.5(a);

"Requisite Directors" has the meaning given in Article 3.5;

"Sale" means the disposal by the Company of all or substantially all of its business, undertaking and assets;

"Secretary" means the secretary for the time being of the Company, if any (including any joint or assistant secretaries);

"Shareholder" means a registered holder of one or more Voting Shares;

"these Articles" means the articles of association of the Company for the time being in force;

"Transfer Notice" has the meaning given in Article 7.5(a);

"TV Quality Standard" has the meaning given in Article 2.1(g).

"Voting Shares" means the voting shares of £0.01 each in the capital of the Company having the rights specified in relation to such shares in Article 5;

"Wholly-owned Associate" means, in relation to any company, another company which is (directly or indirectly) a wholly-owned subsidiary of, or a holding company which owns (directly or indirectly) all the issued share capital of, or another wholly-owned subsidiary of a holding company which owns (directly or indirectly) the entire issued share capital of, that company;

"YouView Core Product Proposition" means the minimum requirements for use of the YouView brand as described in Article 2.3;

"YouView Devices" means any end-user device which has been certified by or on behalf of the Company in accordance with the Company's published device and participant certification processes, together with remote controls and other peripherals;

"YouView Platform" means the hybrid broadband/broadcast television service developed by the Company, including any and all versions, updates, upgrades or modifications to the same and all YouView Devices; and

"YouView UI" means the YouView user interface incorporating the YouView Core Product Proposition.

1.2 Interpretation

In these Articles, unless the contrary intention appears:

- (a) any reference to an enactment (which term shall include any directly applicable EU legislation) includes:
 - (i) that enactment as amended, extended, consolidated, re-enacted or applied by or under any other enactment before or after the Adoption Date;
 - (ii) any enactment which that enactment re-enacts, consolidates or enacts in rewritten form (in each case with or without modification, and irrespective of whether the enactment which is re-enacted or consolidated has been or is subsequently repealed); and
 - (iii) any subordinate legislation made (before or after the Adoption Date) under that or any other applicable enactment, including one within paragraphs (i) or (ii) above;
- (b) any reference to:
 - (i) a person includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having a separate legal personality);
 - (ii) the singular includes the plural and vice versa, and reference to any gender includes the other genders;
 - (iii) a time of day is to London time;
 - (iv) **"written"** or **"in writing"** includes all forms of visible reproduction in permanent form, but shall not include representations or reproductions in electronic form; and
 - (v) a **"dividend declared by the Company"** or the **"declaration of a dividend by the Company"**, in addition to meaning a dividend declared by ordinary resolution of the Company on the recommendation of the Directors, shall also include any interim dividend decided by the Directors to be paid and any dividend agreed to be paid with the prior written agreement of all Shareholders and the Company;
- (c) reference to a **"transfer"** of a share shall be deemed to include:

- (i) any sale or other disposition by way of mortgage, charge or other security interest of the whole or any part of the legal or beneficial interest in any share;
 - (ii) the grant of any put, call, forward contract, future or other option or contract or hedging instrument in connection with the whole or any part of the legal or beneficial interest in any share;
 - (iii) any direction (by way of renunciation or otherwise) by a holder entitled to *an allotment or transfer of a share that a share be allotted or issued or transferred to some person other than itself*;
 - (iv) the creation of or entrance into any voting trust or other arrangement in respect of voting rights attaching to any share (other than an appointment of a proxy or corporate representative in connection with a general meeting of the Company); and
 - (v) any other sale or other disposition of any legal or equitable interest in a share, and whether or not by the relevant holder, whether or not for consideration, whether or not effected by an instrument in writing and whether or not made voluntarily or by operation of law;
- (d) the expressions “**subsidiary**”, “**wholly-owned subsidiary**”, and “**holding company**” shall have the respective meanings given in Section 1159 of the Act, and a person’s subsidiaries or holding companies shall mean those persons which fulfil the relevant definitions from time to time; and
- (e) the words “**including**” and “**in particular**” and any similar words or expressions are by way of illustration and emphasis only and do not operate to limit the generality or extent of any other words or expressions.

1.3 Applicability of Model Articles

- (a) The Model Articles shall apply to the Company subject to the modifications and additions made by these Articles.
- (b) Model Articles 7(1), 8, 9(3), 11(2), 11(3), 13, 14, 22(1), 27 to 29 (inclusive) and 50 shall not apply to the Company.
- (c) 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.

2. Commercial Objects

The commercial objects of the Company shall be as set out in this Article 2, subject to which the objects of the Company shall be unrestricted.

2.1 Purpose and Proposition

- (a) The Company exists to lead the development of free-to-air television in the UK with an upgrade path to pay services.

- (b) The Company promotes a single YouView Core Product Proposition based on customer-centric principles including simplicity and quality of experience that seamlessly combines linear and on demand content.
- (c) The YouView offering is available across a range of devices, including but not limited to set top boxes, integrated TVs and related services on mobile phones and tablets.
- (d) The YouView offering is enabled by a hybrid DTT and IP solution and will evolve over time to be offered via an IP-only version and the Company has the ambition to offer a DSat variant, both in addition to the hybrid DTT and IP solution.
- (e) YouView Devices will support the YouView Core Product Proposition and should work when connected to any ISP.
- (f) The Company offers non-Shareholder ISPs the ability to distribute YouView Devices on terms that are fair, reasonable and non-discriminatory.
- (g) The Company enables an open content ecosystem with policies that enable access to listings on the YouView Platform on a fair, reasonable and non-discriminatory basis. Content availability via the YouView Platform is subject to certain TV quality thresholds as may be implemented by the Company from time to time (the “TV Quality Standard”).
- (h) The YouView Platform maintains prominence for public service channels and portals across the YouView UI and prominence of the channel guide covering both absolute prominence and relative prominence.
- (i) The Company conducts its business independently of the Shareholders in a way that is commercially and operationally efficient.
- (j) All activities of the Company must comply with the requirements of European Union and UK law and regulation.
- (k) For so long as the BBC is a Shareholder, all activities of the Company must meet the conditions of the BBC’s participation in the Company as set out in the documents “Canvas proposals – Final conclusions”, published by the BBC Trust on 25 June 2010, and “BBC Trust Review – YouView Summary of Findings”, published by the BBC Trust on 22 May 2014.
- (l) The Company will promote, develop and enhance the take-up of broadband services and the availability of public service and other broadcast content in the UK.

2.2 Scale

The Company’s primary objective is scale, with the aim of reaching ten million homes over the long term, via a range of distribution routes which include retail and ISPs as part of a bundle of services.

2.3 Common User Experience

- (a) The Company will promote a single YouView Core Product Proposition which sets out the minimum requirements for use of the YouView brand. This must include:

- (i) content journeys that enable a seamless experience across live and on demand content: scroll-back, search, browse by genre;
 - (ii) a predominantly consistent YouView experience to include content journeys and look and feel (which will include ensuring a common YouView UI (including an EPG) is included within all receiving devices in accordance with the user interface policy adopted by the Company from time to time);
 - (iii) a core line up of content (which for the purposes of DTT shall include all Freeview channels and in respect of devices without DTT functionality the operators of Freeview channels currently available via DTT will be offered the opportunity to provide content), support for at least one digital rights management format, and the enablement of dynamic advertisement insertion for video on demand and, as and when technically feasible, for linear channels; and
 - (iv) the ability to support YouView feature updates, including new functionality and ongoing upgrades to existing features.
- (b) The Company will seek to maintain a single common YouView Core Product Proposition across all trading brands, recognising the opportunity for trading brands, affiliate ISPs and content providers to offer services associated with but not provided by the Company to differentiate their customer proposition (e.g. cloud services).
 - (c) The Company will continue to develop and innovate the YouView proposition maintaining the principles of prominence for public service broadcasters, simplicity and ease of use, quality and innovation to include, for the avoidance of doubt, the principle of linear EPG prominence.
 - (d) The Company will seek to reflect the needs of consumers in the on-going development of the YouView Core Product Proposition.

2.4 Wide range of content and FRND access to listings and search

- (a) The Company will seek to enable access to a wide range of content including catch up, video on demand, linear, applications, all relevant public service content and support for different business models including subscription and pay per view.
- (b) The Company will support, manage and develop an open ecosystem and ensure that access for content providers to listings on the YouView UI will be on a fair, reasonable and non-discriminatory basis, subject to the TV Quality Standard.
- (c) The Company will undertake the management of listings compliance with the user interface policy adopted by the Company from time to time.

2.5 Wide range of device deployments and media delivery technologies

- (a) The Company will seek to continue to develop the YouView software “stack” (or versions of it) such that the YouView Core Product Proposition can be deployed on a range of devices including but not limited to set top boxes, integrated TVs, HDMI plug-ins and full or complementary versions of the YouView Core Product

Proposition based on deep-linking made available via smart phones, tablets or other internet-connected devices.

- (b) The Company will seek to enable the YouView Core Product Proposition to be delivered via a range of media delivery technologies including the current hybrid DTT and IP solution and DSat versions and an IP-only version.
- (c) Content availability will be subject to the agreed TV Quality Standard.

2.6 Cost recovery and Ratecard

- (a) The Company will continue to mitigate operational costs by charging for services including (without limitation) content provider access to the YouView UI, use of the YouView logo and mark and commercial exploitation of data collected by the Company.
- (b) The setting of YouView platform fees should not compromise the overall objective of scale or the principle of an "open ecosystem". Any such activity will be charged to third parties on a "cost recovery" basis only.
- (c) The Company should determine an overall strategy for optimising revenue, within this framework, that reflects what the market will bear.

2.7 Quality

- (a) The Company will seek to ensure a high TV quality audio-video experience for long form content through the application of the TV Quality Standard.
- (b) The Company will seek to ensure the appropriate quality of audience experience, including ease of navigation, and content discovery and a high TV quality video experience for long form content through policies set out in YouView's technical standards which implement the YouView user interface policy and the TV Quality Standard. The TV Quality Standard will be defined in output terms as being that which delivers a similar consumer experience to that of watching a standard definition channel on Freeview and will be set and applied in a fair, reasonable and non-discriminatory manner.

2.8 Marketing and Brand

- (a) The Company will seek to continue to maintain and develop the YouView brand, logo and trademarks to drive scale through awareness and understanding, to include the continued development of an overall brand positioning, tone of voice and guidelines for the use of the YouView brand, logo and trademarks.
- (b) The Company will seek to develop marketing and promotional campaigns in accordance with its brand guidelines adopted by the Company from time to time and to ensure that the YouView brand enjoys appropriate due prominence in all relevant marketing campaigns.
- (c) The Company will seek to ensure that the YouView brand, logo and trademarks are used in accordance with its trade mark licence policy and any brand guidelines adopted by the Company from time to time.

2.9 Promotion of Broadband and PSB Content

The Company will seek to promote, develop and enhance take-up of broadband services and the availability of public service and other broadcast content in the UK.

2.10 Data

The collection and use of data by the Company shall comply at all times with all applicable data protection legislation and shall be in accordance with the data policy adopted by the Company from time to time.

3. Decision-Making by Directors

3.1 Forms of decision-making

The general rule about decision-making by the Directors is that any decision of the Directors must be either a simple majority decision at a Board Meeting or a simple majority decision taken outside of a Board Meeting in accordance with Article 3.5. Model Articles 7(1) and 8 shall not apply.

3.2 Calling a Board Meeting

- (a) Any Director may, and at the request of a Director, the Secretary shall, call a Board Meeting. Notice of a Board Meeting must be given to each Director in writing, and Model Article 9(3) shall not apply.
- (b) At least seven Business Days' notice of a Board Meeting shall be given to all Directors, save that a shorter period of notice may be given in the case of an emergency or where a majority (in number) of the Directors agree in writing.
- (c) Notice of a Board Meeting shall be accompanied by:
 - (i) an agenda specifying in reasonable detail the matters to be raised at the meeting; and
 - (ii) copies of any papers to be discussed at the meeting,and matters not on the agenda may not be raised at a Board Meeting or business conducted in relation to those matters unless all the Directors appointed pursuant to Article 4.1(a) and present agree.
- (d) Entitlement to notice of a Board Meeting may be waived by a Director at any time before the meeting (as well as up to 7 days after the date on which the meeting is held), and Model Article 9(4) shall be construed accordingly.

3.3 Quorum for Board Meetings

- (a) Subject to the other provisions of these Articles (including paragraph (b) below and Articles 4.2 to 4.5) and save as otherwise agreed in writing between the Shareholders and the Company from time to time, the quorum for a Board Meeting shall be all of the Directors, but for which purposes the quorum may be satisfied by the alternate for any such Director who does not participate in person (where that Director is entitled to appoint an alternate under Article 4.7), provided that there

are at least two persons participating at the Board Meeting. Model Articles 11(2) and 11(3) shall not apply.

- (b) If a quorum is not present within 30 minutes after the time specified for a Board Meeting in the notice of the meeting then the meeting shall be adjourned to a specified place and time not less than 5 Business Days after the original date for the meeting. Notice of the adjourned meeting shall be given to all Directors and any such adjourned meeting may be held and shall be deemed quorate notwithstanding the absence of the Director (or his alternate) who was absent from the original meeting or previously adjourned meeting.

3.4 Voting at Board Meetings

- (a) A resolution tabled at a Board Meeting shall be duly passed by way of a simple majority of the votes cast on the resolution being in favour of such resolution.
- (b) Each Director appointed pursuant to Article 4.1(a) (or his alternate) participating at the meeting shall (subject to the other provisions of these Articles, including Articles 4.2 to 4.5) be entitled to exercise on any resolution proposed at any Board Meeting the same number of total votes that such Director's Appointing Shareholder would be entitled to cast on a poll at a general meeting of the Company convened for the same day as the Board Meeting. Subject to Article 3.7(a), a Director appointed otherwise than pursuant to Article 4.1(a) shall not be entitled to vote at any Board Meeting.

3.5 Majority decisions of the Directors outside of Board Meetings

- (a) A majority decision of the Directors is taken under this Article 3.5 when the Requisite Directors each indicate to each other in accordance with paragraph (b) below that they share a common view on the matter. For these purposes, the "Requisite Directors" means any two or more Directors appointed pursuant to Article 4.1(a) as would, were a resolution in respect of the relevant matter to be proposed at a quorate Board Meeting (such proposed resolution having been properly included in the agenda for the meeting), be entitled to cast a sufficient number of votes at the Board Meeting in respect of the resolution for the resolution to be duly passed (even if all other Directors entitled to attend and vote at the Board Meeting did so attend and voted against the resolution).
- (b) A decision referred to in paragraph (a) above must take the form of a resolution in writing to which the Requisite Directors have indicated agreement in writing.
- (c) A decision may not be taken in accordance with this Article 3.5 unless and until notice containing reasonable details of the proposed decision has been given to each Director who would have been entitled to attend and vote on a resolution in respect of the relevant matter were it to be proposed at a Board Meeting. Any Director may, and at the request of a Director, the Secretary shall, give notice of such a proposed decision under this Article 3.5.
- (d) An alternate director's signature or agreement to any decision of the Directors under this Article 3.5 shall be treated as the signature or agreement of his appointor, provided that such decision is not signed or agreed to by his appointor.

- (e) For the avoidance of doubt, references in this Article to a Board Meeting shall not include any adjourned Board Meeting.

3.6 Chairman of the Board

- (a) The Directors may appoint an additional Director pursuant to Article 4.1(e) to chair their meetings (the “Chairman”). Model Article 12 shall be subject to this Article 3.6.
- (b) If no Chairman has been appointed pursuant to Article 3.6(a), or if the Chairman is unable to attend any Board Meeting, one of the other Directors present (as agreed between the Directors present) shall chair such meeting.

3.7 Casting vote

- (a) In the case of an equality of votes at a Board Meeting the Chairman appointed under Article 3.6(a) shall have a casting vote.
- (b) If no Chairman has been appointed pursuant to Article 3.6(a), or if the Chairman is unable to attend any Board Meeting, the Director that chairs such meeting pursuant to Article 3.6(b) shall not have a casting vote.

3.8 Records of decisions to be kept

The Directors shall ensure that a written record of each decision of the Directors is kept in a permanent form (such that it may be read with the naked eye).

4. Appointment and Removal of Directors, Directors’ Interests and Alternate Directors

4.1 Methods of appointing and removing Directors

- (a) Each Shareholder shall be entitled from time to time by notice to the Company to appoint one person as Director.
- (b) Without prejudice to Model Article 18, each Shareholder may by notice to the Company from time to time remove from office any Director appointed by it under paragraph (a) above.
- (c) A notice of appointment or removal of a Director pursuant to paragraphs (a) or (b) above shall be made by notice in writing to the Company at its registered office to take effect upon delivery to the Company or as otherwise indicated in the relevant notice, with a copy of such notice being sent to each other Shareholder.
- (d) In addition to the provisions of Model Article 18, a person shall automatically cease to be a Director forthwith upon his Appointing Shareholder ceasing to be a Shareholder (for any reason).
- (e) Additional Directors may be appointed in accordance with Model Article 17(1).
- (f) For the avoidance of doubt, there shall be no entitlement to appoint a Director by virtue of any holding of Deferred Shares or Founder Shares.

4.2 Directors' Interests (Transactional Conflicts)

If a proposed decision of the Board is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, then:

- (a) subject to the provisions of the Act and Article 4.5; and
- (b) provided that he has disclosed (by notice in writing to the Company or at a Board Meeting) the nature and extent of such interest,

that Director shall, subject to the other provisions of these Articles, be entitled to participate for quorum and voting purposes in the decision-making process in respect of such proposed decision. For the purposes of this Article, references to proposed decision and decision-making process include any Board Meeting or part of a Board Meeting. Model Article 14 shall not apply.

4.3 Directors' Interests (Pre-authorised Situational Conflicts)

- (a) For the purposes of sections 175 and 180(4) of the Act and for all other purposes, it is acknowledged that a Director may be or become subject to a conflict of interest as a result of:
 - (i) his being nominated or appointed as Director by a person under Article 4.1(a);
 - (ii) his being or having been, or being party to an agreement or arrangement or understanding under which he is or may become, an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or a direct or indirect investor in and/or otherwise commercially involved with or economically interested in a Shareholder or another member of a Shareholder's Group (as the case may be); and/or
 - (iii) being a director or other officer of, or employed by or a member of, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested.
- (b) In connection with any conflict of interest referred to or envisaged under paragraph (a) above and subject to Article 4.5, the following shall apply in respect of the relevant Director (provided that in the case of a conflict of interest arising in connection with an agreement or arrangement referred to in paragraph (a)(ii) above, the existence of such agreement or arrangement has first been disclosed in writing to the Company or at a Board Meeting):
 - (i) any breach or infringement of section 175 of the Act arising by virtue of such conflict of interest is hereby authorised;
 - (ii) he shall be entitled to receive any papers or other documents (including any Board papers) in relation to, or concerning, matters to which the conflict of interest relates;

- (iii) he shall not be excluded from those parts of Board Meetings or meetings of a committee of the Board at which matters are discussed relating to the conflict of interest;
- (iv) he shall, subject to the other provisions of these Articles, be entitled to vote and form a part of the quorum at any such meeting;
- (v) he shall be entitled to keep confidential and not disclose to the Company any information which comes into his possession as a result of such conflict of interest situation where such information is confidential as regards any third party; and
- (vi) save as may otherwise be agreed in writing between the relevant Director and the Company, he shall not be held accountable to the Company for any benefit he derives directly or indirectly from his involvement with any person or entity referred to in paragraph (a) above, and no contract relating to the Company shall be liable to be avoided on the grounds of any such profit or benefit, nor shall the receipt of any such remuneration, profit or other benefit constitute a breach of section 176 of the Act.

4.4 Directors' Interests (Authorisation of Situational Conflicts by the Board)

- (a) The Board shall have power and shall be enabled, subject to and in accordance with the remaining provisions of this Article, to authorise (an "Authorisation") any matter (other than a matter referred to or envisaged under Article 4.3) which would or might constitute or give rise to any breach of the duty of a Director under Section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it).
- (b) An Authorisation shall only be effective where:
 - (i) the resolution in respect of the Authorisation is proposed for consideration at a Board Meeting; and
 - (ii) the Authorisation is agreed to without counting in the quorum for the relevant Board Meeting, or counting any votes on the Authorisation cast by, the Director to which the Authorisation relates and any Director who is an "other interested director" for the purposes of Section 175(6)(a) of the Act,

but otherwise an Authorisation may be proposed and resolved upon by the Board in such manner as the Board deems at its absolute discretion to be appropriate.
- (c) An Authorisation may be given subject to such terms and conditions as the Board determines at its absolute discretion, and the relevant Director shall comply with all such terms and conditions, and which may (but need not) include all or any of the following (but without limitation to any other limitations, terms and conditions as may be imposed by the Board):
 - (i) the period for which the Authorisation shall subsist, or any date or event upon which it shall expire or be modified;

- (ii) any events, matters or consequences which do not fall within the Authorisation or whereby a further Authorisation shall be required;
 - (iii) the exclusion of the relevant Director from receipt of or access to certain information or documentation of the Company connected with the matter to which the Authorisation relates (including any general classes or categories of information or documentation); and
 - (iv) the exclusion of the relevant Director from discussions (whether at Board Meetings, general meetings of the Company or otherwise) connected with the matter to which the Authorisation relates, and whether the relevant Director may count in the quorum for and/or vote upon any matter to which the Authorisation relates at Board Meetings.
- (d) The Board shall ensure that the terms of each Authorisation are recorded in writing and a copy retained by the Company (but the Authorisation shall be effective whether or not the terms are so recorded).
- (e) The Board may revoke or vary an Authorisation at any time, but this shall not affect anything done or omitted to be done by the relevant Director in accordance with the terms of the Authorisation prior to receiving notice of the revocation or variation.
- (f) Save as provided in any terms and conditions determined by the Board in accordance with paragraph (c) above, an Authorisation shall be deemed to be given to the fullest extent permissible at law, and shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of or in connection with the matter so authorised.
- (g) If any Authorisation relates to a matter where the relevant Director obtains (other than through his position as a Director) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence (save where a failure to disclose would result in the Company committing an unlawful act or an unlawful failure to act).
- (h) A Director shall not be in breach of the general duties he owes to the Company under the Act by virtue of the fact that pursuant to the terms of an Authorisation he:
 - (i) absents himself from Board Meetings or other proceedings of the Board at which matters relating to the conflict of interest or possible conflict of interest will or may be discussed; or
 - (ii) makes arrangements not to receive, or refrains from considering, any documents relating to the conflict of interest or possible conflict of interest, or makes arrangements for a professional adviser to receive any such documents on his behalf,

for so long as he reasonably believes the matter to which the Authorisation relates subsists.

- (i) Any reference to a conflict of interest in this Article 4.4 shall include a conflict of interest and duty, and a conflict of duties, and any reference to an interest includes both direct and indirect interests.
- (j) The Company may by ordinary resolution suspend or relax the provisions of this Article 4.4 to any extent. Subject to the Act, the Company may by ordinary resolution ratify any transaction or arrangement not properly authorised by reason of a contravention of this Article 4.4.

4.5 Participation in decision-making by conflicted Directors

If a proposed decision of the Board is concerned with a matter in respect of which a Director has a conflict of interest, that Director shall (provided that such conflict of interest has, to the extent required, been declared and/or authorised in accordance with these Articles and the Act) be entitled notwithstanding such interest to participate fully in the decision-making process for quorum and voting purposes (to the extent otherwise required or permitted by these Articles), save that:

- (a) this Article 4.5 is subject to any specific requirements or conditions with respect to participation in decision-making given in connection with an Authorisation; and
- (b) a Director shall not form part of the quorum for the purposes of any Board Meeting convened to consider any Dispute Resolution nor shall he be entitled to vote in respect of any Dispute Resolution; and
- (c) a Director shall not be entitled to vote in respect of any Contract Resolution.

4.6 No liability to account

A Director shall not (save as may otherwise be agreed by him or may be determined by the Board in connection with an Authorisation) be liable to account to the Company for any remuneration, profit or other benefit resulting from any conflict of interest to which an Authorisation relates, and no contract shall be liable to be avoided on the grounds of any such profit or benefit, nor shall the receipt of any such remuneration, profit or other benefit constitute a breach of Section 176 of the Act.

4.7 Alternate directors

- (a) Each Director appointed pursuant to Article 4.1(a) shall have the power to nominate any other Director or other person to act as alternate director at Board Meetings (and on any decisions of Directors under Article 3.5) in his place during his absence. Each such Director shall be further entitled, at his discretion, to revoke such nomination at any time. However, such a Director shall not be entitled to appoint more than one alternate director and an alternate director shall not be entitled to appoint an alternate director for himself in such capacity.
- (b) Any appointment or removal of an alternate director must (unless the Board decides to waive any of the following requirements, in whole or in part):
 - (i) be made by notice in writing and shall be signed by the appointor; and

- (ii) in the case of an appointment, be accompanied by such evidence as the Board may require that the alternate director has agreed to act and by such further details as the Company requires to comply with its statutory obligations in respect of that appointee.
- (c) Appointment of an alternate director shall take effect upon the documentation required in paragraph (b) above being delivered to the Company in accordance with these Articles or delivered to a Board Meeting (or at such later time as may be specified in the notice of appointment).
- (d) In addition to removal by notice in accordance with paragraph (b) above, an alternate director shall cease to be an alternate director:
 - (i) immediately and automatically if his appointor ceases for any reason to be a Director;
 - (ii) if he resigns from being an alternate director by notice in writing to the Company; or
 - (iii) upon the happening of any event which if it occurred in relation to his appointor would result in the termination of the appointor's appointment as Director.
- (e) An alternate director shall be entitled to receive notice of all Board Meetings and to perform at such meetings, in his appointor's absence, all the functions of his appointor. An alternate director shall be entitled to exercise at a Board Meeting the votes of each Director he represents, in addition to his own vote (if any) if he is a Director.
- (f) An alternate director:
 - (i) shall be an authorised person for the purposes of Model Article 49(4); and
 - (ii) shall constitute a "relevant director" for the purposes of Model Articles 52 and 53,

but otherwise an alternate director shall not have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles, nor (save as otherwise agreed by all Shareholders) shall he be entitled to receive from the Company any remuneration in respect of his appointment as alternate director.
- (g) For the purposes of any provisions of these Articles relating to Directors' interests, an interest of an alternate director's appointor shall be treated as an interest of that alternate director, without prejudice to any interest which that alternate director has otherwise.
- (h) The provisions of this Article 4.7 relating to attendance and voting at Board Meetings also apply *mutatis mutandis* in respect of meetings of any committee of the Board.
- (i) An alternate director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of his appointor.

4.8 Directors' remuneration and expenses

Unless otherwise agreed in writing by the Shareholders, no Director appointed pursuant to Article 4.1(a) (nor any alternate) shall be entitled to any remuneration in respect of his acting as a Director, nor to claim any expenses for attending any meetings or otherwise as a Director. Model Articles 19 and 20 shall be subject to this Article 4.8.

5. Rights Attaching to Shares

5.1 Share capital

- (a) The share capital of the Company shall consist only of Voting Shares, Founder Shares and Deferred Shares. Model Article 22(1) shall not apply.
- (b) The Voting Shares, the Founder Shares and the Deferred Shares shall each constitute separate classes of shares and shall carry the respective rights set out in these Articles, but in all other respects shall be identical and rank *pari passu*.

5.2 Voting rights

- (a) Each Shareholder shall be entitled to receive notice of, to attend, to speak at and to vote at, general meetings of the Company.
- (b) On a vote on a show of hands at a general meeting of the Company, each Shareholder present in person shall have one vote, and each proxy who has been duly appointed by one or more Shareholders entitled to vote on the resolution shall have one vote.
- (c) On a poll taken at a general meeting of the Company, and on a written resolution of the Company, each Shareholder shall have one vote for each Voting Share held by it.
- (d) No Founder Share or Deferred Share shall carry any right to receive notice of or attend, speak at or vote at any general meeting of the Company, or to vote on any written resolution of the Company.

5.3 Income and dividends

- (a) Any Available Profits which the Company may determine to distribute in respect of any Financial Year shall be distributed among the holders of the Founder Shares *pro rata* to their respective holdings of Founder Shares. Subject to the Act, the Directors may pay interim dividends provided that the Available Profits of the Company justify the payment.
- (b) Save as provided in Article 5.4, the holders of Voting Shares and/or Deferred Shares shall not be entitled to receive any income or dividend or other distribution in respect of such shares.
- (c) Model Articles 30 to 36 (inclusive) shall be subject to this Article 5.3.

5.4 Capital rights

- (a) Distributable reserves of the Company created as a result of a Liquidity Event will be applied to paying dividends on Founder Shares existing on the occurrence of the Liquidity Event, such dividends to be declared in accordance with Article 5.3.
- (b) On a Liquidity Event, the surplus assets of the Company remaining after payment of its debts and liabilities and of the costs, charges and expenses of the matters giving rise to the Liquidity Event and after the payment of dividends declared in accordance with Article 5.4(a) and Article 5.3, shall be applied in the following manner and order of priority:
 - (i) first, in paying to the Shareholders, a total of £1.00 for the entire class of Voting Shares (which payment shall be deemed satisfied by payment to any one Shareholder);
 - (ii) second, in paying to the holders of the Deferred Shares (if any) a total of £1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares); and
 - (iii) the balance of the surplus assets (if any) being distributed among the holders of the Founder Shares *pari passu*.

5.5 Re-designation of shares to Deferred Shares

- (a) A “**Re-designation Notice**” shall mean a notice in writing given to the Company by a holder of shares in the Company requiring the Company to re-designate one or more shares in the Company (“**Re-designation Shares**”) into Deferred Shares. Voting Shares can only be the subject of a Re-designation Notice if a Re-designation Notice is deemed to be given in respect to such shares pursuant to Article 7.5(h) or otherwise as may be agreed in writing by all Shareholders and the Company.
- (b) On the Re-designation Date, each Re-designation Share specified in the relevant Re-designation Notice shall automatically and without further authority than is contained in these Articles be re-designated into one fully-paid Deferred Share, and all such Deferred Shares resulting from that re-designation shall in all other respects rank *pari passu* with the other Deferred Shares (if any) in issue at that time.
- (c) The Company shall on the Re-designation Date enter the holder of the re-designated shares on the register of members of the Company as the holder of the appropriate number of Deferred Shares and, subject to the relevant holder delivering to the registered office of the Company the certificate (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate(s)) in relation to the shares subject to the re-designation, shall within 10 Business Days of the Re-designation Date forward to such holder of Deferred Shares by post to its address shown in the register of members, free of charge, a definitive certificate for the appropriate number of fully paid Deferred Shares.

5.6 Redemption of Deferred Shares

Subject to the provisions of the Act, the Company may at its option at any time redeem all (but not some only) of the Deferred Shares held by a holder of such shares (without

requiring that holder's consent or the consent of any other holder of Deferred Shares), the total price payable by the Company to such holder in respect of all such shares being the sum of £1.00.

5.7 Variation of class rights

- (a) Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a Liquidation) with the consent in writing of the holders of not less than 75 per cent. in nominal value of the issued shares of that class.
- (b) Without prejudice to the generality of paragraph (a) above, the special rights attaching to the Founder Shares shall be deemed to be varied by the occurrence of any of the following events:
 - (i) the alteration of the rights attaching to Voting Shares and/or Deferred Shares so that any such shares entitle the holders thereof to a dividend or to a distribution exceeding the sum of £1.00 for the entire class of Voting Shares or Deferred Shares (as the case may be);
 - (ii) the creation or issue of any shares (other than Founder Shares, Voting Shares and Deferred Shares) where such shares entitle the holders thereof to a dividend or to a distribution exceeding the sum of £1.00 for the entire class of such shares;
 - (iii) the purchase by the Company of any Voting Shares; or
 - (iv) a return of capital otherwise than in accordance with Article 5.4.
- (c) Neither the creation of a new class of shares which has preferential rights to Founder Shares, nor the creation or issue of further shares ranking *pari passu* with such shares shall, except as provided in paragraph (b) above, constitute a variation of the rights of the Founder Shares.

6. Allotments of Shares

6.1 Authority to allot shares

Save to the extent authorised by these Articles, or authorised from time to time by ordinary resolution of the members, the Board shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the Company.

6.2 Pre-emption rights

In accordance with Section 567(1) of the Act, Sections 561 and 562 of the Act shall not apply to the allotment of any share in the capital of the Company.

7. Transfer of Shares

7.1 General

- (a) The Board shall refuse to accept, give effect to or register any transfer of shares other than a transfer made pursuant to the provisions of this Article 7, but otherwise the Board shall not refuse to register a transfer and Model Article 26(5) shall be qualified accordingly.
- (b) The Board shall refuse to accept, give effect to or register any transfer of shares in respect of which the transferee or any person in whose name the share is to be registered is a natural person (whether a trustee or otherwise).
- (c) The Board shall refuse to accept, give effect to or register any instrument of transfer of shares in respect of which:
 - (i) the transfer is in respect of more than one class of share; or
 - (ii) the transfer is in favour of more than four transferees.

7.2 Permitted transfers

- (a) Voting Shares may be transferred by a Shareholder:
 - (i) to a Wholly-owned Associate of that Shareholder;
 - (ii) to another Shareholder following service of a Transfer Notice pursuant to Article 7.3;
 - (iii) to another Shareholder following deemed service of a Transfer Notice in connection with a Default Event pursuant to Article 7.4(d); or
 - (iv) in accordance with the prior written agreement of all Shareholders and the Company.
- (b) A transfer pursuant to paragraph (a)(i) above shall only be made subject to the following conditions:
 - (i) the transfer must relate to all and not part only of the transferor's Voting Shares and must be accompanied by a transfer of that transferor's Founder Share to that Wholly-owned Associate; and
 - (ii) if the transferee ceases at any time to be a Wholly-owned Associate of the transferor (or, where the transferor has ceased to exist, if there is a change in ownership of the transferee which, assuming the transferor were still in existence and under the ownership that it was immediately prior to the transfer made pursuant to paragraph (a)(i) above, would have resulted in the transferee ceasing to be a Wholly-owned Associate of the transferor), the transferee shall notify the Company that such event has occurred and shall either simultaneously retransfer such Voting Shares and Founder Share to the transferor or to another Wholly-owned Associate of the transferor (or, where the transferor has ceased to exist, to a person that would have been a Wholly-owned Associate of the transferor (assuming the transferor

were still in existence and under the ownership that it was immediately prior to the transfer made pursuant to paragraph (a)(i) above)).

- (c) Save as otherwise provided in these Articles or by the prior written agreement of all Shareholders and the Company, no Voting Share, Founder Share or Deferred Share shall be transferred by the holder thereof.

7.3 Voluntary Exit Transfers

At any time on or after the date falling 20 Business Days prior to 31 March 2019, save as or as may otherwise be agreed in writing by all Shareholders and the Company, any Shareholder may elect to transfer all of its Voting Shares by serving a Transfer Notice in accordance with Article 7.5(a) in which case the remaining provisions of Article 7.5 shall apply.

7.4 Obligatory transfers

- (a) A **“Default Event”** shall mean the occurrence of any of the following in relation to a Shareholder:
 - (i) a Breach Event; or
 - (ii) an Insolvency Event.
- (b) A **“Breach Event”** occurs in relation to a Shareholder where:
 - (i) that Shareholder purports to transfer any share in the Company otherwise than in accordance with these Articles or otherwise than in accordance with the written agreement of all other Shareholders and the Company;
 - (ii) that Shareholder fails to make a retransfer of shares within the period specified in Article 7.2(b)(ii) when required to do so pursuant to, and in accordance with, that Article;
 - (iii) the Board gives notice to that Shareholder in accordance with Article 7.4(g)(i) that a Breach Event is deemed to have occurred; or
 - (iv) all Shareholders other than that Shareholder give notice in writing to that Shareholder at any time referring to this Article stating that a Breach Event has occurred.
- (c) An **“Insolvency Event”** occurs in relation to a Shareholder if any of the following events occur in respect of that Shareholder:
 - (i) any arrangement or composition with or for the benefit of creditors being proposed or entered into by or in relation to the Shareholder in question or any application for an interim order (including an interim administration order) or moratorium being made;
 - (ii) a liquidator, provisional liquidator, receiver, administrator, administrative receiver or person with similar powers taking possession of or being appointed over, or any distress, attachment, sequestration, execution or other process being levied or enforced (and not being discharged within 14

- days) upon the whole or any part of the assets of the Shareholder in question (other than for the purposes of a solvent reconstruction or amalgamation, with the resulting entity assuming all the obligations of the Shareholder in question);
- (iii) the Shareholder in question ceasing or threatening to cease to carry on business, or admitting in writing its inability to pay or being or becoming unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986 (without the need to prove any fact or matter to the satisfaction of the court) or suspending or threatening to suspend payment with respect to all or any class of its debts or becoming insolvent or commencing negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
 - (iv) a petition being presented and (other than, in the case of an administration petition, any frivolous or vexatious petition or any petition which is actively defended) not being dismissed within 14 days of presentation, or a meeting being convened for the purpose of considering a resolution for the winding up or dissolution of the Shareholder in question (other than for the purposes of a solvent reconstruction or amalgamation with the resulting entity assuming all the obligations of the Shareholder in question);
 - (v) the enforcement of a security interest (including the holder of a qualifying floating charge appointing an administrator or filing a notice of appointment with the court) over any assets of the Shareholder in question;
 - (vi) to the extent that such an act is not specified in paragraphs (i) to (v) (inclusive) above, any legal process or proceeding which is instituted in relation to the Shareholder in question in connection with the insolvency of that Shareholder or the inability of that Shareholder to pay its debts as they fall due, provided that such process or proceeding is of equivalent or greater seriousness to the acts of insolvency so specified in the said paragraphs (i) to (v); or
 - (vii) the Shareholder in question suffering any event analogous to any of the foregoing in any jurisdiction in which the Shareholder in question is resident or subject to.
- (d) On the occurrence of a Default Event in relation to a Shareholder that Shareholder (the **"Defaulting Shareholder"**) shall, save as or as may otherwise be agreed in writing between the Shareholders and the Company, be deemed to have served a Transfer Notice in accordance with Article 7.5(a) to transfer all but not part only of its Voting Shares in which case the remaining provisions of Article 7.5 shall apply.
- (e) If a Shareholder becomes aware of the occurrence of a Default Event in relation to itself, it shall forthwith give written notice to the Company and the other Shareholders setting out reasonable details of the nature and extent of the Default Event, and the date on which the Default Event occurred (and if later the date on which it first became aware of such occurrence).

- (f) For the purposes of ascertaining whether a Default Event has taken place in relation to a Shareholder, the Board (excluding the Director appointed by that Shareholder) may from time to time require:

- (i) that Shareholder; or
- (ii) any liquidator, receiver, administrator, administrative receiver or similar official of that Shareholder; or
- (iii) any person named as transferee in any transfer lodged for registration in respect of any Voting Shares or Founder Share of that Shareholder,

to furnish to them such information and evidence as they may reasonably require regarding any matter which they may deem relevant to such purpose, including the names, addresses and interests of all persons having an interest in the Voting Shares or Founder Share registered in that Shareholder's name.

- (g) Failing such information or evidence as referred to in paragraph (f) above being furnished to the reasonable satisfaction of the Board within the period specified in the notice (which period shall not be shorter than 15 Business Days after the date of service of the notice), the Board may, except as may otherwise be agreed to in writing by all Shareholders and the Company from time to time, elect by giving notice to the Shareholder, with a copy to the other Shareholders, to declare that:

- (i) a Breach Event is deemed to have occurred in respect of that Shareholder; and
- (ii) the Voting Shares registered in the name of that Shareholder shall cease to confer any rights to vote (for as long as they remain registered in the name of that Shareholder).

7.5 Rights of pre-emption on transfer

- (a) Save as provided in Article 7.2, no Shareholder shall be entitled to transfer any Voting Share or Voting Shares without first offering them for transfer to the other Shareholders. The offer shall be made in respect of all but not part of the Voting Shares held by that Shareholder by notice in writing to the Company (a **"Transfer Notice"**).
- (b) The Transfer Notice shall specify the Voting Shares being offered for transfer (the **"Offer Shares"**) at a price per Voting Share equal to the par value of that Voting Share (the **"Prescribed Price"**) and shall constitute the Board as the agent of the proposing transferor for the sale of the Offer Shares to the other Shareholders at the Prescribed Price. The Transfer Notice may not be revoked unless the Board otherwise agrees.
- (c) Within 14 days after the Transfer Notice is received by the Company, the Board shall give notice to all Shareholders (other than the proposing transferor) of the number and description of the Offer Shares and the Prescribed Price, inviting each such Shareholder to notify the Company within 30 days whether it is willing to purchase any and, if so, what maximum number of, Offer Shares.

- (d) On the date of the expiry of the 30 day period referred to in paragraph (c) above or, if sooner, the date on which the Board has received a response in writing from each of those Shareholders either applying for Offer Shares or confirming that they do not wish to apply for Offer Shares:
- (i) if there has been no application for Offer Shares, the Board shall notify all Shareholders in writing (including the proposing transferor) of this fact (a **"Decline Notice"**); or
 - (ii) if there has been one or more applications for Offer Shares, the Board shall allocate the Offer Shares to those Shareholders who have applied to purchase shares and (if the number of shares for which those Shareholders have applied exceeds the number available) the allocation shall be made so far as practicable in proportion to the number of Voting Shares held by each of those Shareholders as between themselves (rounding down any fractional entitlements to the nearest whole number) but shall not in the case of any such Shareholder exceed the number of Offer Shares for which it has applied, and the Board shall give details of the allocation in writing to the proposing transferor and each Shareholder who has stated its willingness to purchase Offer Shares (an **"Allocations Notice"**).
- (e) Within 7 days after the service of an Allocations Notice (if any), each Shareholder to whom an allocation has been made shall be bound to pay the purchase price for the Offer Shares allocated to it and the proposing transferor shall be bound, on payment of the purchase price, to transfer the Offer Shares to each such purchaser.
- (f) If in any case a proposing transferor, after having become bound to transfer any shares to a purchaser, shall make default in transferring the shares, the Board shall authorise some other person to execute on behalf of and as agent for the proposing transferor any necessary transfers and shall procure that such transfers are effected within 3 days of the 7 day period referred to in paragraph (e) above and shall receive the purchase moneys and shall thereupon cause the name of the purchaser to be entered in the register of members of the Company as the holder of such shares and shall hold the purchase moneys in trust for the proposing transferor but without interest. The receipt of the Company for the purchase moneys shall be a good discharge to the purchaser and after the name of the purchaser has been entered in the register of members of the Company the validity of these transactions shall not be questioned by any person.
- (g) Where through no default of the proposing transferor, a Shareholder that has stated its willingness to purchase Offer Shares does not duly complete such purchase within the 7 day period referred to in paragraph (e) above, the Board shall forthwith notify all the other Shareholders (other than the proposing transferor) and if, within 7 days of such notice being given, those other Shareholders shall not between them duly complete the purchase of the shares in respect of which there has been default in completion, the provisions of paragraph (h) below shall apply.
- (h) If, on the expiry of the Pre-emption Period any of the Offer Shares have not been allocated or duly purchased, then on the day immediately following the expiry of the Pre-emption Period the proposing transferor shall be deemed to have served a Re-designation Notice in respect of such remaining Offer Shares and the provisions of Article 5.5 shall apply to re-designate such shares as Deferred Shares.

8. Decision-making by Shareholders

8.1 Quorum at general meetings

- (a) For so long as there shall be only one Shareholder then that Shareholder present in person or by proxy shall constitute a quorum at a general meeting of the Company.
- (b) For so long as there shall be two or more Shareholders, the quorum for a general meeting of the Company shall (subject to paragraph (c) below) be all of the Shareholders (other than any Shareholder that, in accordance with the agreement in writing of all Shareholders and the Company, is not entitled to vote on the resolutions to be tabled at that general meeting) present in person or by proxy.
- (c) If a quorum is not present within 30 minutes after the time specified for a general meeting of the Company in the notice of the meeting then the meeting shall be adjourned to a specified place and time not less than 5 Business Days after the original date for the meeting. Notice of the adjourned meeting shall be given to all Shareholders and any such adjourned meeting may be held notwithstanding the absence of the Shareholder (or its duly appointed proxy) which was absent from the original meeting.

8.2 Polls

A poll on any resolution may be demanded at any general meeting of the Company by any Shareholder present in person or by proxy. Model Article 44 shall be varied accordingly.

9. Indemnity and Insurance

- (a) In Model Article 52(1) the word “may” in the second line shall be replaced by “shall”.
- (b) For the purposes of Model Articles 52 and 53, references to a relevant director shall also include a secretary or former secretary of the Company or an associated company.

10. Notices

- (a) Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
 - (i) if sent by prepaid first class post or recorded delivery, on the second Business Day after being deposited in the post in a correctly addressed envelope; or
 - (ii) if delivered personally, at the time of delivery.

provided that any notice received on a day which is not a Business Day or after 5 p.m. (local time at the place of receipt) on any day will be deemed to have been given or made at 10 a.m. on the next Business Day.

- (b) In proving service of a notice, document or other information it shall be sufficient to prove that delivery was made in person or that the envelope containing the notice

or document was properly addressed and posted (either by first class post or recorded delivery).

11. Company Name

For the purposes of section 79 of the Act, the name of the Company may be changed by a decision of the Directors in accordance with Article 3.1 (but without prejudice to the right of a requisite majority of the members to change the name of the Company by passing a resolution to that effect).

SCHEDULE 1

Regulation 2

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

INDEX TO THE ARTICLES

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

1. Defined terms
2. Liability of members

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

3. Directors' general authority
4. Shareholders' reserve power
5. Directors may delegate
6. Committees

DECISION-MAKING BY DIRECTORS

7. Directors to take decisions collectively
8. Unanimous decisions
9. Calling a directors' meeting
10. Participation in directors' meetings
11. Quorum for directors' meetings
12. Chairing of directors' meetings
13. Casting vote
14. Conflicts of interest
15. Records of decisions to be kept
16. Directors' discretion to make further rules

APPOINTMENT OF DIRECTORS

17. Methods of appointing directors
18. Termination of director's appointment
19. Directors' remuneration
20. Directors' expenses

PART 3

SHARES AND DISTRIBUTIONS

SHARES

21. All shares to be fully paid up
22. Powers to issue different classes of share
23. Company not bound by less than absolute interests
24. Share certificates
25. Replacement share certificates

- 26. Share transfers
- 27. Transmission of shares
- 28. Exercise of transmitters' rights
- 29. Transmitters bound by prior notices

DIVIDENDS AND OTHER DISTRIBUTIONS

- 30. Procedure for declaring dividends
- 31. Payment of dividends and other distributions
- 32. No interest on distributions
- 33. Unclaimed distributions
- 34. Non-cash distributions
- 35. Waiver of distributions

CAPITALISATION OF PROFITS

- 36. Authority to capitalise and appropriation of capitalised sums

PART 4

DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

- 37. Attendance and speaking at general meetings
- 38. Quorum for general meetings
- 39. Chairing general meetings
- 40. Attendance and speaking by directors and non-shareholders
- 41. Adjournment

VOTING AT GENERAL MEETINGS

- 42. Voting: general
- 43. Errors and disputes
- 44. Poll votes
- 45. Content of proxy notices
- 46. Delivery of proxy notices
- 47. Amendments to resolutions

PART 5

ADMINISTRATIVE ARRANGEMENTS

- 48. Means of communication to be used
- 49. Company seals
- 50. No right to inspect accounts and other records
- 51. Provision for employees on cessation of business

DIRECTORS' INDEMNITY AND INSURANCE

- 52. Indemnity
- 53. Insurance

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

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

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

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

“chairman” has the meaning given in article 12;

“chairman of the meeting” has the meaning given in article 39;

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

“director” means a director of the company, and includes any person occupying the position of director, by whatever name called;

“distribution recipient” has the meaning given in article 31;

“document” includes, unless otherwise specified, any document sent or supplied in electronic form;

“electronic form” has the meaning given in section 1168 of the Companies Act 2006;

“fully paid” in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;

“hard copy form” has the meaning given in section 1168 of the Companies Act 2006;

“holder” in relation to shares means the person whose name is entered in the register of

members as the holder of the shares;

“instrument” means a document in hard copy form;

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;

“paid” means paid or credited as paid;

“participate”, in relation to a directors’ meeting, has the meaning given in article 10;

“proxy notice” has the meaning given in article 45;

“shareholder” means a person who is the holder of a share;

“shares” means shares in the company;

“special resolution” has the meaning given in section 283 of the Companies Act 2006;

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006;

“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a

shareholder or otherwise by operation of law; and

“writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

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

Liability of members

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

PART 2

DIRECTORS

DIRECTORS’ POWERS AND RESPONSIBILITIES

Directors’ general authority

3. Subject to the articles, the directors are responsible for the management of the company’s business, for which purpose they may exercise all the powers of the company.

Shareholders’ reserve power

- 4.—(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.
(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

Directors may delegate

- 5.—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—
 - (a) to such person or committee;
 - (b) by such means (including by power of attorney);

- (c) to such an extent;
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions;

as they think fit.

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

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

Committees

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

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

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

7.—(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

(2) If—

(a) the company only has one director, and

(b) no provision of the articles requires it to have more than one director, the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

Unanimous decisions

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

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

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

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

Calling a directors' meeting

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

- (2) Notice of any directors' meeting must indicate—
- (a) its proposed date and time;
 - (b) where it is to take place; and
 - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- (3) Notice of a directors' meeting must be given to each director, but need not be in writing.
- (4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

Participation in directors' meetings

- 10.—**(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—
- (a) the meeting has been called and takes place in accordance with the articles, and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- (3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

Quorum for directors' meetings

- 11.—**(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.
- (3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—
- (a) to appoint further directors, or
 - (b) to call a general meeting so as to enable the shareholders to appoint further directors.

Chairing of directors' meetings

- 12.—**(1) The directors may appoint a director to chair their meetings.
- (2) The person so appointed for the time being is known as the chairman.
- (3) The directors may terminate the chairman's appointment at any time.
- (4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

Casting vote

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

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

Conflicts of interest

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

(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

(3) This paragraph applies when—

(a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;

(b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or

(c) the director's conflict of interest arises from a permitted cause.

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

(a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;

(b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and

(c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

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

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

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

Records of decisions to be kept

15. The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

Directors' discretion to make further rules

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

APPOINTMENT OF DIRECTORS

Methods of appointing directors

17.—(1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

- (a) by ordinary resolution, or
- (b) by a decision of the directors.

(2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.

(3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

Termination of director's appointment

18. A person ceases to be a director as soon as—

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) *[paragraph omitted pursuant to The Mental Health (Discrimination) Act 2013]*
- (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

Directors' remuneration

- 19.—**(1) Directors may undertake any services for the company that the directors decide.
- (2) Directors are entitled to such remuneration as the directors determine—
- (a) for their services to the company as directors, and
 - (b) for any other service which they undertake for the company.
- (3) Subject to the articles, a director's remuneration may—
- (a) take any form, and
 - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- (4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- (5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

Directors' expenses

- 20.** The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—
- (a) meetings of directors or committees of directors,
 - (b) general meetings, or
 - (c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

PART 3

SHARES AND DISTRIBUTIONS

SHARES

All shares to be fully paid up

- 21.—**(1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.
- (2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

Powers to issue different classes of share

- 22.—**(1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

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

Company not bound by less than absolute interests

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

Share certificates

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

(2) Every certificate must specify—

- (a) in respect of how many shares, of what class, it is issued;
- (b) the nominal value of those shares;
- (c) that the shares are fully paid; and
- (d) any distinguishing numbers assigned to them.

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

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

(5) Certificates must—

- (a) have affixed to them the company's common seal, or
- (b) be otherwise executed in accordance with the Companies Acts.

Replacement share certificates

25.—(1) If a certificate issued in respect of a shareholder's shares is—

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

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

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

Share transfers

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

- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The company may retain any instrument of transfer which is registered.
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- (5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

Transmission of shares

- 27.**—(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- (2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—
- (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
 - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- (3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

Exercise of transmittees' rights

- 28.**—(1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- (2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- (3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

Transmittees bound by prior notices

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

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

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

- (2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- (3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- (4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- (5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- (6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- (7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

Payment of dividends and other distributions

- 31.—**(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—
- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
 - (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- (2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—
- (a) the holder of the share; or
 - (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
 - (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

No interest on distributions

- 32.** The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—
- (a) the terms on which the share was issued, or

(b) the provisions of another agreement between the holder of that share and the company.

Unclaimed distributions

33.—(1) All dividends or other sums which are—

- (a) payable in respect of shares, and
 - (b) unclaimed after having been declared or become payable,
- may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

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

(3) If—

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
- (b) the distribution recipient has not claimed it,

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

Non-cash distributions

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

(2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—

- (a) fixing the value of any assets;
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- (c) vesting any assets in trustees.

Waiver of distributions

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

- (a) the share has more than one holder, or
 - (b) more than one person is entitled to the share, whether by reason of the death or
- bankruptcy of one or more joint holders, or otherwise,

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

CAPITALISATION OF PROFITS

Authority to capitalise and appropriation of capitalised sums

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

- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
- (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

(2) Capitalised sums must be applied—

- (a) on behalf of the persons entitled, and
- (b) in the same proportions as a dividend would have been distributed to them.

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

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

(5) Subject to the articles the directors may—

- (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

PART 4

DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

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

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

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

(3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

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

(5) Two or more persons who are not in the same place as each other attend a general

meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

Quorum for general meetings

38. No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

Chairing general meetings

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

(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

(a) the directors present, or

(b) (if no directors are present), the meeting, must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

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

Attendance and speaking by directors and non-shareholders

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

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

(a) shareholders of the company, or

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

Adjournment

41.—(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

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

(a) the meeting consents to an adjournment, or

- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (4) When adjourning a general meeting, the chairman of the meeting must—
 - (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
 - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
 - (a) to the same persons to whom notice of the company's general meetings is required to be given, and
 - (b) containing the same information which such notice is required to contain.
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

Voting: general

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

Errors and disputes

- 43.—**(1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- (2) Any such objection must be referred to the chairman of the meeting, whose decision is final.

Poll votes

- 44.—**(1) A poll on a resolution may be demanded—
 - (a) in advance of the general meeting where it is to be put to the vote, or
 - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- (2) A poll may be demanded by—
 - (a) the chairman of the meeting;
 - (b) the directors;
 - (c) two or more persons having the right to vote on the resolution; or

- (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- (3) A demand for a poll may be withdrawn if—
 - (a) the poll has not yet been taken, and
 - (b) the chairman of the meeting consents to the withdrawal.
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

- 45.—**(1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—
- (a) states the name and address of the shareholder appointing the proxy;
 - (b) identifies the person appointed to be that shareholder’s proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- (4) Unless a proxy notice indicates otherwise, it must be treated as—
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

Delivery of proxy notices

- 46.—**(1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor’s behalf.

Amendments to resolutions

- 47.—**(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

PART 5

ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

- 48.—**(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.
- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- (3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

Company seals

- 49.—**(1) Any common seal may only be used by the authority of the directors.
- (2) The directors may decide by what means and in what form any common seal is to be used.
- (3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- (4) For the purposes of this article, an authorised person is—
- (a) any director of the company;
 - (b) the company secretary (if any); or
 - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

No right to inspect accounts and other records

50. Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder.

Provision for employees on cessation of business

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

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

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

- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
- (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
- (c) any other liability incurred by that director as an officer of the company or an associated company.

(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.

(3) In this article—

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant director" means any director or former director of the company or an associated company.

Insurance

53.—(1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

(2) In this article—

- (a) a "relevant director" means any director or former director of the company or an associated company,
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.