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Company number: 12903191

ARTICLES OF ASSOCIATION

relating to

A AND P TRUCK AND TRAILER PARTS LTD

jmw

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(Ref: 626854C.1)

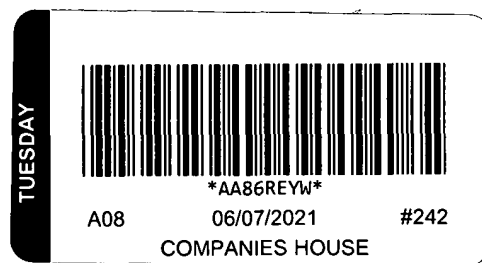


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**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
A AND P TRUCK AND TRAILER PARTS LTD**

(Adopted by Special Resolution passed on 22 JUNE 2021)

INTRODUCTION

1. INTERPRETATION

1.1 The following definitions and rules of interpretation apply in these Articles:

"**A Shareholder**" means a person who is the Holder of an A Share in the capital of the Company.

"**A Shares**" means the A ordinary shares of £1.00 each in the capital of the Company.

"**Act**" means the Companies Act 2006.

"**Acting in Concert**" has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time).

"**Adoption Date**" means the date of adoption of these Articles.

"**Allocation Notice**" has the meaning given in Article 35.7.

"**Applicant**" has the meaning given in Article 35.7.

"**Articles**" means the Company's articles of association for the time being in force.

"**Bad Leaver**" means an Employee Shareholder who becomes a Departing Employee Shareholder in circumstances where he or she 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.

"**Bankruptcy Event**" means an order being made for the bankruptcy of a Shareholder, or an arrangement or composition being made with any of his or her creditors, or where he or she otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors.

"**Business Day**" means any day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.

"**Called Shareholders**" shall have the meaning given in Article 39.1.

"**Called Shares**" shall have the meaning given in Article 39.2.1.

"**Chairperson**" has the meaning given in Article 14.

"**Chair of the meeting**" has the meaning given in Article 53.3.

"**Civil Partner**" means in relation to a Shareholder, a civil partner as defined in the Civil Partnership Act 2004.

"**Companies Acts**" means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the Company.

"**Conflict**" has the meaning given in Article 17.1.

"connected" has the meaning given in section 1122 of the Corporation Tax Act 2010.

"Controlling Interest" means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.

"Deemed Transfer Notice" means a Transfer Notice that is deemed to have been served under Article 37.1 or Article 37.3.

"Departing Employee Shareholder" means an Employee Shareholder who ceases to be a Director and/or employee of the Company (other than by reason of death).

"Director" means a director of the Company, and includes any person occupying the position of Director, by whatever name called.

"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;
- (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 as a result of a Bankruptcy Event, or otherwise by operation of law, the Transmitttee.

"document" includes, unless otherwise specified, any document sent or supplied in electronic form.

"Drag Along Notice" shall have the meaning given in Article 39.2.

"Drag Along Option" shall have the meaning given in Article 39.1.

"electronic form" has the meaning given in section 1168 of the Act.

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

"Employee Shareholder" means a Shareholder who is, or has been, a Director and/or employee of the Company.

"Fair Value" means in relation to a Share, as determined in accordance with Article 38.

"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" means an Employee Shareholder who becomes a Departing Employee Shareholder by reason of:

- (a) retirement, permanent disability or permanent incapacity through ill-health; or
- (b) redundancy (as defined in the Employment Rights Act 1996);
- (c) dismissal by the Company which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal, to be wrongful; or

"hard copy form" has the meaning given in section 1168 of the Act.

"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.

"Key A Shareholder" means Ian Bullivant, being the A Shareholder at the date of adoption of these Articles.

"Key Ordinary Shareholder" means Alan Brotherton.

"Key Shareholders" means the Key A Shareholder and the Key Ordinary Shareholder.

"Loan" means the sum owing by the Company to the A Shareholder pursuant to the Loan Agreement.

"Loan Agreement" means the loan agreement entered into between the Company (as borrower) and the Key A Shareholder (as lender) on or around the date of adoption of these Articles and as subsequently amended as the case may be.

"Offer Period" has the meaning given in Article 35.5.

"Offerees" has the meaning given in Article 35.5.

"Ordinary Resolution" has the meaning given in section 282 of the Act.

"Ordinary Shareholder" means a person who is the Holder of an Ordinary Share in the capital of the Company.

"Ordinary Shares" means the ordinary shares of £1.00 each in the capital of the Company.

"Original Director" means the director(s) appointed pursuant to Article 21.2.

"paid" means paid or credited as paid.

"participate", in relation to a Directors' meeting, has the meaning given in Article 12.

"Permitted Maximum" means such number of Shares that would, following a Permitted Transfer, result in a Key Shareholder continuing to hold at least 25% in nominal value of all Shares held for the time being by:

- (a) that Key Shareholder; and
- (b) his or her Permitted Transferees, but excluding any Shares that the Directors (acting with Shareholder Consent) declares itself satisfied were not acquired pursuant to a Permitted Transfer by that Key Shareholder (or by another Permitted Transferee of that Key Shareholder).

"Permitted Transfer" means a transfer of Shares made in accordance with Article 36.

"Permitted Transferee" means in relation to a Key Shareholder, any of his or her Privileged Relations.

"Privileged Relation" means the spouse or Civil Partner of a Key Shareholder and the Key Shareholder's children or such other parties as agreed with Shareholder Consent.

"Proposed Buyer" shall have the meaning given in Article 39.1.

"Proposed Sale Price" has the meaning given in Article 35.1.3.

"Proxy Notice" has the meaning given in Article 59.1.

"Sale Shares" has the meaning given in Article 35.1.1.

"Seller" has the meaning given in Article 35.1.

"Sellers' Shares" shall have the meaning given in Article 39.1.

"Shareholder" means a person who is the Holder of a share in the capital of the Company.

"Shareholder Consent" means the prior written consent (which may be by email) of both of the Key Shareholders. For the purposes of this definition, the Key A Shareholder and the Key Ordinary Shareholder shall be deemed to hold all Shares for the time being registered in the name of any of his or her Permitted Transferees pursuant to a Permitted Transfer (whether directly or indirectly) by that Key Shareholder.

"Shares" means the A Shares and the Ordinary Shares.

"Special Resolution" has the meaning given in section 283 of the Act.

"subsidiary" has the meaning given in section 1159 of the Act.

"Termination Date" means:

- (a) where employment ceases by virtue of notice given by the employer to the Employee Shareholder, 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 the Employee Shareholder concerned is a Director but not an employee, the date on which his or her service agreement (or other terms of appointment) with the Company is terminated; or
- (d) in any other case, the date on which the employment or holding of office is terminated.

"Transmittee" means a person entitled to a Share by reason of the death of, or Bankruptcy Event in relation to, a Shareholder or otherwise by operation of law.

"Transfer Notice" has the meaning given in Article 35.1.

"Transfer Price" means the price per Sale Share determined in accordance with Article 35.4.

"Valuers" means the appointed accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Seller and the Directors (acting with Shareholder Consent) or, in the absence of agreement between the Seller and the Directors on the identity of the expert within 10 Business Days of the expiry of the 25 Business Day period referred to in Article 35.4, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator).

"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.

- 1.2 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Act as in force on the date when these Articles become binding on the Company.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an **"Article"** is a reference to the relevant Article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.

- 1.7 Any words following the terms "**including**", "**include**", "**in particular**", "**for example**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.8 Where the context permits, "**other**" and "**otherwise**" are illustrative and shall not limit the sense of the words preceding them.

LIMITED LIABILITY

2. LIABILITY OF THE SHAREHOLDERS

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

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

3. DIRECTORS' GENERAL AUTHORITY

Subject to these 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.

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 these Articles, the Directors may delegate any of the powers which are conferred on them under these 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 these Articles which govern the taking of decisions by Directors.
- 6.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from these Articles if they are not consistent with them.

DECISION MAKING BY DIRECTORS

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:

7.1.1 in the form of a Directors' written resolution; or

7.1.2 by majority decision at a meeting,

each in accordance with these Articles.

7.2 If:

7.2.1 the Company only has one Director for the time being, and

7.2.2 no provision of these Articles requires it to have more than one Director,

the general rule does not apply, and the Director may (for so long as he or she remains the sole Director) take decisions without regard to any of the provisions of these Articles relating to Directors' decision-making.

8. 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.

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. PROPOSING DIRECTORS' WRITTEN RESOLUTIONS

9.1 Any Director or the Company secretary, if any, on the request of any Director, may propose a Directors' written resolution.

9.2 A Directors' written resolution is proposed by giving notice of the proposed resolution in writing to each other Director.

9.3 Notice of a proposed Directors' written resolution must indicate:

9.3.1 the proposed resolution; and

9.3.2 the time by which it is proposed that the Directors should adopt it.

9.4 Any decision which a person giving notice of a proposed Directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith.

10. ADOPTION OF DIRECTORS' WRITTEN RESOLUTIONS

10.1 A proposed Directors' written resolution is adopted when a majority of the Eligible Directors who would have been entitled to vote on the resolution at a Directors' meeting have signed it whether on a single copy or counterparts, provided that those Directors would have formed a quorum at a Directors' meeting (if one had been called) to consider the matter or matters in question, which was not an adjourned meeting.

10.2 It is immaterial whether any Director signs the resolution before or after the time by which the notice proposed that it should be adopted.

- 10.3 Once a Directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a Directors' meeting in accordance with these Articles.
- 11. CALLING A DIRECTORS' MEETING**
- 11.1 Any Director may call a Directors' meeting by giving notice of the meeting to the Directors.
- 11.2 Notice of a Directors' meeting must be given to each Director, but need not be in writing.
- 11.3 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.
- 12. PARTICIPATION IN DIRECTORS' MEETINGS**
- 12.1 Subject to these Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when:
- 12.1.1 the meeting has been called and takes place in accordance with these Articles, and
- 12.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 12.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.
- 12.3 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.
- 13. QUORUM FOR DIRECTORS' MEETINGS**
- 13.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 13.2 Subject to Article 13.3, the quorum for the transaction of business at a meeting of Directors is any two Original Directors. If only one Director shall have been appointed as a director of the Company, the quorum shall be one.
- 13.3 For the purposes of any meeting (or part of a meeting) held pursuant to Article 17 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.
- 13.4 If the total number of Directors in office for the time being is less than the quorum required, the Directors must not take any decision other than a decision:
- 13.4.1 to appoint further Directors; or
- 13.4.2 to call a general meeting so as to enable the Shareholders to appoint further Directors.
- 14. CHAIRING OF DIRECTORS' MEETINGS**
- 14.1 The Directors may appoint a Director to chair their meetings.
- 14.2 The person so appointed for the time being is known as the Chairperson.
- 14.3 The Directors may terminate the Chairperson's appointment at any time.
- 14.4 If the Chairperson 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.

15. CASTING VOTE

- 15.1 If the numbers of votes for and against a proposal at a meeting of Directors are equal, the resolution must be voted on again as the Chairperson shall not have a casting vote.

16. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 16.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he or she has declared the nature and extent of his or her interest in accordance with the requirements of the Companies Acts, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 16.1.1 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;
 - 16.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such existing or proposed transaction or arrangement in which he or she is interested;
 - 16.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he or she is interested;
 - 16.1.4 may act by himself or herself or by his or her firm in a professional capacity for the Company (otherwise than as auditor) and he or she or his or her firm shall be entitled to remuneration for professional services as if he or she were not a Director;
 - 16.1.5 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
 - 16.1.6 shall not, save as he or she may otherwise agree, be accountable to the Company for any benefit which he or she (or a person connected with him or her (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his or her duty under section 176 of the Act.

17. DIRECTORS' CONFLICTS OF INTEREST

- 17.1 The Directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an "**Interested Director**") breaching his or her duty under section 175 of the Act to avoid conflicts of interest ("**Conflict**").
- 17.2 Any authorisation under this Article 17 will be effective only if:
- 17.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
 - 17.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested Director; and
 - 17.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested Director's vote had not been counted.
- 17.3 Any authorisation of a Conflict under this Article 17 may (whether at the time of giving the authorisation or subsequently):

- 17.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 17.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
 - 17.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
 - 17.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
 - 17.3.5 provide that, where the Interested Director obtains, or has obtained (through his or her involvement in the Conflict and otherwise than through his or her position as a Director of the Company) information that is confidential to a third party, he or she will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - 17.3.6 permit the Interested Director to absent himself or herself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 17.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself or herself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 17.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 17.6 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he or she derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 17.7 For the purposes of this Article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.
- 17.8 Subject to Article 17.9, 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 Chairperson whose ruling in relation to any Director other than the Chairperson is to be final and conclusive.
- 17.9 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairperson, the question is to be decided by a decision of the Directors at that meeting, for which purpose the Chairperson is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

18. RECORDS OF DECISIONS TO BE KEPT

- 18.1 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.
- 18.2 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

19. DIRECTORS' DISCRETION TO MAKE FURTHER RULES

Subject to these 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.

DIRECTORS' APPOINTMENT

20. NUMBER OF DIRECTORS

Unless otherwise determined with Shareholder Consent, the number of Directors shall have no maximum and shall not be less than two.

21. APPOINTMENT OF DIRECTORS

- 21.1 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 with Shareholder Consent.
- 21.2 Each Key Shareholder may (for so long as that Key Shareholder holds Shares in the Company) from time to time appoint themselves, or with Shareholder Consent any person, to be a director with the title of Original Director and from time to time remove their respective Original Director from office. There shall not be more than two directors bearing the title of Original Director in office at any time.
- 21.3 In any case where, as a result of death or Bankruptcy Events, the Company has no Shareholders and no Directors, the Transmittor(s) of the last Shareholder to have died or to have been subject to a Bankruptcy Event (as the case may be) have the right, by notice in writing, to appoint a natural person (including a Transmittor who is a natural person), who is willing to act and is permitted to do so, to be a Director.
- 21.4 For the purposes of Article 21.2, 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.

22. TERMINATION OF DIRECTOR'S APPOINTMENT

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 Act or is prohibited from being a Director by law;
- (b) a Bankruptcy Event occurs in respect of 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 a period of more than three months;
- (e) 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 AND EXPENSES

23. DIRECTORS' REMUNERATION

- 23.1 Directors may undertake any services for the Company that the Directors decide.
- 23.2 Directors are entitled to such remuneration as the Directors determine:
- 23.2.1 for their services to the Company as Directors; and
 - 23.2.2 for any other service which they undertake for the Company.
- 23.3 Subject to these Articles, a Director's remuneration may:
- 23.3.1 take any form; and

23.3.2 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.

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

23.5 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.

24. DIRECTORS' EXPENSES

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
- (d) otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

SHARES

25. ISSUED SHARE CAPITAL OF THE COMPANY

25.1 The issued share capital of the Company at the Adoption Date of these Articles is divided into 75 Ordinary Shares and 25 A Shares.

25.2 The Ordinary Shares and A Shares are separate classes of Shares and carry the voting rights outlined in Article 27. In all other respects the Ordinary Shares and A Shares rank equally.

25.3 On the transfer of any share as permitted by these Articles:

25.3.1 a Share transferred to a non-Shareholder shall remain of the same class as before the transfer; and

25.3.2 a Share transferred to a Shareholder shall automatically be redesignated on transfer as a Share of the same class as those Shares already held by the Shareholder.

If no Shares of a class remain in issue following a redesignation under this article, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, Shareholders of that class or directors appointed by that class.

25.4 Except as agreed with Shareholder Consent, no variation of the rights attaching to any class of Shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of Shares. Where a special resolution to vary the rights attaching to a class of Shares is proposed at a separate general meeting of that class of Shares, all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.

26. CLASS RIGHTS

26.1 Each of the following shall be deemed to constitute a variation of the rights attached to each class of Shares:

26.1.1 any alteration in the Articles;

26.1.2 any reduction, subdivision, consolidation, redenomination, or purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital; and

26.1.3 any resolution to put the Company into liquidation.

26.2 The Company shall immediately cancel any Shares acquired under Chapter 4 of Part 18 of the CA 2006.

27. VOTING RIGHTS

27.1 Each holder of Ordinary Shares and A Shares shall have the right to receive notice of, attend and vote at any general meeting of the Company.

27.2 The following voting rights shall apply to the holder of Ordinary Shares:

- (a) on a show of hands, a holder of Ordinary Shares (being an individual) present in person shall have one vote and every proxy duly appointed by a holder of Ordinary Shares (or, where more than one proxy has been duly appointed by the same holder of Ordinary Shares, all the proxies appointed by that holder of Ordinary Shares) shall have one vote in each case for every Share owned by them;
- (b) on a poll vote, a holder of Ordinary Shares shall have one vote for each Ordinary Share of which they are the holder; and
- (c) on a written resolution of the Shareholders, each holder of Ordinary Shares shall have one vote for each Ordinary Share of which they are the holder.

27.3 Whilst the Loan is outstanding, the following voting rights shall apply to the holder of A Shares:

- (a) on a show of hands, a holder of A Shares (being an individual) present in person shall have three votes and every proxy duly appointed by a holder of A Shares (or, where more than one proxy has been duly appointed by the same holder of A Shares, all the proxies appointed by that holder of A Shares) shall have three votes in each case for every Share owned by them;
- (b) on a poll vote, a holder of A Shares shall have three votes for each A Share of which they are the holder; and
- (c) on a written resolution of the Shareholders, each holder of A Shares shall have three votes for each A Share of which they are the holder.

27.4 Following repayment of the Loan and termination of the Loan Agreement, the following voting rights shall apply to the holder of the A Shares:

- (a) on a show of hands, a holder of A Shares (being an individual) present in person shall have one vote and every proxy duly appointed by a holder of A Shares (or, where more than one proxy has been duly appointed by the same holder of A Shares, all the proxies appointed by that holder of A Shares) shall have one vote in each case for every Share owned by them;
- (b) on a poll vote, a holder of A Shares shall have one vote for each A Share of which they are the holder; and
- (c) on a written resolution of the Shareholders, each holder of A Shares shall have one vote for each A Share of which they are the holder.

28. ALL SHARES TO BE FULLY PAID UP

28.1 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.

- 28.2 This does not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum.

29. POWERS TO ISSUE DIFFERENT CLASSES OF SHARE

- 29.1 Subject to these 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 with Shareholder Consent.
- 29.2 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.

30. PURCHASE OF OWN SHARES

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

30.1.1 £15,000; and

30.1.2 the nominal value of 5% of the Company's Fully Paid Share capital at the beginning of each financial year of the Company.

31. 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 these 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.

32. SHARE CERTIFICATES

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

- 32.2 Every certificate must specify:

32.2.1 in respect of how many Shares, of what class, it is issued;

32.2.2 the nominal value of those Shares;

32.2.3 that the Shares are Fully Paid; and

32.2.4 any distinguishing numbers assigned to them.

- 32.3 No certificate may be issued in respect of Shares of more than one class.

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

- 32.5 Certificates must:

32.5.1 have affixed to them the Company's common seal; or

32.5.2 be otherwise executed in accordance with the Companies Acts.

33. REPLACEMENT SHARE CERTIFICATES

- 33.1 If a certificate issued in respect of a Shareholder's Shares is:

33.1.1 damaged or defaced; or

- 33.1.2 said to be lost, stolen or destroyed, that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares.
- 33.2 A Shareholder exercising the right to be issued with such a replacement certificate:
 - 33.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - 33.2.2 must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
 - 33.2.3 must comply with such conditions as to evidence and indemnity as the Directors decide.

TRANSFER OF SHARES

34. TRANSFER OF SHARES: GENERAL

- 34.1 No Shareholder shall create any Encumbrance over, transfer or otherwise dispose of or give any person any rights in or over any Share or any interest in any Share, except:
 - 34.1.1 in accordance with Article 35 (pre-emption on the transfer of Shares);
 - 34.1.2 as permitted by Article 36 (permitted transfers);
 - 34.1.3 as required by Article 37 (compulsory transfer); and
 - 34.1.4 in accordance with Article 39 (drag along),and in accordance with any agreement that is in place between the Shareholders from time to time, or with Shareholder Consent.
- 34.2 Subject to Article 36.1 or save with Shareholder Consent, no Shareholder shall transfer any Shares unless he or she transfers all (and not some only) of the Shares held by him or her.
- 34.3 The Directors shall register any duly stamped transfer made in accordance with these Articles and any agreement between the Shareholders that is in place from time to time, unless it suspects that the proposed transfer may be fraudulent.
- 34.4 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.
- 34.5 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share.
- 34.6 The Company may retain any instrument of transfer which is registered.
- 34.7 The transferor remains the Holder of a Share until the transferee's name is entered in the register of members as Holder of it.
- 34.8 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.

35. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

- 35.1 Unless unanimously agreed in writing by the Key Shareholders or where the provisions of Article 36 (*Permitted Transfers*) or Article 37 (*Compulsory Transfers*) apply, a Shareholder ("**Seller**") wishing to transfer any Shares must give a notice in writing ("**Transfer Notice**") to the Company giving details of the proposed transfer, including:
 - 35.1.1 the number of Shares he or she wishes to transfer ("**Sale Shares**");

- 35.1.2 if he or she wishes to sell the Sale Shares to a third party, the name of the proposed buyer ("**Third Party Purchaser**");
- 35.1.3 the price per Sale Share (in cash) at which he or she wishes to sell the Sale Shares ("**Proposed Sale Price**").
- 35.2 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 35.3 Once given, a Transfer Notice may only be withdrawn by the Seller where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price. In such case, the Seller may, within 10 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. A Deemed Transfer Notice may not be withdrawn.
- 35.4 The Transfer Price for each Sale Share which is the subject of a Transfer Notice shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Seller and the Directors, or, in default of agreement within 25 Business Days of the date of service of the Transfer Notice, the Fair Value of each Sale Share determined in accordance with Article 38.
- 35.5 As soon as practicable following the determination of the Transfer Price, the Directors shall (unless the Transfer Notice is withdrawn in accordance with Article 35.3) offer the Sale Shares for sale to the other Shareholders (excluding any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice) ("**Offerees**") inviting them to apply to the Company in writing within the period from the date of the offer to the date 25 Business Days after the offer (both dates inclusive) ("**Offer Period**") for the maximum number of Sale Shares they wish to buy. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 35.6 If:
- 35.6.1 at the end of the Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each Offeree who has applied for Sale Shares in the proportion which his or her existing holding of Shares bears to the total number of Shares (excluding those held either by the Seller or by any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements among the Offerees shall be determined by the Directors). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he or she has stated he or she is willing to buy;
- 35.6.2 not all Sale Shares are allocated following allocations in accordance with Article 35.6.1, but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in Article 35.6.1. The procedure set out in this Article 35.6.2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
- 35.6.3 at the end of the Offer Period, the Company has not received applications in respect of all the Sale Shares, the Directors shall allocate the Sale Shares to the Offerees in accordance with their applications. The balance of the Sale Shares may, (with Shareholder Consent), be transferred to the Third Party Purchaser (if any) in accordance with Article 35.13.
- 35.7 The Directors shall, when no further offers or allocations are required to be made under Article 35.6, give notice in writing of the allocations of Sale Shares (an "**Allocation Notice**") to the Seller and to each Shareholder to whom Sale Shares have been allocated (each an "**Applicant**"). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 5 Business Days, but not more than 20 Business Days, after the date of the Allocation Notice).
- 35.8 On the date specified for completion in the Allocation Notice the Seller shall, against payment from an Applicant, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in

accordance with any requirements specified in the Allocation Notice, together with the relevant Share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Applicants or the Directors may reasonably require to show good title to the Sale Shares, or to enable each of them to be registered as the holder of the Sale Shares.

- 35.9 Subject to Article 35.10 if, following a sale of Shares in accordance with these Articles and any agreement in place between the Shareholders from time to time, a Shareholder will hold no further Shares (excluding any Shares held by his or her personal representatives, successors and permitted assigns) the Shareholder shall deliver, or procure that there are delivered, to the Company (to the extent applicable) his or her resignation as a Director of the Company and resignations from any Directors appointed by him or her, such resignations to take effect at completion of the sale of the Sale Shares.
- 35.10 For the purposes of Article 35.9, a Key Shareholder shall be deemed to hold Shares for so long as any Permitted Transferee of that Key Shareholder holds any Shares that were acquired (whether directly or indirectly) from that Key Shareholder pursuant to a Permitted Transfer.
- 35.11 Any transfer of Shares by way of a sale under these Articles shall be deemed to include a warranty that the Seller sells the Shares with full title guarantee.
- 35.12 Each Shareholder shall use his or her reasonable endeavours to procure (so far as is lawfully possible in the exercise of his or her rights and powers as a Shareholder of the Company) the registration of each transfer of Sale Shares under this Article 35 (subject to due stamping of a transfer by the relevant Applicant(s)) and each of them consents to such transfers and registrations.
- 35.13 Where an Allocation Notice does not relate to all the Sale Shares, then the Seller may at any time during the 25 Business Days following the date of service of the Allocation Notice, transfer the balance of the Sale Shares to the Third Party Purchaser (if any) at a price per Share at least equal to the Transfer Price. The Seller shall not be permitted to transfer any such Sale Shares to a third party buyer if that buyer was not identified in the Transfer Notice (save with Shareholder Consent).

36. PERMITTED TRANSFERS

- 36.1 Subject to Article 36.2 and Article 36.3, a Key Shareholder may transfer up to the Permitted Maximum number of Shares to any of his or her Permitted Transferees without restriction as to price or otherwise.
- 36.2 A Shareholder holding Shares as a result of:
- 36.2.1 a transfer by a Key Shareholder under Article 36.1; or
- 36.2.2 a transfer by a Permitted Transferee of a Key Shareholder in accordance with Article 36.3 to Article 37 (inclusive),
- may, subject to Article 36.3, transfer any or all such Shares back to that Key Shareholder (or to one or more other Permitted Transferees of that Key Shareholder) without restriction as to price or otherwise.
- 36.3 If a Permitted Transfer has been made to a Privileged Relation of an Key Shareholder, that Privileged Relation shall within 20 Business Days of ceasing to be a Privileged Relation of that Key Shareholder (whether by reason of divorce, dissolution of a civil partnership or otherwise, but not by reason of death) execute and deliver to the Company a transfer of those Shares held by him or her pursuant to a Permitted Transfer in favour of that Key Shareholder (or, subject to Article 36.3, in favour of one or more other Permitted Transferees of that Key Shareholder) for such consideration as may be agreed between them, failing which he or she shall be deemed to have given a Transfer Notice in respect of those Shares in accordance with Article 35. The provisions of Article 37.5 shall apply to such a deemed Transfer Notice.
- 36.4 In relation to a Privileged Relation (other than a joint holder) holding Shares pursuant to a Permitted Transfer from a Key Shareholder, on the occurrence of:
- 36.4.1 the Privileged Relation's death;

- 36.4.2 the Privileged Relation suffering a Bankruptcy Event; or
- 36.4.3 the Privileged Relation lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his or her Shareholding,

that Privileged Relation, his or her personal representatives, his or her trustee(s) in bankruptcy, his or her attorney(s) or otherwise (as the case may be) shall, within 20 Business Days after the grant of probate, the making of the bankruptcy order or the determination of lack of capacity (as the case may be), execute and deliver to the Company a transfer of those Shares in favour of that Key Shareholder (or, if so directed by the Key Shareholder and subject to Article 36.3, in favour of one or more other Permitted Transferees of that Key Shareholder) for such consideration as may be agreed between them, failing which (or where the Key Shareholder is himself or herself the subject of a bankruptcy order he or she, his or her personal representatives, his or her trustee(s) in bankruptcy, his or her attorney(s) or otherwise (as the case may be) shall be deemed to have given a Transfer Notice in respect of those Shares in accordance with Article 35. The provisions of Article 37.5 shall apply to such a deemed Transfer Notice. The provisions of this Article 36.4 not apply where the Key Shareholder is dead at the time that the relevant Shares should be transferred and, in which case, the provisions of Article 37.5 shall apply to the Privileged Relation is his capacity as a Shareholder.

37. COMPULSORY TRANSFERS

- 37.1 Subject to Article 36.4, in the event of the death of a Shareholder then those Shares held by such Shareholder or his or her Transmittor or personal representative (as the case may be) shall be transferred in accordance with the will of the Shareholder, the rules of intestacy or other testamentary disposition (as the case may be).
- 37.2 A Shareholder is deemed to have served a Transfer Notice under Article 35 immediately before any of the following events:
- 37.2.1 subject to Article 36.4, a Bankruptcy Event occurring in respect of a Shareholder;
- 37.2.2 subject to Article 36.4, the Shareholder lacking capacity (under section 2 of the Mental Health Act 2005) to make decisions in relation to the Company or his or her Shareholding for a consecutive period of not less than 4 months;
- 37.2.3 the Shareholder (being an Employee Shareholder) becoming a Departing Employee Shareholder, unless the Directors (acting with Shareholder Consent) otherwise directs in writing within 25 Business Days of the relevant Termination Date that a Transfer Notice shall not be deemed to have been served; and
- 37.2.4 the Shareholder committing a material or persistent breach of these Articles or any agreement in place between the Shareholders from time to time which, if capable of remedy, has not been so remedied within 20 Business Days of notice to remedy the breach being served by the Key Shareholders or the Directors (acting with Shareholder Consent).
- 37.3 A Transfer Notice deemed to have been served by a Shareholder under Article 37.1 shall immediately deem a Transfer Notice to have been served under Article 35 by any Permitted Transferee of that Shareholder in respect of all Shares held by such Permitted Transferee(s) (excluding any Shares that the Directors (acting with Shareholder Consent) declares itself satisfied were not acquired pursuant to a Permitted Transfer by that Shareholder (or by another Permitted Transferee of that Shareholder).
- 37.4 A Deemed Transfer Notice deemed to be served under Article 37.2.3 or Article 37.2.4 shall immediately and automatically revoke:
- 37.4.1 a Transfer Notice served by the relevant Shareholder or any of his or her Permitted Transferees before the occurrence of the relevant event giving rise to the Deemed Transfer Notice (excluding a Transfer Notice served by a Permitted Transferee that relates exclusively to Shares not acquired (whether directly or indirectly) pursuant to a Permitted Transfer); and
- 37.4.2 a Deemed Transfer Notice deemed to be served by the relevant Shareholder under any of the events set out in Article 37.2.1 to Article 37.2.2 (inclusive).

- 37.5 A Deemed Transfer Notice has the same effect as a Transfer Notice and the provisions of Article 35 shall apply, except that:
- 37.5.1 the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the Shares held by him or her (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Deemed Transfer Notice);
 - 37.5.2 the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Shares; and
 - 37.5.3 subject to Article 37.5.4 and Article 37.5.5 the Transfer Price shall be the Fair Value of those Shares; and
 - 37.5.4 if the Seller is deemed to have given a Transfer Notice as a result of Article 37.2.3, the Transfer Price shall, where the Departing Employee Shareholder is:
 - (a) a Bad Leaver, shall be restricted to a maximum of the lower of the subscription price paid for each Sale Share, including any Share premium, and the Fair Value of each such Sale Share; and
 - (b) a Good Leaver, shall be the Fair Value of each such Sale Share; and
 - 37.5.5 if the Seller is deemed to have given a Transfer Notice as a result of Article 37.2.4, the Transfer Price shall be restricted to a maximum of the lower of the subscription price paid in respect of each Sale Share, including any share premium, and the Fair Value of each such Sale Share; and
 - 37.5.6 the Seller does not have a right to withdraw the Deemed Transfer Notice following a valuation.
- 37.6 If the Allocation Notice(s) in respect of the Sale Shares comprised within a Deemed Transfer Notice does not relate to all the Sale Shares, the Seller does not have the right to sell the balance of the Sale Shares to a third party without Shareholder Consent.

38. VALUATION OF SHARES

- 38.1 The Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Company and the Seller in writing of their determination.
- 38.2 The Fair Value for any Sale Share shall be the price per Share determined in writing by the Valuers on the following bases and assumptions:
- 38.2.1 valuing each of the Sale Shares as a proportion of the total value of all the issued Shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued Share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
 - 38.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 38.2.3 the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - 38.2.4 the Sale Shares are sold free of all Encumbrances;
 - 38.2.5 the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
 - 38.2.6 taking account of any other factors that the Valuers reasonably believe should be taken into account.
- 38.3 The Shareholders are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably

require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the Shareholders may reasonably require.

- 38.4 To the extent not provided for by this Article 38, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary), instructing professional advisers to assist them in reaching their valuation.
- 38.5 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the parties (in the absence of manifest error or fraud).
- 38.6 The cost of obtaining the Valuers' valuation shall be borne by the Company and the Seller equally or in such other proportions as the Valuers direct.

39. DRAG ALONG

- 39.1 If three quarters of the holders by nominal value of the Ordinary Shares in issue for the time being (the "**Selling Shareholders**") wish to transfer all of their interest in Shares held by them ("**Sellers' Shares**") to a bona fide purchaser on arm's-length terms ("**Proposed Buyer**"), the Selling Shareholders shall with Shareholder Consent have the option ("**Drag Along Option**") to require all the other holders of Shares on the date of the request ("**Called Shareholders**") to sell and transfer all their interest in Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this Article 39.
- 39.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a "**Drag Along Notice**"), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
- 39.2.1 that the Called Shareholders are required to transfer all their Shares ("**Called Shares**") pursuant to this Article 39;
- 39.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
- 39.2.3 the consideration payable for the Called Shares calculated in accordance with Article 39.4; and
- 39.2.4 the proposed date of completion of transfer of the Called Shares.
- 39.3 Once given, a Drag Along Notice may not be revoked save with Shareholder Consent. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 25 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 39.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of these Articles.
- 39.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 39.
- 39.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
- 39.6.1 all of the Called Shareholders and the Selling Shareholders otherwise agree; or
- 39.6.2 that date is less than 10 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 15 Business Days after the date of service of the Drag Along Notice.

- 39.7 Within 5 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the Share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 5 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to Article 39.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to Article 39.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 39.4 in trust for the Called Shareholders without any obligation to pay interest.
- 39.8 To the extent that the Proposed Buyer has not, on the expiration of the 5 Business Day period, put the Company in funds to pay the amounts due pursuant to Article 39.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and Share certificate(s) (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 39 in respect of their Shares.
- 39.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him or her (together with the Share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his or her agent to execute and deliver all necessary transfers on his or her behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a Share certificate shall not impede the registration of any transfer of Shares under this Article 39.
- 39.10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing Shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares, whether or not pursuant to a Share Option Scheme (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by him or her to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 39 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares. References in this Article 39.10 to a person becoming a Shareholder (or increasing an existing Shareholding) shall include the Company, in respect of the acquisition of any of its own Shares.
- 39.11 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of Article 35.
- 39.12 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

40. TAG ALONG RIGHTS ON A CHANGE OF CONTROL

- 40.1 Except in the case of transfers pursuant to Article 37, and after going through the pre-emption procedure set out in Article 35, the provisions of Article 40.2 to Article 40.5 shall apply if, in one or a series of related transactions, one or more Selling Shareholders propose to transfer any of the Sellers' Shares ("**Proposed Transfer**") which would, if carried out, result in the Proposed Buyer and any person Acting in Concert with the Proposed Buyer, acquiring a Controlling Interest in the Company.
- 40.2 Before making a Proposed Transfer, a Selling Shareholder shall, with Shareholder Consent, procure that the Proposed Buyer makes an offer ("**Offer**") to:
- 40.2.1 the other Shareholders to purchase all of the Shares held by them; and

40.2.2 the holders of any existing options to acquire Shares (granted by the Company or under any share option arrangements established by the Company) that are already capable of exercise or that are expected to become capable of exercise before the Proposed Transfer, to purchase any Shares acquired on the exercise of options at any time before the Proposed Transfer,

for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Proposed Buyer, or any person Acting in Concert with the Proposed Buyer, in the Proposed Transfer or in any related previous transaction in the 12 months preceding the date of the Proposed Transfer ("**Specified Price**").

40.3 The Offer shall be made by written notice ("**Offer Notice**"), at least 25 Business Days before the proposed sale date ("**Sale Date**"). To the extent not described in any accompanying documents, the Offer Notice shall set out:

40.3.1 the identity of the Proposed Buyer;

40.3.2 the Specified Price and other terms and conditions of payment;

40.3.3 the Sale Date; and

40.3.4 the number of Shares proposed to be purchased by the Proposed Buyer ("**Offer Shares**").

40.4 If the Proposed Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with article 40.2 and article 40.3, save with Shareholder Consent, the Selling Shareholders shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of the Sellers' Shares effected in accordance with the Proposed Transfer.

40.5 If the Offer is accepted by any Shareholder ("**Accepting Shareholder**") in writing within 20 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

40.6 The Proposed Transfer is subject to the pre-emption provisions of Article 35, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

TRANSMISSION OF SHARES

41. TRANSMISSION OF SHARES

41.1 If title to a Share passes to a Transmittée, the Company may only recognise the Transmittée as having any title to that Share.

41.2 A Transmittée who produces such evidence of entitlement to Shares as the Directors may properly require:

41.2.1 may, subject to these Articles, choose either to become the Holder of those Shares or to have them transferred to another person, and

41.2.2 subject to these Articles, and pending any transfer of the Shares to another person, has the same rights as the Holder had.

41.3 But, subject to Article 41.2, 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.

42. EXERCISE OF TRANSMITTEES' RIGHTS

42.1 Transmittées who wish to become the Holders of Shares to which they have become entitled must notify the Company in writing of that wish.

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

- 42.3 Any transfer made or executed under this Article 42 is to be treated as if it were made or executed by the person from whom the Transmittree has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.

43. TRANSMITTEES BOUND BY PRIOR NOTICES

If a notice is given to a Shareholder in respect of Shares and a Transmittree is entitled to those Shares, the Transmittree is bound by the notice if it was given to the Shareholder before the Transmittree's name, or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under Article 42.2 has been entered in the register of members.

DIVIDENDS AND OTHER DISTRBIUTIONS

44. PROCEDURE FOR DECLARING DIVIDENDS

- 44.1 The Company may by Ordinary Resolution declare dividends, and the Directors acting with Shareholder Consent may decide to pay interim dividends.
- 44.2 A dividend must not be declared unless the Directors acting with Shareholder Consent have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors.
- 44.3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights.
- 44.4 For the avoidance of doubt, different dividends may be may be paid to the Holders of different classes of Shares, if different classes are in issue from time to time.
- 44.5 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.
- 44.6 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 arrears.
- 44.7 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.
- 44.8 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.

45. PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS

- 45.1 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 in writing;
 - (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 in writing;
 - (c) sending a cheque made payable to such person by post to such person at such address as the Distribution Recipient has specified in writing; or
 - (d) any other means of payment as the Directors agree with the Distribution Recipient in writing.

46. NO INTEREST ON DISTRIBUTIONS

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

46.1.1 the terms on which the Share was issued; or

46.1.2 the provisions of another agreement between the Holder of that Share and the Company.

47. UNCLAIMED DISTRIBUTIONS

47.1 All dividends or other sums which are:

47.1.1 payable in respect of Shares, and

47.1.2 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.

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

47.3 If:

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

47.3.2 the Distribution Recipient has not claimed it,

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

48. NON-CASH DISTRIBUTIONS

48.1 Subject to the terms of issue of the Share in question, the Company may, by Ordinary Resolution on the recommendation of the Directors acting with Shareholder Consent, 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).

48.2 For the purposes of paying a non-cash distribution, the Directors acting with Shareholder Consent may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:

48.2.1 fixing the value of any assets;

48.2.2 paying cash to any Distribution Recipient on the basis of that value in order to adjust the rights of recipients; and

48.2.3 vesting any assets in trustees.

49. WAIVER OF DISTRIBUTIONS

49.1 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:

49.1.1 the Share has more than one Holder; or

49.1.2 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.

CAPITALISATION OF PROFITS

50. AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS

50.1 Subject to these Articles, the Directors acting with Shareholder Consent may, if they are so authorised by an Ordinary Resolution:

50.1.1 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

50.1.2 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.

50.2 Capitalised sums must be applied:

50.2.1 on behalf of the persons entitled; and

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

50.3 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.

50.4 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.

50.5 Subject to these Articles the Directors may:

50.5.1 apply capitalised sums in accordance with Article 50.3 and Article 50.4 partly in one way and partly in another;

50.5.2 make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this Article 50 (including the issuing of fractional certificates or the making of cash payments); and

50.5.3 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.

DECISION MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

51. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

51.1 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.

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

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

51.2.2 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.

- 51.3 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.
- 51.4 In determining attendance at a general meeting, it is immaterial whether any two or more Shareholders attending it are in the same place as each other.
- 51.5 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.

52. QUORUM FOR GENERAL MEETINGS

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

53. CHAIRING GENERAL MEETINGS

- 53.1 If the Directors have appointed a Chairperson, the Chairperson shall chair general meetings if present and willing to do so.
- 53.2 If the Directors have not appointed a Chairperson, or if the Chairperson is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:
- 53.2.1 the Directors present; or
- 53.2.2 (if no Directors are present), the meeting,
- must appoint a Director or Shareholder to chair the meeting, and the appointment of the Chair of the meeting must be the first business of the meeting.
- 53.3 The person chairing a meeting in accordance with this Article 53 is referred to as the "**Chair of the meeting**".

54. ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS

- 54.1 Directors may attend and speak at general meetings, whether or not they are Shareholders.
- 54.2 The Chair of the meeting may permit other persons who are not:
- 54.2.1 Shareholders of the Company; or
- 54.2.2 otherwise entitled to exercise the rights of Shareholders in relation to general meetings,
- to attend and speak at a general meeting.

55. ADJOURNMENT

- 55.1 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 Chair of the meeting must adjourn it.
- 55.2 The Chair of the meeting may adjourn a general meeting at which a quorum is present if:
- 55.2.1 the meeting consents to an adjournment; or
- 55.2.2 it appears to the Chair 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.
- 55.3 The Chair of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 55.4 When adjourning a general meeting, the Chair of the meeting must:

- 55.4.1 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
- 55.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 55.5 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):
 - 55.5.1 to the same persons to whom notice of the Company's general meetings is required to be given, and
 - 55.5.2 containing the same information which such notice is required to contain.
- 55.6 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

56. 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.

57. ERRORS AND DISPUTES

- 57.1 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.
- 57.2 Any such objection must be referred to the Chair of the meeting, whose decision is final.

58. POLL VOTES

- 58.1 A poll on a resolution may be demanded:
 - 58.1.1 in advance of the general meeting where it is to be put to the vote; or
 - 58.1.2 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.
- 58.2 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 58.3 A demand for a poll may be withdrawn if:
 - 58.3.1 the poll has not yet been taken; and
 - 58.3.2 the Chair of the meeting consents to the withdrawal.
- 58.4 Polls must be taken immediately and in such manner as the Chair of the meeting directs.
- 58.5 A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

59. CONTENT OF PROXY NOTICES

- 59.1 Proxies may only validly be appointed by a notice in writing (a "**Proxy Notice** ") which:
 - 59.1.1 states the name and address of the Shareholder appointing the proxy;

- 59.1.2 identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed;
 - 59.1.3 is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and
 - 59.1.4 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.
- 59.2 The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.
- 59.3 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.
- 59.4 Unless a Proxy Notice indicates otherwise, it must be treated as:
- 59.4.1 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
 - 59.4.2 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.

60. DELIVERY OF PROXY NOTICES

- 60.1 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.
- 60.2 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.
- 60.3 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.
- 60.4 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.

61. AMENDMENTS TO RESOLUTIONS

- 61.1 An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:
 - 61.1.1 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 Chair of the meeting may determine); and
 - 61.1.2 the proposed amendment does not, in the reasonable opinion of the Chair of the meeting, materially alter the scope of the resolution.
- 61.2 A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution, if:
 - 61.2.1 the Chair of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
 - 61.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

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

ADMINISTRATIVE ARRANGEMENTS

62. MEANS OF COMMUNICATION TO BE USED

- 62.1 Subject to these Articles, anything sent or supplied by or to the Company under these Articles may be sent or supplied in any way in which the Act 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.
- 62.2 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.
- 62.3 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.
- 62.4 Subject to Article 62.5, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- 62.4.1 if delivered by hand, on signature of a delivery receipt; or
 - 62.4.2 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
 - 62.4.3 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
 - 62.4.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; and
 - 62.4.5 if deemed receipt under the previous paragraphs of this Article 62.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this Article, all references to time are to local time in the place of deemed receipt.
- 62.5 To prove service, it is sufficient to prove that:
- 62.5.1 if delivered by hand, the notice was delivered to the correct address; or
 - 62.5.2 if sent by post the envelope containing the notice was properly addressed, paid for and posted; or
 - 62.5.3 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

63. 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.

64. 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.

INDEMNITY AND INSURANCE

65. INDEMNITY AND INSURANCE

65.1 In this Article :

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

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

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

65.2 Subject to Article 65.3, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

65.2.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him or her as a relevant officer in the actual or purported execution and/or discharge of his or her duties, or in relation to them, including (in each case) any liability incurred by him or her in defending any civil or criminal proceedings, in which judgment is given in his or her favour or in which he or she is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his or her part or in connection with any application in which the court grants him or her, in his or her capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and

65.2.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him or her in connection with any proceedings or application referred to in Article 65.2.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

65.3 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.

65.4 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.