

Company Number: 05788943
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION
of
AIRPORT DIRECT TRAVEL LIMITED
(the "Company")

CIRCULATION DATE: 01 NOVEMBER 2018

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

SPECIAL RESOLUTION

1. **THAT**, the draft articles of association attached hereto be adopted as the articles of association of the Company in substitution for and to the exclusion of all previous articles of association.


AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Resolution.

The undersigned, persons entitled to vote on the Resolution, hereby irrevocably agree to the Resolution as indicated above:

Signed by **SIMON ROBIN MAUNDER**

Date


5/11/18

Signed by **LORD EWEN JAMES
HANNING CAMERON OF
DILLINGTON**

Date

.....

Signed by **DAVID JAMES RODGERS**

Date

.....



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Signed by **CHARLES EDWARD
BRABAZON CLIVE-PONSONBY-FANE**

Date

Signed by **MARK ANDREW
VAUGHAN-LEE**

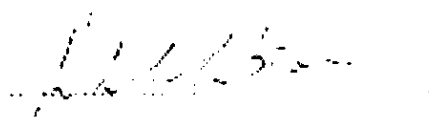
Date

Signed by **ROBERT DAVID POCOCK**

Date

Signed by **ROBERT EDWARD
GRAEME GIBSON**

Date


13/11/2015

Signed by **PHILLIP SCHOFIELD**

Date

Signed by **GARRY ALAN LEIFE
CHARLES**

Date

Signed by **ANDREW VERNON**

Date

Signed by **THORA AMELIA RODGERS**

Date

Signed by **GUY LAWRENCE**

Date

Signed by **CHARLES EDWARD
BRABAZON CLIVE-PONSONBY-FANE**

Date

Signed by **MARK ANDREW
VAUGHAN-LEE**

Date

Mark Vaughan-Lee

12.11.18

Signed by **ROBERT DAVID POCOCK**

Date

Signed by **ROBERT EDWARD
GRAEME GIBSON**

Date

Signed by **PHILLIP SCHOFIELD**

Date

Signed by **GARRY ALAN LEIFE
CHARLES**

Date

Signed by **ANDREW VERNON**

Date

Signed by **THORA AMELIA RODGERS**

Date

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Date

Signed by **CHARLES EDWARD
BRABAZON CLIVE-PONSONBY-FANE**

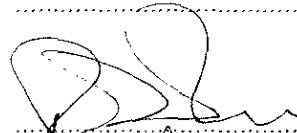
Date

Signed by **MARK ANDREW
VAUGHAN-LEE**

Date

Signed by **ROBERT DAVID POCOCK**

Date


12th November 2018

Signed by **ROBERT EDWARD
GRAEME GIBSON**

Date

Signed by **PHILLIP SCHOFIELD**

Date

Signed by **GARRY ALAN LEIFE
CHARLES**

Date

Signed by **ANDREW VERNON**

Date

Signed by **THORA AMELIA RODGERS**

Date

Signed by **GUY LAWRENCE**

Date

Signed by CHARLES EDWARD
BRABAZON CLIVE-PONSONBY-FANE

Date

Philip Ponsonby Fane
5th November 2018

Signed by MARK ANDREW
VAUGHAN-LEE

Date

Signed by ROBERT DAVID POCOCK

Date

Signed by ROBERT EDWARD
GRAEME GIBSON

Date

Signed by PHILLIP SCHOFIELD

Date

Signed by GARRY ALAN LEIFE
CHARLES

Date

Signed by ANDREW VERNON

Date

Signed by THORA AMELIA RODGERS

Date

Signed by GUY LAWRENCE

Date

Signed by LEE CARLITHEN for and on
behalf of the **MORGAN LLOYD SIPP**
TRUSTEES LTD

Date



12/11/18

THE COMPANIES ACT 2006

ARTICLES OF ASSOCIATION

- of -

AIRPORT DIRECT TRAVEL LIMITED

Company Number: **5788943**

(Incorporated: **21 April 2006**)

A PRIVATE COMPANY LIMITED BY SHARES

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THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF

AIRPORT DIRECT TRAVEL LIMITED

(Adopted by special resolution passed on _____ 2018)

AGREED TERMS:

1. Interpretation

1.1. In these Articles, the following words have the following meanings:

Act	the Companies Act 2006;
Affiliate	(a) in relation to a company or a body corporate, any member of the same Group as that company or body corporate; or (b) in relation to an individual; (i) his Relation; (ii) the trustees of a Family Trust; (iii) the beneficiaries of a Family Trust established by such individual; (iv) the trustees, nominees or other holders of legal interest in shares (" Pension Trustees ") in respect of any personal pension arrangements established by such individual; or (iv) any non-natural person that directly or indirectly, through one or more intermediaries, is Controlled by such individual and/or his Relations, provided always that the Company shall not be regarded as being an Affiliate of any shareholder for the purposes of this Agreement;
Articles	the Company's articles of association for the time being in force;
Bad Leaver	an Employee Shareholder who becomes a Departing Employee Shareholder in circumstances where he is not a Good Leaver;
Business Day	a day other than a Saturday, Sunday or public holiday in England when banks in the City of London are open for business;
Conflict	a matter or situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company;

Deemed Transfer Notice	a Transfer Notice that is deemed to have been served under article 16 ;
Departing Employee Shareholder	an Employee Shareholder who ceases to be a director or employee of the Company;
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 Shareholder	a shareholder (including for avoidance of doubt, an Original Shareholder) who is, or has been, a director and/or an employee of the Company;
Family Trust	in relation to a shareholder, a trust set up wholly for the benefit of that shareholder and/or that shareholder's Relations;
Good Leaver	an Employee Shareholder who becomes a Departing Employee Shareholder by reason of: <ul style="list-style-type: none"> (a) death; (b) permanent disability or permanent incapacity through ill-health; (c) retirement at normal retirement age; or (d) redundancy (as defined in the Employment Rights Act 1996);
Group	in relation to a company, that company, any subsidiary or holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company; and each company in a Group is a member of the Group;
Interested Director	has the meaning given in article 8.1 ;
Market Value	in relation to shares, as determined in accordance with article 17 ;
Model Articles	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and reference to a numbered "Model Article" is a reference to that article of the Model Articles;
Original Shareholder	a shareholder who holds shares in the Company on the date of adoption of these Articles or Neil Robson and Marc Ive immediately upon each of them (or their respective Permitted Shareholders as the case may be) becoming shareholders in the Company;
Permitted Dealing	a transfer or allotment and issue of shares made in accordance with article 15 ;

Permitted Shareholder	in relation to a shareholder, any Affiliate of that shareholder;
Relation	means spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted children and their issue);
Relevant Shares	in relation to an Employee Shareholder means all shares held by the Employee Shareholder in question and any Permitted Shareholder of that Employee Shareholder;
Sale Price	subject to article 16.3 and article 16.6 , the Proposed Sale Price or, following service of a Price Notice, the price per Sale Share as determined in accordance with article 17 ;
shares	the ordinary shares of £1 in the capital of the Company in issue from time to time;
Transfer Notice	a notice in writing given by any shareholder to the other shareholders where the first shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any shares;
Valuers	the accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of the expert within ten (10) Business Days of a shareholder serving details of a suggested expert on the other, 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); and
Writing or written	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, save that, for the purposes of article 14 , article 16 , article 18 and article 19 , "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form.

- 1.2. Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 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. Prior to a grant of representation, a reference to a personal representative, in relation to any deceased shareholder, means a person who can apply for a grant of representation as the person named as an executor in the will of the deceased shareholder, or the person who can

apply for letters of administration in priority to other persons under the Non-Contentious Probate Rules 1987 (SI 1987/2024).

- 1.6. A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's personal representatives, successors or permitted assigns. A reference to a shareholder shall include that shareholder's personal representatives, successors and permitted assigns.
- 1.7. A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act.
- 1.8. Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as amended, extended or re-enacted from time to time.
- 1.9. Any words following the terms **including**, **include**, **in particular** 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.
- 1.10. Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

2. Adoption of the Model Articles

- 2.1. The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation, such Model Articles as at the date of adoption of these Articles are annexed to the end of these Articles for ease of reference.
- 2.2. Model Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 49, 52 and 53 shall not apply to the Company.
- 2.3. Article 7 of the Model Articles shall be amended by:
 - 2.3.1. the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - 2.3.2. the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 2.4. Model Article 20 shall be amended by the insertion of the words "(including alternate directors and the secretary)" before the words "properly incur".
- 2.5. In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.6. Model Articles 27(2)(a) and (b) shall be amended by the insertion, in each case, of the words "and to any other agreement to which the holder was party at the time of his death" after the words "subject to the articles".
- 2.7. Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10.4," after the word "But".
- 2.8. Model Article 28(2) shall be amended by the deletion of the word "If" and the insertion of the words "Subject to the articles and to any other agreement to which the holder was party at the time of his death, if" in its place.

- 2.9. Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".
- 2.10. Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

Directors

3. Directors' meetings

- 3.1. Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with **article 4**.
- 3.2. Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3. Meetings of the directors shall take place at least four times each year. All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall be decided by a majority of votes.
- 3.4. If at any time before or at any meeting of the directors or of any committee of the directors all directors participating should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of directors may be adjourned pursuant to this article more than once.
- 3.5. The provisions of **article 6** shall apply equally to meetings of any committee of the directors as to meetings of the directors.

4. Unanimous decisions of directors

- 4.1. 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.
- 4.2. 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.
- 4.3. A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter in accordance with **article 6**.
- 4.4. 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.

5. Calling a directors' meeting

- 5.1. The number of directors shall be not be subject to any maximum but shall not be less than one.
- 5.2. Any director may call a meeting of directors by giving not less than ten (10) Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.

- 5.3. Notice of any directors' meeting must be accompanied by:
- 5.3.1. an agenda specifying in reasonable detail the matters to be raised at the meeting; and
 - 5.3.2. copies of any papers to be discussed at the meeting.
- 5.4. Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors present at the meeting agree in writing.

6. Quorum for directors' meetings

- 6.1. Subject to **article 6.2** and **article 6.3**, the quorum for the transaction of business at a meeting of directors is any three (3) Eligible Directors (or their alternates), unless the company has a sole director, then provided he is an Eligible Director he shall have all the powers and be subject to all the provisions herein conferred on the Eligible Directors and he or any alternate eligible director appointed by him shall alone constitute a quorum at any meeting of the eligible directors.
- 6.2. If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for ten (10) Business Days at the same time and place. If a quorum is not present at any such adjourned meeting within 30 minutes of the time specified, then those Eligible Directors present will constitute a quorum.
- 6.3. For the purposes of any meeting (or part of a meeting) held pursuant to **article 8** to authorise a 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 (or his alternate).
- 6.4. No business shall be conducted at any meeting of the directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.

7. Chairing of directors' meetings and casting vote

If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote and the proposal shall be referred for decision by the shareholders.

8. Directors' interests

- 8.1. The directors may, in accordance with the requirements set out in this article, authorise any Conflict proposed to them by any director which would, if not so authorised, involve a director (the "**Interested Director**") breaching his duty under section 175 of the Act to avoid conflicts of interest.
- 8.2. Any authorisation under this article will be effective only if:
- 8.2.1. 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;
 - 8.2.2. any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - 8.2.3. the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 8.3. Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):

- 8.3.1. extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 8.3.2. 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;
 - 8.3.3. provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - 8.3.4. impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit
 - 8.3.5. provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and
 - 8.3.6. permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 8.4. Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 8.5. 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.
- 8.6. A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles 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.
- 8.7. The members shall have the power to authorise, by resolution and in accordance with the provisions of these Articles, any matter or situation proposed to them by a director/s which would, if not so authorised, involve a breach of duty by a director/s under section 175 of the Companies Act 2006 to avoid a Conflict on such terms as they see fit and the provisions of **articles 8.3 to 8.5** shall apply to authorisation by the members in the same way as they apply to authorisation by the directors.
- 8.8. The Interested Director must provide the members with such details as are necessary for the members to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the members.
- 8.9. Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act.

- 8.10. Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under **article 8.9**.
- 8.11. Subject, where applicable, to any terms, limits or conditions imposed by the directors in accordance with **article 8.3**, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 8.11.1. may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
 - 8.11.2. shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
 - 8.11.3. shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
 - 8.11.4. may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor or accountant) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
 - 8.11.5. 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
 - 8.11.6. shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

9. Records of decisions to be kept

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the Company to retain a copy of such decisions.

10. Number, appointment and removal of directors

- 10.1. Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be less than one natural person.
- 10.2. 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:
- 10.2.1. by ordinary resolution, or
 - 10.2.2. by a decision of the directors.

- 10.3. Any director who is an employee of the Company and who ceases to be an employee shall be removed from office from the date his employment ceases.
- 10.4. In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.
- 10.5. No director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law.

11. Alternate directors

- 11.1. Any director (other than an alternate director) (the "**Appointor**") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:
 - 11.1.1. exercise that director's powers; and
 - 11.1.2. carry out that director's responsibilities,in relation to the taking of decisions by the directors, in the absence of the alternate's Appointor.
- 11.2. Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the directors.
- 11.3. The notice must:
 - 11.3.1. identify the proposed alternate; and
 - 11.3.2. in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.
- 11.4. An alternate director [may act as alternate to more than one director and] has the same rights in relation to any decision of the directors as the alternate's Appointor.
- 11.5. Except as the Articles specify otherwise, alternate directors:
 - 11.5.1. are deemed for all purposes to be directors;
 - 11.5.2. are liable for their own acts and omissions;
 - 11.5.3. are subject to the same restrictions as their Appointors; and
 - 11.5.4. are not deemed to be agents of or for their Appointors,and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his Appointor is a member.
- 11.6. A person who is an alternate director but not a director may, subject to him being an Eligible Director:
 - 11.6.1. be counted as participating for the purposes of determining whether a quorum is present at a meeting of directors (but only if that person's Appointor is an Eligible Director and is not participating); and
 - 11.6.2. participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, and does not himself participate).

- 11.7. A director who is also an alternate director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor (provided that an Appointor is an Eligible Director in relation to that decision), in addition to his own vote on any decision of the directors.
- 11.8. An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.
- 11.9. An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:
- 11.9.1. when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or
 - 11.9.2. on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director; or
 - 11.9.3. on the death of the alternate's Appointor (if applicable); or
 - 11.9.4. when the alternate director's Appointor ceases to be a director for whatever reason.

Shares

12. Issue of further shares

- 12.1. No shares in the Company shall be allotted nor any right to subscribe for or to convert any security into any shares in the Company shall be granted unless the shareholders who for the time being hold shares in the Company that together confer not less than 51% of the total voting rights exercisable in general meetings of the Company have consented in writing to that allotment or grant.
- 12.2. Subject to article 12.1, all unissued shares in the Company shall be at the disposal of the board of directors who may allot, grant options over, convert any security into any shares, or otherwise dispose of them to such persons, at such times, and on such terms as it thinks proper.
- 12.3. In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) where such allotment conforms with the requirements of these Articles.

13. Share transfers: general

- 13.1. In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.
- 13.2. No share shall be transferred unless the transfer is made in accordance with these Articles or with the prior written consent of all shareholders for the time being.
- 13.3. Subject to **article 13.4**, the directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.
- 13.4. The directors may, as a condition to the registration of any transfer of shares in the Company whether to a Permitted Shareholder or otherwise require the transferee to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any

shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this **article 13.4**, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

- 13.5. Any transfer of shares by way of a sale that is made under **article 14**, **article 16**, **article 18** or **article 19** shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.
- 13.6. Any Transfer Notice served in respect of the transfer of any shares which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of the Deemed Transfer Notice.

14. Transfer of shares

- 14.1. A shareholder (the "**Seller**") wishing to transfer shares in the capital of the Company (the "**Sale Shares**") must give a Transfer Notice to the Company giving details of the proposed transfer including:
 - 14.1.1. the number of Sale Shares;
 - 14.1.2. if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and
 - 14.1.3. the price (in cash) at which he wishes to sell the Sale Shares (the "**Proposed Sale Price**").
- 14.2. Subject only to **article 14.7**, once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn.
- 14.3. 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.
- 14.4. As soon as practicable following the receipt of a Transfer Notice, the board of directors shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this article. Each offer shall be in writing and provide the information set out in **article 14.1**.
- 14.5. The board of directors shall offer the Sale Shares (the "**Offer**") to all shareholders other than the Seller and excluding any shareholder whose shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice (the "**Continuing Shareholders**"), inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the "**Offer Period**") for the maximum number of Sale Shares they wish to buy.
- 14.6. The Continuing Shareholders (or any of them) may, by giving notice in writing (the "**Price Notice**") to the Company at any time within ten (10) Business Days of receipt of the Offer, notify the Seller that the Proposed Sale Price is too high. Following service of a Price Notice, the Seller and the Continuing Shareholders shall endeavour to agree a price for each of the Sale Shares. If they have not agreed such a price within ten (10) Business Days of the Company's receipt of a Price Notice, they (or any of them) shall immediately instruct the Valuers to determine the Market Value of each Sale Share in accordance with **article 17**.
- 14.7. If, following delivery to him of the Valuers' written notice in accordance with **article 17**, the Seller does not agree with the Valuers' assessment of the Market Value of the Sale Shares, he shall

be entitled to revoke the Transfer Notice by giving notice in writing to the Company within five (5) Business Days of delivery to him of the Valuers' written notice. If the Seller revokes the Transfer Notice, he is not entitled to transfer the Sale Shares except in accordance with these Articles.

14.8. If, at the end of the Offer Period or, if later, within twenty (20) Business Days of receipt of the Valuers' determination of the Market Value (and provided the Seller has not withdrawn the Transfer Notice in accordance with **article 14.7**):

14.8.1. the total number of Sale Shares applied for at the Sale Price is equal to or exceeds the number of Sale Shares, the board of directors shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares. 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 Continuing Shareholders who have applied for Sale Shares shall be determined by the board of directors). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;

14.8.2. not all Sale Shares are allocated following allocations in accordance with **article 14.8.1**, but there are applications for Sale Shares that have not been satisfied, the board of directors shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in **article 14.8.1**. The procedure set out in this **article 14.8.2** 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/or

14.8.3. the total number of Sale Shares applied for at the Sale Price is less than the number of Sale Shares, the board of directors shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance shall be dealt with in accordance with **article 14.9**.

14.9. If allocations under **article 14.8** have been made in respect of some or all of the Sale Shares, the board of directors shall give written notice of allocation (an "**Allocation Notice**") to the Seller and each Continuing 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, the amount payable by each Applicant for the number of Sale Shares allocated to him ("**Consideration**") and the place and time for completion of the transfer of the Sale Shares (which shall be at least five (5) Business Days, but not more than twenty (20) Business Days, after the date of the Allocation Notice).

14.10. On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration:

14.10.1. execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice; and

14.10.2. if, following a sale of shares in accordance with this agreement, the Seller holds no further shares in the Company, the Seller shall deliver, or procure that there are delivered to the Company, his resignation as a director of the Company and

resignations from any directors appointed by him, such resignations to take effect at completion of the sale of the Sale Shares.

14.11. If the Seller fails to comply with article 14.10:

14.11.1. the chairman of the board of directors (or, failing him, one of the other directors) may, as agent on behalf of the Seller:

14.11.1.1. complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants and the resignation of director(s) (if applicable);

14.11.1.2. receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration); and

14.11.1.3. (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them; and

14.11.2. the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the board of directors, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the board of directors may reasonably require to prove good title to those Sale Shares, to the Company.

14.12. If an Allocation Notice does not relate to all of the Sale Shares, then the Company shall be entitled (to the extent that it is legally able to do so) to serve notice on the Seller within five (5) Business Days of its intention to purchase any remaining Sale Shares. If the Company serves such notice, such purchase shall take place within thirty (30) Business Days following service of the Allocation Notice (or if longer, the first Business Day upon which the Company is legally able to purchase such remaining Sale Shares) at a price per Sale Share being the lower of the Proposed Sale Price and the Market Value of each Sale Share, which if not already done so, shall be determined in accordance with **article 17**.

14.13. If any Sale Shares remain unsold after all preceding provisions of this article have been duly followed then, subject to the prior written consent of the Company and all shareholders for the time being and subject to **article 14.14** and within the period of twelve (12) weeks immediately following the end of the period referred to in **article 14.12**, the Seller may transfer any remaining Sale Shares to the third party buyer identified in the Transfer Notice at a price per Sale Share not less than the Sale Price provided that the Seller shall procure that any buyer of Sale Shares that is not, immediately prior to completion of the transfer in question, a party to any shareholders' agreement (or similar document) in force between the shareholders shall, at completion, execute and deliver to the Company a deed under which the buyer agrees to be bound by the terms of any such shareholders' agreement (or similar document), in such form as the Continuing Shareholders may reasonably require (but not so as to oblige the buyer to have any obligations or liabilities greater than those of the Seller).

14.14. The Seller's right to transfer Sale Shares under **article 14.13** does not apply if the board of directors reasonably consider that:

14.14.1. the transferee is a person (or a nominee for a person) who is a competitor with (or an associate of a competitor with) the business of the Company; or

- 14.14.2. the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
 - 14.14.3. the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the board of directors to enable it to form the opinion mentioned above.
- 14.15. The restrictions imposed by this article may be waived in relation to any proposed transfer of Sale Shares with the consent of all shareholders who, but for the waiver, would or might have been entitled to have such Sale Shares offered to them in accordance with this article.

15. Permitted Dealings

- 15.1. Subject to **articles 15.3 to 15.5**, an Original Shareholder may at any time transfer any of its shares in the Company to a Permitted Shareholder or request that any shares to be otherwise allotted and issued to such Original Shareholder be allotted and issued to a Permitted Shareholder without being required to follow the steps set out in **article 14** (in respect of share transfers) or the steps set out in **article 12** (in respect of allotment and issue) save that the directors shall have the right to refuse to register a transfer or allotment and issue of Shares under this **article 15** if the directors reasonably consider that any of the provisions of **article 14.14** apply (amended as applicable).
- 15.2. A Permitted Shareholder may at any time transfer all (but not some only) of its shares back to the Original Shareholder from whom it received those shares or to another Permitted Shareholder of such Original Shareholder, without being required to follow the steps set out in **article 14**.
- 15.3. If a Permitted Dealing has been made to a Permitted Shareholder, such Permitted Shareholder shall be deemed to have served a Transfer Notice in favour of:
- 15.3.1. the Original Shareholder from whom it received those shares; or
 - 15.3.2. if so directed by the Original Shareholder, to another Permitted Shareholder of that Original Shareholder,

in respect of such shares immediately before ceasing to be an Affiliate (for avoidance of doubt in the case of an individual, whether by reason of divorce, dissolution of a civil partnership, bankruptcy, any matter set out in **article 16**, or otherwise) and the Original Shareholder shall procure that, without being required to follow the steps set out in **article 14**, the Permitted Shareholder shall execute and deliver to the Company a transfer of the shares held by them to the Original Shareholder or, if so directed by the Original Shareholder, to a Permitted Shareholder of the Original Shareholder.
- 15.4. An Original Shareholder may only allot or transfer shares to the trustees of a Family Trust or to Pension Trustees if the directors are satisfied:
- 15.4.1. with the terms of the Family Trust and/or the respective pension arrangements, in particular, with the powers of the trustees or Pension Trustees;
 - 15.4.2. with the identity of the trustees or Pension Trustees; and
 - 15.4.3. that no costs (including any liability to tax) incurred in connection with the setting up or administration of that Family Trust and/or respective pension arrangements are to be paid by the Company.

15.5. If a Permitted Dealing has been made to the trustees of a Family Trust or to Pension Trustees, such trustees of that Family Trust and/or Pension Trustees shall be deemed to have served a Transfer Notice in favour of:

15.5.1. the Original Shareholder from whom it received those shares; or

15.5.2. if so directed by the Original Shareholder, to another Permitted Shareholder of that Original Shareholder,

in respect of such shares immediately before that Family Trust and/or respective pension arrangements ceases to be for the benefit of the settlor and/or the settlor's Relations and the Original Shareholder shall procure that, without being required to follow the steps set out in **article 14**, the Permitted Shareholder shall execute and deliver to the Company a transfer of the shares held by them or the Family Trust and/or the respective pension arrangements to the Original Shareholder or, if so directed by the Original Shareholder, to a Permitted Shareholder of the Original Shareholder.

16. Compulsory transfers

16.1. If a shareholder (including for avoidance of doubt, an Original Shareholder) is an individual, he is deemed to have served a Transfer Notice under **article 14.1** immediately before any of the following events:

16.1.1. an order being made, for the shareholder's bankruptcy; or

16.1.2. an application by the relevant shareholder to the court being made under section 253 of the Insolvency Act 1986 where the shareholder intends to make a proposal to his creditors for a voluntary arrangement; or

16.1.3. the shareholder making an individual voluntary arrangement with his creditors on agreed terms under section 263A of the Insolvency Act 1986; or

16.1.4. the shareholder convening a meeting of his creditors or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally; or

16.1.5. the shareholder being deemed unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or

16.1.6. any encumbrancer taking possession of, or a receiver being appointed over or in relation to, all or any material part of the shareholder's assets; or

16.1.7. the happening in relation to a shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets; or

16.1.8. his death; or

16.1.9. the shareholder having a disqualification order made against him under the Company Directors Disqualification Act 1986; or

16.1.10. the shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding; or

16.1.11. the shareholder being found guilty of any criminal offence (other than an offence under road traffic legislation for which the shareholder is not sentenced to imprisonment, whether immediate or suspended); or

- 16.1.12. the shareholder committing a material or persistent breach of these Articles or any shareholders' agreement to which it is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 20 Business Days of the other shareholders requiring such remedy; or
 - 16.1.13. the making of any court order for the transfer of any shares to a third party.
- 16.2. If a shareholder is a company or body corporate, it is deemed to have served a Transfer Notice under **article 14.1** immediately before any of the following events:
- 16.2.1. the passing of a resolution for the liquidation of the shareholder other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the shareholder's Group in which a new company assumes (and is capable of assuming) all the obligations of the shareholder, provided that such reconstruction or amalgamation does not result in a transfer of the shareholder's shares in the Company to any person other than a Permitted Shareholder; or
 - 16.2.2. the presentation at court by any competent person of a petition for the winding up of the shareholder and which has not been withdrawn or dismissed within seven days of such presentation; or
 - 16.2.3. the issue at court by any competent person of a notice of intention to appoint an administrator to the shareholder, a notice of appointment of an administrator to the shareholder or an application for an administration order in respect of the shareholder; or
 - 16.2.4. any step is taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the shareholder; or
 - 16.2.5. the shareholder being deemed unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986; or
 - 16.2.6. the shareholder entering into a composition or arrangement with its creditors; or
 - 16.2.7. any chargor taking any step to enforcing any charge created over any shares held by the shareholder in the Company (other than by the appointment of a receiver, administrative receiver or manager); or
 - 16.2.8. any competent person taking any step analogous to any of the above in any jurisdiction in which the shareholder carries on business or has assets; or
 - 16.2.9. a change of Control of the shareholder although in the case of a Permitted Shareholder that ceases to be a member of the Group, it shall transfer the shares back to the Original Shareholder from whom it received those shares or to another Permitted Shareholder of such Original Shareholder in accordance with **article 15.3** rather than being deemed to have served a Transfer Notice under this article; or
 - 16.2.10. the shareholder ceasing to carry on its business or substantially all of its business; or
 - 16.2.11. the shareholder committing a material or persistent breach of these Articles or any shareholders' agreement to which it is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 20 Business Days of the other shareholders requiring such remedy.
- 16.3. The Deemed Transfer Notice has the same effect as a Transfer Notice, except that:

- 16.3.1. unless the board of directors determine by majority decision and direct in writing, the Deemed Transfer Notice takes effect on the basis that it relates to all shares held by that shareholder, does not identify a proposed buyer or state a price for the Sale Shares and subject to **article 16.6**, the price for the Sale Shares shall be the aggregate Market Value of those shares, determined by the Valuers in accordance with **article 17**, save that the Seller shall not be entitled to revoke the Transfer Notice in accordance with **article 14.7** and if the Seller is deemed to have given a Transfer Notice as a result of **article 16.1.12** or **article 16.2.11**, the price for the Sale Shares shall be restricted to the aggregate Market Value of such Sale Shares reduced by such amount as the board of directors determine by majority decision subject always to a maximum cap of 25%; and
 - 16.3.2. if the Continuing Shareholders or the Company do not accept the offer of shares comprised in the Deemed Transfer Notice in accordance with **article 14**, the Seller does not have the right to sell the Sale Shares to a third party.
- 16.4. If the Seller fails to complete a transfer of Sale Shares as required under this **article 16**, the Company:
- 16.4.1. is irrevocably authorised to appoint any person nominated for the purpose by the Continuing Shareholders as agent to transfer the Sale Shares on the Seller's behalf and to do anything else that the Continuing Shareholders may reasonably require to complete the sale; and
 - 16.4.2. may receive the purchase price in trust for the Seller, giving a receipt that shall discharge the Continuing Shareholders.
- 16.5. If an Employee Shareholder becomes a Departing Employee Shareholder a Transfer Notice shall, unless the board of directors otherwise determine by majority decision and direct in writing, be deemed to have been served on the date on which the employment or directorship is terminated 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 Shareholder becomes a Departing Employee Shareholder shall automatically lapse.
- 16.6. Notwithstanding any other provisions of these Articles, the price in respect of a Compulsory Employee Transfer shall, where the Departing Employee Shareholder is:
- 16.6.1. a Good Leaver, be the aggregate Market Value of such Sale Shares; and
 - 16.6.2. a Bad Leaver, be restricted to [the aggregate Market Value of such Sale Shares reduced by such amount as the board of directors determine by majority decision subject always to a maximum cap of 25%.
- 16.7. Forthwith upon a Transfer Notice being deemed to be served under this **article 16** the shares subject to the relevant Deemed Transfer Notice shall cease to confer on the holder of them any rights:
- 16.7.1. to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise);
 - 16.7.2. to receive dividends or other distributions otherwise attaching to those shares; or
 - 16.7.3. to participate in any future issue of shares.

- 16.8. The Directors may reinstate the rights referred to in **article 16.7** at any time and, in any event, such rights shall be reinstated in respect of any shares transferred pursuant to this **article 16** on completion of such transfer.

17. Valuation

- 17.1. In accordance with the relevant provisions of **article 14** and as soon as practicable after deemed service of a Transfer Notice under **article 16**, the shareholders shall appoint the Valuers to determine the Market Value of the Sale Shares.
- 17.2. The Valuers shall be requested to determine the Market Value within forty (40) Business Days of their appointment and to notify the shareholders in writing of their determination.
- 17.3. The Market Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions:
- 17.3.1. 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;
 - 17.3.2. if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 17.3.3. the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - 17.3.4. the Sale Shares are sold free of all encumbrances;
 - 17.3.5. the sale is taking place on the date the Valuers were requested to determine the Market Value; and
 - 17.3.6. to take account of any other factors that the Valuers reasonably believe should be taken into account.
- 17.4. The shareholders are entitled to make submissions to the Valuers and shall 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.
- 17.5. To the extent not provided for by this **article 17**, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate.
- 17.6. The Valuers' written determination shall be final and binding on the shareholders in the absence of manifest error or fraud.
- 17.7. Each shareholder shall bear its own costs in relation to the reference to the Valuers. The Valuers' fees and costs properly incurred by them in arriving at their valuation shall be borne by the shareholders equally or in such other proportions as the Valuers shall direct.

18. Tag along

- 18.1. After first giving a Transfer Notice to the Continuing Shareholders and going through the procedure set out in **articles 14.1 to 14.12**, the provisions of **article 18.2 to article 18.6** shall apply if a shareholder or shareholders (the "**Seller**") proposes to transfer shares to a bona fide purchaser (the "**Proposed Buyer**") on arm's length terms (the "**Proposed Transfer**") and such

transfer would, if carried out, result in such person together with its Affiliates acquiring shares in the Company that together confer not less than 75% of the total voting rights exercisable in general meetings of the Company.

- 18.2. Before making a Proposed Transfer, the Seller shall procure that the Proposed Buyer makes an offer (the **"Offer"**) to all other shareholders to purchase all shares held by them for a consideration in cash per share that is at least equal to the price per share offered by the Proposed Buyer in the Proposed Transfer (the **"Specified Price"**).
- 18.3. The Offer shall be made by written notice (the **"Offer Notice"**), at least twenty (20) Business Days before the proposed transfer date (the **"Transfer Date"**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
 - 18.3.1. the identity of the Proposed Buyer;
 - 18.3.2. the purchase price and other terms and conditions of payment;
 - 18.3.3. the Transfer Date; and
 - 18.3.4. the number of shares proposed to be purchased by the Proposed Buyer (the **"Offer Shares"**).
- 18.4. If the Proposed Buyer fails to make the Offer in accordance with **article 18.2** and **article 18.3**, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of shares effected in accordance with the Proposed Transfer.
- 18.5. If the Offer is accepted by the other shareholders in writing within 10 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 such shareholders.
- 18.6. The Proposed Transfer is subject to the rights of pre-emption set out in **articles 14.1 to 14.12**, but the purchase of the Offer Shares shall not be subject to those provisions.

19. Drag along

- 19.1. After first giving a Transfer Notice to the Continuing Shareholders and going through the procedure set out in **articles 14.1 to 14.12**, if a Proposed Buyer makes an offer to acquire all the issued share capital of the Company and such offer is acceptable to shareholders who for the time being hold shares in the Company that together confer not less than 75% of the total voting rights exercisable in general meetings of the Company, then such shareholders (the **"Selling Shareholders"**) may require the other shareholders (the **"Called Shareholders"**) to sell and transfer all of their shares (the **"Called Shares"**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this **article 19** (the **"Drag Along Option"**).
- 19.2. The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (the **"Drag Along Notice"**) at least twenty (20) Business Days before the transfer of the shares to the Proposed Buyer. The Drag Along Notice shall specify:
 - 19.2.1. that the Called Shareholders are required to transfer all of their Called Shares pursuant to this **article 19**;
 - 19.2.2. the person to whom the Called Shares are to be transferred;
 - 19.2.3. the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer; and
 - 19.2.4. the proposed date of the transfer.

- 19.3. Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold their shares to the Proposed Buyer within forty (40) 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.
- 19.4. No Drag Along Notice shall require the Called Shareholders to agree to any terms except those specifically set out in this **article 19**.
- 19.5. Completion of the sale of the Called Shares shall take place on the Completion Date. **"Completion Date"** means the date proposed for completion of the sale of the shares held by Selling Shareholders unless the Selling Shareholders and the Called Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by them.
- 19.6. The proposed sale of the shares by the Selling Shareholders to the Proposed Buyer is subject to the rights of pre-emption set out in **articles 14.1 to 14.12**, but the sale of the Called Shares by the Called Shareholders shall not be subject to those provisions.
- 19.7. On or before the Completion Date, the Called Shareholders shall execute and deliver a stock transfer form for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to **article 19.2** to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 19.8. To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer form(s) and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this **article 19** in respect of their shares.
- 19.9. If the Called Shareholders do not, on or before the Completion Date, execute and deliver (in accordance with **article 19.7**) transfer(s) in respect of all of the Called Shares held by them, the Called Shareholders shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this **article 19.9**.

20. Purchase of Own Shares

- 20.1. Subject to the Act but without prejudice to any other provision of these Articles, the company may enter into any contract for the purchase of all or any of its shares of any class (including any redeemable shares) and any contract under which it may, subject to conditions, become entitled or obliged to purchase all or any such shares and may make payments in respect of the redemption or purchase of such shares otherwise than out of distributable profits or the proceeds of a fresh issue of shares. Neither the Company nor the directors shall be required to

select the shares in question ratably or in any other particular manner as between the holders of shares.

- 20.2. In addition to **article 20.1** and subject to the Act but without prejudice to any other provision of these Articles, the company may purchase its own shares with cash up to any amount in a financial year not exceeding the lower of:

20.2.1. £15,000; and

20.2.2. the value of 5% of the Company's share capital.

Decision making by shareholders

21. Quorum for general meetings

- 21.1. Save as provided in **article 21.2**, the quorum at any general meeting of the Company, or adjourned general meeting, shall be five (5) persons present in person or by proxy.
- 21.2. If a quorum is not present within 30 minutes of the time specified for a general meeting in the notice of the meeting then it shall be adjourned for ten (10) Business Days at the same time and place. If at the adjourned meeting a quorum is not present within 30 minutes of the time specified for the general meeting in the adjourned notice of the meeting, then those persons present will constitute a quorum.
- 21.3. No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

22. Chairing general meetings

The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, the shareholder who appointed him shall be entitled to appoint another of its nominated directors present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

23. Voting

- 23.1. At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; on a poll every shareholder present in person or by proxy shall have one vote for each share of which he is the holder; and on a vote on a written resolution every shareholder has one vote for each share of which he is the holder.
- 23.2. Any resolution proposed as a written resolution shall be proposed in a form that provides shareholders with the ability to cast their votes against as well as in favour of such resolution.

24. Poll votes

- 24.1. A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 24.2. Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

25. Proxies

- 25.1. Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be

exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate".

- 25.2. Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

Administrative arrangements

26. Means of communication to be used

- 26.1. Subject to **article 26.3**, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

- 26.1.1. if delivered by hand, at the time of delivery; or
- 26.1.2. if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, two Business Days after posting; or
- 26.1.3. if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
- 26.1.4. if deemed receipt under the previous paragraphs of this **article 26.1** is not within 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 receipt), 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.

- 26.2. To prove service, it is sufficient to prove that:

- 26.2.1. if delivered by hand the notice was delivered to the correct address; or
- 26.2.2. if sent by post the envelope containing the notice was properly addressed, paid for and posted; or
- 26.2.3. if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

- 26.3. Any notice, document or other information served on, or delivered to, an intended recipient under **article 14**, **article 16**, **article 18** or **article 19** (as the case may be) may not be served or delivered in electronic form, or by means of a website.

- 26.4. In proving that any notice, document or information was properly addressed, it shall suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.

27. Indemnity and insurance

- 27.1. Subject to **article 27.2**, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- 27.1.1. each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or

admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and

- 27.1.2. the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in **article 27.1.1** and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.
- 27.2. This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 27.3. 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.
- 27.4. In this article:
- 27.4.1. a **"relevant officer"** means any director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and
- 27.4.2. 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 or any pension fund of the Company.

schedule

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

The Companies (Model Articles) Regulations 2008 (SI 2008/3229)
As amended by the Mental Health (Discrimination) Act 2013

Note: These Model Articles are adopted subject to the exclusions and amendments in article 2 of the Articles of Association

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PART 1 INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise—
- "articles" means the company's articles of association;
 - "bankruptcy" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
 - "chairman" has the meaning given in article 12;
 - "chairman of the meeting" has the meaning given in article 39;
 - "Companies Acts" means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

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

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

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

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

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

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

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

“instrument” means a document in hard copy form;

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

“paid” means paid or credited as paid;

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

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

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

“shares” means shares in the company;

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

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

“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and

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

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

Liability of members

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

PART 2

DIRECTORS

DIRECTORS’ POWERS AND RESPONSIBILITIES

Directors’ general authority

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

Shareholders’ reserve power

4.—(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.

(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

Directors may delegate

5.—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—

- (a) to such person or committee;
 - (b) by such means (including by power of attorney);
 - (c) to such an extent;
 - (d) in relation to such matters or territories; and
 - (e) on such terms and conditions;
- as they think fit.

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

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

Committees

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

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

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

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

(2) If—

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

Unanimous decisions

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

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

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

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

Calling a directors' meeting

9.—(1) Any director may call a directors' meeting by giving notice of the meeting to the

directors or by authorising the company secretary (if any) to give such notice.

(2) Notice of any directors' meeting must indicate—

(a) its proposed date and time;

(b) where it is to take place; and

(c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

(3) Notice of a directors' meeting must be given to each director, but need not be in writing.

(4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

Participation in directors' meetings

10.—(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—

(a) the meeting has been called and takes place in accordance with the articles, and

(b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

(2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

(3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

Quorum for directors' meetings

11.—(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

(2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

(3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—

(a) to appoint further directors, or

(b) to call a general meeting so as to enable the shareholders to appoint further directors.

Chairing of directors' meetings

12.—(1) The directors may appoint a director to chair their meetings.

(2) The person so appointed for the time being is known as the chairman.

(3) The directors may terminate the chairman's appointment at any time.

(4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

Casting vote

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

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

Conflicts of interest

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

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

(3) This paragraph applies when—

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

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

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

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

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

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

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

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

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

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

Records of decisions to be kept

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

Directors' discretion to make further rules

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

APPOINTMENT OF DIRECTORS

Methods of appointing directors

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

(a) by ordinary resolution, or

(b) by a decision of the directors.

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

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

Termination of director's appointment

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

(a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;

(b) a bankruptcy order is made against that person;

(c) a composition is made with that person's creditors generally in satisfaction of that person's debts;

(d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;

(e) [removed by the Mental Health (Discrimination) Act 2013];

(f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

Directors' remuneration

19.—(1) Directors may undertake any services for the company that the directors decide.

(2) Directors are entitled to such remuneration as the directors determine—

(a) for their services to the company as directors, and

(b) for any other service which they undertake for the company.

(3) Subject to the articles, a director's remuneration may—

(a) take any form, and

(b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

(4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.

(5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

Directors' expenses

20. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—

(a) meetings of directors or committees of directors,

- (b) general meetings, or
- (c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

PART 3 SHARES AND DISTRIBUTIONS SHARES

All shares to be fully paid up

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

Powers to issue different classes of share

- 22.—**(1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- (2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

Company not bound by less than absolute interests

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

Share certificates

- 24.—**(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- (2) Every certificate must specify—
- (a) in respect of how many shares, of what class, it is issued;
 - (b) the nominal value of those shares;
 - (c) that the shares are fully paid; and
 - (d) any distinguishing numbers assigned to them.
- (3) No certificate may be issued in respect of shares of more than one class.
- (4) If more than one person holds a share, only one certificate may be issued in respect of it.
- (5) Certificates must—
- (a) have affixed to them the company's common seal, or
 - (b) be otherwise executed in accordance with the Companies Acts.

Replacement share certificates

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

- (a) damaged or defaced, or
 - (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- (2) A shareholder exercising the right to be issued with such a replacement certificate—
- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
 - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

Share transfers

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

(2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

(3) The company may retain any instrument of transfer which is registered.

(4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

(5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

Transmission of shares

27.—(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.

(2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—

(a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and

(b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

(3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

Exercise of transmittees' rights

28.—(1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.

(2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

(3) Any transfer made or executed under this article is to be treated as if it were made or

executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

Transmittees bound by prior notices

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

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

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

(2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

(3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

(4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.

(5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.

(6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

(7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

Payment of dividends and other distributions

31.—(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—

(a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;

(b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;

(c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or

(d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

(2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

(a) the holder of the share; or

- (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

No interest on distributions

32. The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the company.

Unclaimed distributions

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

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

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

(3) If—

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
 - (b) the distribution recipient has not claimed it,
- the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

Non-cash distributions

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

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

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

Waiver of distributions

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

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

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

CAPITALISATION OF PROFITS

Authority to capitalise and appropriation of capitalised sums

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

(a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and

(b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

(2) Capitalised sums must be applied—

(a) on behalf of the persons entitled, and

(b) in the same proportions as a dividend would have been distributed to them.

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

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

(5) Subject to the articles the directors may—

(a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;

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

(c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

PART 4

DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

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

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

(a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

(b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

- (3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

Quorum for general meetings

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

Chairing general meetings

- 39.—**(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- (2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—
- (a) the directors present, or
 - (b) (if no directors are present), the meeting,
- must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- (3) The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

Attendance and speaking by directors and non-shareholders

- 40.—**(1) Directors may attend and speak at general meetings, whether or not they are shareholders.
- (2) The chairman of the meeting may permit other persons who are not—
- (a) shareholders of the company, or
 - (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,
- to attend and speak at a general meeting.

Adjournment

- 41.—**(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- (2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—
- (a) the meeting consents to an adjournment, or
 - (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (4) When adjourning a general meeting, the chairman of the meeting must—

- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
 - (a) to the same persons to whom notice of the company's general meetings is required to be given, and
 - (b) containing the same information which such notice is required to contain.
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

Voting: general

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

Errors and disputes

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

Poll votes

- 44.—**(1) A poll on a resolution may be demanded—
- (a) in advance of the general meeting where it is to be put to the vote, or
 - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- (2) A poll may be demanded by—
- (a) the chairman of the meeting;
 - (b) the directors;
 - (c) two or more persons having the right to vote on the resolution; or
 - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- (3) A demand for a poll may be withdrawn if—
- (a) the poll has not yet been taken, and
 - (b) the chairman of the meeting consents to the withdrawal.
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

45.—(1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—

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

Delivery of proxy notices

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

Amendments to resolutions

- 47.—**(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

(3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

PART 5 ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

48.—(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

(2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

(3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

Company seals

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

No right to inspect accounts and other records

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

Provision for employees on cessation of business

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

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

- 52.**—(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—
- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
 - (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
 - (c) any other liability incurred by that director as an officer of the company or an associated company.
- (2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- (3) In this article—
- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
 - (b) a "relevant director" means any director or former director of the company or an associated company.

Insurance

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

(2) In this article—

(a) a “relevant director” means any director or former director of the company or an associated company,

(b) a “relevant loss” means any loss or liability which has been or may be incurred by a relevant director in connection with that director’s duties or powers in relation to the company, any associated company or any pension fund or employees’ share scheme of the company or associated company, and

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