

PRIVATE COMPANY LIMITED BY SHARES

Written Resolution

of

North East Radio Communications Group Limited (the "Company")

Company No. 9602301

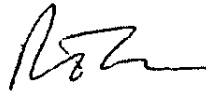
Passed on 4 June 2015

The following resolution was duly passed as a special resolution on 4 June 2015 by way of written resolution under Chapter 2 of Part 13 of the Companies Act 2006

SPECIAL RESOLUTION

THAT the Articles of Association set out in the document attached to this resolution be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of Association of the Company

Signed



Director

SATURDAY



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COMPANIES HOUSE

Dated 4 June 2015

**Articles of Association of North East Radio
Communications Group Limited**

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The Companies Act 2006

Private Company Limited by Shares

**Articles of Association of North East Radio Communications Group Limited (the
"Company")**

1 Defined terms

1.1 In these articles of association, the following expressions have the following meanings unless the context requires otherwise

"Articles"	the Company's articles of association,
"Bad Leaver"	an Employee who becomes a Departing Employee in circumstances where he is not a Good Leaver,
"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,
"Business Days"	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business,
"Chairman"	Brian Taylor Main;
"Chairman of the Meeting"	has the meaning given in article 41,
"Companies Acts"	the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company,
"Deemed Transfer Notice"	a Transfer Notice which is deemed to have been served by any of the provisions of these Articles,
"Departing Employee"	an Employee who ceases to be an employee of the Company or a Group Company,
"Director"	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 33,
"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,
"Eligible Director"	a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter),
"Employee"	an individual who is, or has been, a director and/or an employee of the Company or a Group Company but shall not include Alan Smith,
"Fair Value"	has the meaning given in article 28,
"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,
"Good Leaver"	an Employee who becomes a Departing Employee. <ul style="list-style-type: none"> (a) by reason of death, (b) in the reasonable opinion of the Directors, permanent disability or permanent incapacity through ill-health, (c) retirement at normal retirement age, or (d) after the Loan Notes have been repaid in full in accordance with the terms of the Loan Note Instrument,
"Group Company"	North East Radio Communications Limited (CRN 01485109),
"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,
"Independent Expert"	the auditors or accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Employee or, in the absence of agreement between the Company and the Employee on the identity of the expert within 15 Business Days of the expiry of the 45 Business Day period referred to in article 28 1, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered

	Accountants of England and Wales (in each case acting as an expert and not as an arbitrator),
"Instrument"	a document in Hard Copy Form;
"Issue Price"	in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium,
"Loan Notes"	the £450,000 (four hundred and fifty thousand pounds sterling) loan notes of the Company issued pursuant to the Loan Note Instrument to Alan Smith and the £50,000 (fifty thousand pounds sterling) loan notes of the Company issued pursuant to the Loan Note Instrument to Carolyn Olive Smith,
"Loan Note Instrument"	the loan note instrument of the Company constituting the Loan Notes, dated 2015,
"Ordinary Resolution"	has the meaning given in section 282 of the Companies Act 2006,
"Paid"	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 47,
"Relevant Loss"	any loss or liability which has been or may be incurred by a relevant officer in connection with that officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company,
"Relevant Officer"	any director or other officer or former director or other officer of the Company or an associated company (companies are associated if one is a Subsidiary of the other or both are subsidiaries of the same body corporate and associated company shall include any company which is a trustee of an occupational pensions scheme (as defined by section 235(6) of the Companies Act 2006)), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor,
"Relevant Shares"	in relation to an Employee means all Shares held by the Employee in question and including any Shares acquired by any such person after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice,

"Shareholder"	a person who is the Holder of a share,
"Shares"	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,
"Termination Date"	(a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires, (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served, (c) where an Employee dies, the date of his death, or (d) in any other case, the date on which the employment is terminated,
"Transfer Price"	has the meaning given in article 26 1 4,
"Transmittee"	a person entitled to a share by reason of the death or Bankruptcy of a Shareholder or otherwise by operation of law, and
"Writing"	the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in Electronic Form or otherwise

1 2 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

1 3 No regulations contained in any statute or subordinate legislation, including but not limited to the regulations contained in Table A in the schedule to the Companies (Table A to F) Regulations 1985 (as amended) or the model articles contained in The Companies (Model Articles) Regulations 2008, apply as regulations or articles of association of the Company

1 4 In these Articles, a reference to a statute or statutory provision includes

1 4 1 any subordinate legislation (as defined in section 21(1) of the Interpretation Act 1978) made under it,

1 4 2 any repeated statute or statutory provision which it re-enacts (with or without modification), and

- 1 4 3 any statute or statutory provision which modifies, consolidates, re-enacts or supersedes it, except to the extent that it would create or increase the liability of any member
- 1 5 The headings in these Articles are for convenience only and shall not affect its construction or interpretation
- 1 6 Unless the context otherwise requires
- 1 6 1 words denoting the singular shall include the plural and vice versa,
- 1 6 2 words denoting a gender shall include all genders, and
- 1 6.3 references to persons shall include corporations and firms
- 1 7 The "ejusdem generis" (of the same kind) rule will not apply to the interpretation of these Articles Accordingly, "include" and "including" will be read without limitation
- 2 **Liability of members**
- The liability of the members is limited to the amount, if any, unpaid on the Shares held by them
- 3 **Directors' general authority**
- Subject to the Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all of the powers of the Company
- 4 **Shareholders' reserve power**
- 4 1 The Shareholders may, by Special Resolution, direct the Directors to take, or refrain from taking, specified action
- 4.2 No such Special Resolution invalidates anything which the Directors have done before the passing of the resolution
- 5 **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
- 5 1 1 to such person or committee,
- 5 1 2. by such means (including by power of attorney),
- 5 1.3 to such an extent,
- 5 1 4 in relation to such matters or territories, and
- 5 1.5 on such terms and conditions,
- as they think fit

5 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

5 3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

6 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

6 2 The Directors may make rules or procedures for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them

7 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

7 2 If

7 2.1 the Company only has one Director for the time being, and

7 2.2 no provision of the Articles requires it to have more than one Director,

the general rule set out above in article 7.1 does not apply, and the Director may (for so long as he remains the sole Director) take decisions without regard to any of the provisions of the Articles relating to Directors' decision-making

8 Unanimous decisions

8 1 A decision of the Directors is taken in accordance with this article 8.1 when all Eligible Directors indicate to each other by any means and in any form of words, that they share a common view on a matter and wish that common view to take effect as a unanimous decision of the Directors

8 2 Such a decision may take the form of a resolution in Writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in Writing

8 3 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

9 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

9 2 Notice of any Directors' meeting must indicate:

9 2.1 its proposed date and time,

9 2.2 where it is to take place, and

- 9 2 3 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
- 9 3 Notice of a Directors' meeting (including the matters set out in article 9 2 above) must be given to each Director, but need not be in Writing.
- 9 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 seven (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
- 10 **Participation in Directors' meetings**
- 10 1 Subject to the Articles, Directors Participate in a Directors' meeting, or part of a Directors' meeting, when
- 10 1 1 the meeting has been called and takes place in accordance with the Articles, and
- 10 1 2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting
- 10 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
- 10 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
- 11 **Quorum for a Directors' meeting**
- 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
- 11 2. Subject to article 11 3, the quorum for Directors' meetings for the transaction of business at a meeting of Directors is any two (2) Eligible Directors unless there is only one (1) Director of the Company when the quorum for Director's meeting will be one (1)
- 11 3 For the purposes of any meeting (or part of a meeting) held pursuant to article 13 to authorise a Director's conflict, if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director
- 12 **Interests in transactions and other arrangements**
- 12 1. Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Companies Act 2006 and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company

- 12 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,
 - 12 1 2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such contract or proposed contract in which he is interested,
 - 12 1 3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested,
 - 12 1 4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director,
 - 12 1 5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and
 - 12 1 6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Companies Act 2006) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Companies Act 2006.
- 12 2 For the purpose of this article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting
- 12 3 Subject to article 12 4, 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
- 12 4 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
- 13 Directors' Conflicts of Interest**
- 13 1 For the purposes of section 175 of the Companies Act 2006, the Directors may authorise any matter which
- 13 1.1 would or could be a breach of a director's duty under that section, or
 - 13 1 2 could result in a breach of a director's duty under that section

- 13 2 For the authorisation of a matter (pursuant to the authority in article 13 1), to be effective
- 13 2 1 the matter in question must be proposed for consideration at a board meeting, or for the authorisation of the Directors by resolution in Writing, in line with the board's normal procedures or in any other way that the Directors may decide,
 - 13 2 2 any quorum requirement at the board meeting when the matter is considered must be met without counting the Director in question and any other interested Director (the "**Interested Directors**"), and
 - 13 2 3 the matter must be agreed without the Interested Directors voting, or would have been agreed if the votes of the Interested Directors had not been counted
- 13 3 Any matter authorised under article 13 1 will be subject to any conditions or limitations decided on by the Directors. The Directors can decide the conditions or limitations at the time authorisation is given, or later on, and can end at any time. A Director must comply with any obligations the Directors impose on him after a matter has been authorised
- 13 4 Any matter authorised under article 13 1 will include any existing or potential conflict of interest which is reasonable to expect will arise out of the authorised matter
- 13 5 The Director shall not be required to disclose any confidential information obtained in relation to the relevant matter which has been authorised under article 13 1 (other than through his position as a Director of the Company) to the Company or to use or apply it in performing his duties as a Director if to do so would result in a breach of duty or obligation of confidence owed by him in relation to or in connection with that matter
- 13 6 Where a matter is authorised in accordance with article 13 1, the Director will not infringe any duty to the Company by virtue of sections 171 to 177 of the Companies Act 2006 provided he acts in accordance with any terms, limits and conditions imposed in respect of the authorisation
- 13 7 A Director is not accountable to the Company for any benefit he receives (or a person connected with them receives) as a result of anything the Directors have authorised under article 13.1. No contract, transaction or arrangement relating to any matter authorised by the Director under article 13 1 can be set aside because of any Director's interest or benefit

14 Records of decisions to be kept

The Directors must ensure that the Company keeps a record, in Writing (or in the case of decisions taken by electronic means such decisions shall be recorded by the Directors in permanent form so that they may be read with the naked eye) for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors

15 Directors' discretion to make further rules

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

16 Methods of appointing Directors

16 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 by Ordinary Resolution

16 2 In any case where, as a result of death or Bankruptcy, the Company has no Shareholders and no Directors, the Transmittree(s) of the last Shareholder to have died or to have a Bankruptcy order made against him (as the case may be) have the right, by notice in Writing, to appoint a person to be a Director

16 3 For the purpose of article 16 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

17 Termination of Director's appointment

17 1 A person ceases to be a Director as soon as

17 1 1 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,

17 1 2 a Bankruptcy order is made against that person,

17 1 3 a composition is made with that person's creditors generally in satisfaction of that person's debts,

17 1 4. 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,

17 1 5 the Shareholders, by Ordinary Resolution, dismiss the director from office, or

17 1 6 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.

18 Directors' expenses

18 1 The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at.

18 1 1 meetings of Directors or committees of Directors,

18 1 2 general meetings, or

18 1 3 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

19 All Shares to be Fully Paid up

19 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

19 2 This does not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum

20 Exclusion of statutory pre-emption rights

In accordance with section 567 of the Companies Act 2006, all the requirements of sections 561 and 562 of the Companies Act 2006 are excluded generally in relation to the allotment by the Company of equity securities (as defined in section 560(1) of the Companies Act 2006)

21 Power to issue different classes of Shares

21 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

21 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

22 Company not bound by less than absolute interests

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

23 Share certificates

23 1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds

23 2 Every certificate must specify:

23 2.1 in respect of how many Shares, of what class, it is issued,

23 2 2 the nominal value of those Shares,

23 2 3 that the Shares are Fully Paid, and

23 2 4 any distinguishing numbers assigned to them

23 3 No certificate may be issued in respect of Shares of more than one class

23 4 If more than one person holds a share, only one certificate may be issued in respect of it

23 5 Certificates must

23 5 1 have affixed to them the Company's common seal, or

23 5 2 be otherwise executed in accordance with the Companies Acts

24 **Replacement share certificates**

24 1 If a certificate issued in respect of a Shareholder's Shares is

24 1 1 damaged or defaced, or

24.1 2 said to be lost or stolen or destroyed,

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

24 2 A Shareholder exercising the right to be issued with such a replacement certificate

24 2 1 may at the same time exercise the right to be issued with a single certificate or separate certificates;

24 2 2 must return the certificate which is to be replaced to the Company if it is damaged or defaced, and

24 2 3. must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors may decide

25 **Share transfers**

25.1. Subject to complying with article 26, 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

25 2 No fee may be charged for registering any Instrument of transfer or other Document relating to or affecting the title to any share

25 3 The Company may retain any Instrument of transfer which is registered

25 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

25 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

26 **Transfer of shares subject to pre-emption**

26 1 No Shareholder is entitled to transfer any Share or any interest in any Share otherwise than in accordance with the following provisions

26 1.1 any Shareholder proposing to transfer Shares or an interest in Shares (the "Proposed Transferor") shall give notice in writing ("Transfer Notice") to the Directors that the Proposed Transferor wishes to transfer all the Shares then held by him (the "Offered Shares") In the Transfer Notice the Proposed Transferor shall specify

- 26 1 1 1 the number of Offered Shares which he wishes to transfer,
- 26 1 1 2 the price at which the Proposed Transferor wishes to sell the Offered Shares ("**Offered Price**"), and
- 26 1 1 3 the identity of the person (if any) who has indicated a willingness to purchase the Offered Shares at the Offered Price (the "**Proposed Transferee**")
- 26 1 2 The Transfer Notice shall be deemed to contain a condition ("**Total Transfer Condition**") that unless the Offered Shares are sold pursuant to the following provisions of this article, none shall be so sold
- 26 1 3 The Transfer Notice (including any revised or updated Transfer Notice) shall constitute the Directors (or any one of them) as agents of the Proposed Transferor empowered to sell the Offered Shares (together with all rights attaching thereto at the date of the Transfer Notice or at any time thereafter) at the Transfer Price (as hereinafter defined) Once given, a Transfer Notice may not be revoked save with the prior written consent of the Directors.
- 26 1 4 The Directors shall, within 14 days of receipt of the Transfer Notice, either accept the Offered Price, or reject the Offered Price and seek to agree with the Proposed Transferor a price (in either case the "**Transfer Price**") for each of the Offered Shares If the Offered Price is rejected by the Directors and a price is not agreed between the Directors and the Proposed Transferor within this 14 day period then the price shall be Fair Value as determined in accordance with article 28.
- 26 1 5 Once the Transfer Price has been agreed or determined pursuant to article 26.1 4, the Offered Shares shall be offered to all Shareholders other than the Proposed Transferor ("**Continuing Shareholders**")
- 26.2 Unless only one Continuing Shareholder confirms in writing that it is willing to purchase any of the Offered Shares, allocation of the Offered Shares to or amongst the Continuing Shareholders shall in the first instance be pro rata to the nominal amount of shares held by the Continuing Shareholders and thereafter shall not exceed the maximum which such holder shall have expressed a willingness to purchase (any resulting fractional entitlements shall be dealt with at the discretion of the directors).
- 26.3. If any of the Offered Shares have not been allocated to the Continuing Shareholders within the thirty day period, the Proposed Transferor may at any time within a period of ninety days after the expiry of the thirty day period transfer the Offered Shares to the Proposed Transferee and at any price (being not less than the Transfer Price) provided that
 - 26 3 1 consent of the directors has been obtained,
 - 26 3 2 (subject to article 26 1 2) the Total Transfer Condition has been satisfied, and
 - 26 3 3 the Directors may reasonably require to be satisfied that the Offered

Shares are being transferred under a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance to the Proposed Transferee and, if not so satisfied, may refuse to register the Instrument of transfer.

27 Compulsory Transfers

- 27 1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer Notice in respect of that Share at such time as the Directors may determine
- 27 2 If an Employee becomes a Departing Employee a Transfer Notice shall be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares (a "**Compulsory Employee Transfer**") and any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee becomes a Departing Employee shall automatically lapse
- 27 3 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Employee Transfer shall, where the Departing Employee is
- 27 3 1. a Bad Leaver, be restricted to a maximum of the lower of the aggregate Issue Price of such Relevant Shares and the aggregate Fair Value of such Relevant Shares, and
- 27 3 2 a Good Leaver, be the aggregate Fair Value of such Relevant Shares
- 27 4 Fair Value for the purpose of article 27 3 shall be the price per Relevant Share as agreed between the Directors and the Employee within 20 Business Days of the relevant Termination Date. If Fair Value cannot be agreed between the Directors and the Employee within such period, such amount shall be determined in accordance with article 28
- 27 5 Forthwith upon a Transfer Notice being deemed to be served under article 27 2 the Relevant Shares shall cease to confer on the holder of them any rights
- 27 5 1. to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares, or
- 27 5 2 to receive dividends or other distributions otherwise attaching to those Shares, or

The Directors may reinstate the rights referred to in article 27 4 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 27 2 on completion of such transfer

28 Valuation

- 28 1 Subject to article 26 1 4 and 27 4, Fair Value shall be determined by the Independent Expert on the following bases and assumptions:
- 28 1 1 valuing the Relevant Shares or the Offered Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date

the Compulsory Employee Transfer was deemed served or the Transfer Notice was served,

- 28 1 2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
 - 28 1 3 that the Relevant Shares or the Offered Shares are capable of being transferred without restriction, and
 - 28 1 4 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 28 2. If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit
- 28 3 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Company, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose
- 28 4 The parties are entitled to make submissions to the Independent Expert and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.
- 28 5 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error)
- 28 6 The Independent Expert shall be requested to determine the Fair Value within 45 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller
- 28 7 The cost of obtaining the Independent Expert's certificate shall be borne by the Employee in the case of valuing the Relevant Shares and the Company in the case of valuing the Offered Shares

29 Transmission of Shares

- 29 1 If title to a share passes to a Transmittor, the Company may only recognise the Transmittor as having any title to that share
- 29 2 A Transmittor who produces such evidence of entitlement to Shares as the Directors may properly require
- 29 2 1 may, subject to these Articles choose either to become the Holder of those Shares or to have them transferred to another person; and
 - 29 2 2. subject to these Articles, and pending any transfer of the Shares to another person, has the same rights as the Holder had

- 29 3 But, subject to article 16 2 Transmittes 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

30 **Exercise of Transmittes' rights**

- 30 1. Transmittes who wish to become the Holders of Shares to which they have become entitled must notify the Company in Writing of that wish
- 30 2 If the Transmittes wishes to have a Share transferred to another person, the Transmittes must execute an Instrument of transfer in respect of it
- 30 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 Transmittes has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred

31 **Transmittes bound by prior notices**

If a notice is given to a Shareholder in respect of Shares and a Transmittes is entitled to those Shares, the Transmittes is bound by the notice if it was given to the Shareholder before the Transmittes's name, or the name of any person(s) named as the transferee(s) in an Instrument of transfer executed under article 25 1 (pursuant to article 30 2) has been entered in the register of members

32 **Procedure for declaring dividends**

- 32.1 The Company may by Ordinary Resolution declare dividends, and the Directors may decide to pay interim dividends
- 32 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
- 32 3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights
- 32 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 holdings of Shares on the date of the resolution or decision to declare to pay it
- 32 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
- 32 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.
- 32 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

33 Payment of dividends and other distributions

33 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 the following means

33 1 1 transfer to a bank or building society account specified by the Distribution Recipient either in Writing or as the Directors may otherwise decide,

33 1 2 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,

33 1 3 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

33 1 4 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

33 2 In these Articles, the "**Distribution Recipient**" means, in respect of a share in respect of which a dividend or other sum is payable

33 2 1 the Holder of the share, or

33 2 2 if the share has two or more joint Holders, whichever of them is named first in the register of members, or

33 2 3 if the Holder is no longer entitled to the share by reason of death or Bankruptcy, or otherwise by operation of law, the Transmittree

34 No interest on distributions

34 1 The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:

34 1 1 the terms on which the share was issued, or

34.1 2 the provisions of another agreement between the Holder of that share and the Company

35 Unclaimed distributions

35 1 All dividends or other sums which are

35 1 1 payable in respect of Shares, and

35 1 2 unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed

35 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

35 3 If

35 3 1 twelve years have passed from the date on which a dividend or other sum became due for payment, and

35 3 2 the Distribution Recipient has not claimed it,

the Distribution Recipient is no longer entitled to that dividend or other sum and it ceased to remain owing by the Company

36 **Non-cash distributions**

36 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)

36 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.

36 2 1 fixing the value of any assets,

36 2 2 paying cash to any Distribution Recipient on the basis of that value in order to adjust the rights of recipients, and

36 2 3 vesting any assets in trustees.

37 **Waiver of distributions**

37 1 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

37 1 1 the share has more than one Holder, or

37 1 2 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

38 **Authority to capitalise and appropriation of capitalised sums**

38 1 Subject to these Articles, the Directors may, if they are so authorised by an Ordinary Resolution

38 1 1 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

- 38 1 2 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
- 38 2 Capitalised sums must be applied
- 38 2 1 on behalf of the persons entitled, and
- 38 2 2 in the same proportions as a dividend would have been distributed to them
- 38 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.
- 38 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
- 38 5 Subject to these Articles the Directors may.
- 38 5 1 apply capitalised sums in accordance with articles 38 3 and 38 4 partly in one way and partly in another;
- 38 5 2 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
- 38 5.3. 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
- 39 **Attendance and speaking at general meetings**
- 39 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
- 39 2 A person is able to exercise the right to vote at a general meeting when
- 39 2 1 that person is able to vote during the meeting, on resolutions put to the vote at the meeting, and
- 39 2 2 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
- 39 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

39 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

39 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

40 **Quorum for general meetings**

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

41 **Chairing general meetings**

41 1 The Chairman shall chair general meetings if present and willing to do so

41 2 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:

41 2 1 the Directors present; or

41 2 2 (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

41 3 The person chairing a meeting in accordance with this article is referred to as "the Chairman of the Meeting"

42 **Attendance and speaking by Directors and non-Shareholders**

42 1. Directors may attend and speak at general meetings, whether or not they are Shareholders

42 2 The Chairman of the Meeting may permit other persons who are not

42 2 1 the Shareholders of the Company, or

42 2 2 otherwise entitled to exercise the rights of Shareholders in relation to general meetings, to attend and speak at a general meeting

43 **Adjournment**

43 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

43 2 The Chairman of the Meeting may adjourn a general meeting at which a quorum is present if

43 2 1 the meeting consents to an adjournment, or

- 43 2 2 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
- 43 3 The Chairman of the Meeting must adjourn a general meeting if directed to do so by the meeting
- 43 4 When adjourning a general meeting, the Chairman of the Meeting must:
 - 43 4 1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors, and
 - 43 4 2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 43 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)
 - 43 5 1 to the same persons to whom notice of the Company's general meeting is required to be given, and
 - 43 5 2 containing the same information which such notice is required to contain.
- 43 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
- 44 **Voting: General**

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these Articles
- 45 **Errors and disputes**
 - 45 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
 - 45 2 Any such objection must be referred to the Chairman of the Meeting, whose decision is final
- 46 **Poll votes**
 - 46 1 A poll on a resolution may be demanded
 - 46 1 1 in advance of the general meeting where it is to be put to the vote, or
 - 46 1 2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared
 - 46 2 A poll may be demanded at any general meeting by -

- 46 2 1 two or more qualifying person(s) (as defined in section 318 of the Companies Act 2006) present and entitled to vote at the meeting,
 - 46 2 2 the Chairman of the Meeting; or
 - 46 2 3 the Board (acting by a majority), or
 - 46 2 4 a person or persons representing not less than one tenth of the total voting rights of all of the shareholders having the right to vote on the resolution
- 46 3 A demand for a poll may be withdrawn if
- 46 3.1 the poll has not yet been taken; and
 - 46 3 2 the Chairman of the Meeting consents to the withdrawal
- A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.
- 46 4 Polls must be taken immediately and in such manner as the Chairman of the Meeting directs
- 47 **Content of proxy notices**
- 47 1 Proxies may only validly be appointed by a notice in Writing (a "Proxy Notice") which
- 47 1 1 states the name and address of the Shareholder appointing the proxy;
 - 47 1 2 identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed,
 - 47 1 3. is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and
 - 47 1 4 is delivered to the Company in accordance with these Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate,
- and a Proxy Notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting
- 47.2 The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes
- 47 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
- 47 4 Unless a Proxy Notice indicates otherwise it must be treated as
- 47 4 1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

- 47 4 2 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

48 Delivery of Proxy Notices

- 48 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
- 48 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
- 48 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.
- 48 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

49 Amendments to resolutions

- 49 1 An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if
- 49 1 1 notice of the proposed amendment is given to the Company in Writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chairman of the Meeting may determine), and
- 49 1 2. the proposed amendment does not, in the reasonable opinion of the Chairman of the Meeting, materially alter the scope of the resolution
- 49 2 A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution, if
- 49 2.1. the Chairman of the Meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
- 49.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution
- 49 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

50 Means of communication to be used

- 50 1 Subject to these Articles, anything sent or supplied by or to the Company under these Articles may be sent or supplied in any way 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

50 2 Subject to these 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

50 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

51 **Company seals**

51 1 Any common seal may only be used by the authority of the Directors

51 2 The Directors may decide by what means and in what form any common seal is to be used

51.3. 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

51 4 For the purpose of this article, an authorised person is

51 4 1 any Director of the Company,

51 4 2 the company secretary (if any), or

51 4 3 any person authorised by the Directors for the purpose of signing Documents to which the common seal is applied

52 **No right to inspect accounts and other records**

Except as provided by law or authorised by the Directors or an Ordinary Resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or Documents merely by virtue of being a Shareholder

53 **Provision for employees on cessation of business**

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

54 **Indemnity**

54 1 Subject to article 54.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled, a Relevant Officer may be indemnified out of the Company's assets against

54 1 1 any liability incurred by that officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company,

- 54 1 2 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),
- 54 1 3 any other liability incurred by that director as an officer of the Company or an associated company
- 54 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
- 55 **Insurance**
- The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss