

Company number 00367875

PRIVATE COMPANY LIMITED BY SHARES

BAXI PARTNERSHIP LIMITED ("Company")

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the following special resolution was passed by the members of the Company at a general meeting on 11th September 2015

SPECIAL RESOLUTION

To amend the Company's articles of association as follows

- 1 To amend the Company's articles of association so that all the references to "Partnership Council" are replaced with "Partnership Trust"
- 2 To remove the reference to "two independent non-executive directors" in Article 23 in the Company's articles of association and replace it with "one independent non-executive director"
- 3 Article 26 1(b) in the Company's articles of association shall be deleted and replaced with the following

 "(b) any director where the annual general meeting is the third annual general meeting since their last appointment or re-appointment as a director,"
- 4 Article 26 2 in the Company's articles of association shall be deleted and replaced with "Not Used"

for Baxi Partnership Limited


Director / Company Secretary

Date

4TH DECEMBER 2015

SATURDAY



A4LLESQJ

A25

05/12/2015

#320

COMPANIES HOUSE

INCORPORATED UNDER THE COMPANIES ACT 1929 ON 28th June 1941

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

BAXI PARTNERSHIP LIMITED

**(Adopted on 22nd May 2012 as amended by special resolution on 11th
September 2015)**

CONTENTS

CLAUSE

Part 1. Interpretation and Limitation of Liability	1
1 Defined terms	1
2 Model Articles	5
3 Liability of members	5
Part 2. Directors.	5
4 Directors' general authority	5
5 Shareholders' reserve power	5
6 Directors may delegate	6
7 Committees	6
8 Directors' decisions	6
9 Directors to take decisions collectively	7
10 Decisions of directors outwith meetings	7
11 Meetings of directors	7
12 Calling a directors' meeting	8
13 Participation in directors' meetings	8
14 Quorum for directors' meetings	9
15 Chairing of directors' meetings	9
16 Casting vote	9
17 Directors' interests	10
18 Records of decisions to be kept	12
19 Directors' discretion to make further rules	12
20 Consultation with the Partnership Trust	13
21 Special consents	13
22 Partnership Culture	13
23 Number of directors	13
24 Methods of appointing directors	13
25 Alternate directors	14
26 Retirement of directors	14
27 Termination of director's appointment	15
28 Directors' remuneration and fees	16
29 Directors' expenses	17
30 Secretary	17
Part 3. Shares and Distributions.....	17
31 Share capital	17
32 Unissued shares	19
33 Shareholding limits and the Partnership Trust Shareholding Requirement	19
34 Trusts	20
35 All shares to be fully paid up	21
36 Share certificates	21
37 Replacement share certificates	21
38 Sale price	22
39 Share transfers	24
40 Permitted transfers	25
41 Voluntary and deemed transfers by members	26
42 Leavers	29

43	Voluntary transfers by Employee Trusts	30
44	Transmission of shares	32
45	Procedure for declaring dividends	32
46	Payment of dividends and other distributions	33
47	No interest on distributions	33
48	Unclaimed distributions	33
49	Non-cash distributions	34
50	Waiver of distributions	34
51	Authority to capitalise and appropriation of capitalised sums	35
52	Company purchase of own shares	36
Part 4. Decision-making by shareholders		36
53	General meetings	36
54	Attendance and speaking at general meetings	37
55	Corporate representative	38
56	Quorum for general meetings	38
57	Chairing general meetings	39
58	Attendance and speaking by directors and non-shareholders	39
59	Adjournment	39
60	Voting general	40
61	Restricted Members voting rights	41
62	Errors and disputes	41
63	Poll votes	41
64	Content of proxy notices	42
65	Delivery of proxy notices	43
66	Amendments to resolutions	43
Part 5. Administrative arrangements		44
67	Means of communication to be used	44
68	Company seals	45
69	No right to inspect accounts and other records	45
70	Provision for employees on cessation of business	45
71	Indemnity and insurance	46

INCORPORATED UNDER THE COMPANIES ACT 1929 ON 28th June 1941

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

BAXI PARTNERSHIP LIMITED

(Adopted on 22nd May 2012 as amended by special resolution on 11th
September 2015)

PART 1. INTERPRETATION AND LIMITATION OF LIABILITY

1. DEFINED TERMS

1.1 In the articles, unless the context requires otherwise

Act: the Companies Act 2006

Appointor: has the meaning given in article 25

articles: means the company's articles of association

auditors: means the auditors of the Company from time to time or, if the Company does not have auditors, the accountants of the Company from time to time

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

Board: means the board of directors of the Company or, a duly constituted committee thereof

Business Day: any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business

chairman of the meeting: has the meaning given in article 56.1

chairman: has the meaning given in article 14 1

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

Company: Baxi Partnership Limited (a company incorporated in England with company number 367875)

Conflict: has the meaning given in article 17

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 46

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

electronic form: has the meaning given in section 1168 of the Act

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: means a person for the time being in the bona fide employment of the Company or any subsidiary thereof including any officer of the Company holding a salaried employment with the Company or any subsidiary thereof

Employee Trust: means a trust established by the Company or any subsidiary of the Company for the benefit, inter alia, of all or any of the Employees and future Employees and, without prejudice to the generality of the foregoing, each of the following (as from time to time amended and in force) is an Employee Trust

- (a) the Partnership Trust,
- (b) the Baxi Partnership Limited Employee Benefit Trust established by a Trust Deed dated 15th November 1990, and
- (c) a trust established pursuant to a SIP,

and, where appropriate, means the trustees or trustee thereof

Equity Share Capital: has meaning ascribed to it by section 548 of the Act

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

Growth Shares: means the growth shares of £0.01 each in the capital of the Company from time to time

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

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

holding company and subsidiary mean a "holding company" and "subsidiary" as defined in section 1159 of the Act and a company shall be treated, for the purposes only of the membership requirement contained in subsections 1159(1)(b) and (c) of the Act, as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) its nominee

instrument: means a document in hard copy form

Interested Director: has the meaning given in article 17

ordinary resolution: has the meaning given in section 282 of the Act

Ordinary Shares: means the ordinary shares of £0.10 each in the capital of the Company from time to time

paid: means paid or credited as paid

participate: in relation to a directors' meeting, has the meaning given in article 13

Partnership Trust Shareholding Requirement: means 51% of the nominal value of the issued Equity Share Capital of the Company

Partnership Trust: means the Trust No. 2 as defined in and amended by the Baxi Partnership Limited Trusts Act 2000 and, where appropriate, means the trustees or trustee thereof

Partnership Culture: means the application of the following principles

- (a) promoting the widespread ownership of shares in the Company by *bona fide* employees of the Company,
- (b) having regard to the interests of the Company's employees in general,
- (c) encouraging the Company's employees to assume responsibility for maximising their contribution to the Company having regard to the interests of future as well as the present employees,
- (d) providing employees with information concerning major policies and actions of the Company, and
- (e) affording the employees opportunities individually or through representatives to influence major policies of the Company

Possible Matter for Consultation: means business transacted or to be transacted by the directors concerning a policy of action by the Company which results, is intended to result or might result in involving the Company or any subsidiary of the Company in any of the matters (i) referred to in sub-clauses 2.7(a)-(k) (inclusive) of the deed of trust of the Partnership Trust, and (ii) that have been identified by the Partnership Trust pursuant to article 20 as a matter that should be referred to the Partnership Trust for consideration

Preference Shares: means the redeemable preference shares of £0.01 in the share capital of the Company, having the rights and being subject to the restrictions contained in these articles

proxy notice: has the meaning given in article 64

Restricted Member: means an Employee member who ceases for any reason (including his death) to be an Employee

Restricted Shares: means shares whose voting rights are suspended pursuant to article 61.1

Sale Price: has the meaning set out in article 38.1

shareholder: means a person who is the holder of a share

Shareholding Limit: means, in the case of any member of the Company other than an Employee Trust, 5% of the nominal value of the issued Equity Share Capital of the Company

For the avoidance of doubt, when determining how many shares a person holds for the purposes of the Shareholder Limit, any shares awarded to that person through a SIP that are being held in trust for that person by the trustees of the SIP shall be deemed to be owned directly by that person

shares: means shares in the company

SIP: means any share incentive plan created by the Company which satisfies the requirements of Schedule 2 of the Income Tax (Earnings and Pensions) Act 2003 and, where appropriate, means the trustees or trustee thereof

special resolution: has the meaning given in section 283 of the Act

transmittee: means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law

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

- 1.2 Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Act as in force on the date when these articles become binding on the company
- 1.3 Headings in the articles are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1.4 A reference in the articles to an "article" is a reference to the relevant article of the articles unless expressly provided otherwise

1 5 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms

1 6 Save as expressly provided otherwise in the articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force

2. MODEL ARTICLES

The model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (S/ 2008/3229) shall not apply to these Articles

3. LIABILITY OF MEMBERS

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

4. DIRECTORS' GENERAL AUTHORITY

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

5. SHAREHOLDERS' RESERVE POWER

5 1 The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action

5 2 No such special resolution invalidates anything which the directors have done before the passing of the resolution

6. DIRECTORS MAY DELEGATE

6 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

6 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

6 3 The directors may revoke any delegation in whole or part, or alter its terms and conditions

7. COMMITTEES

7 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

7 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

7 3 The Board shall appoint remuneration and audit committees with appropriate remits

DECISION-MAKING BY DIRECTORS

8. DIRECTORS' DECISIONS

8 1 Subject as provided in the articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit

- 8 2 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution, and no such resolution shall be passed unless more votes are cast for it than against it

9. DIRECTORS TO TAKE DECISIONS COLLECTIVELY

- 9 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 10

- 9 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

10. DECISIONS OF DIRECTORS OUTWITH MEETINGS

- 10 1 A decision of the directors is taken in accordance with this article when notice of the relevant matter has been given to all the directors and a majority of eligible directors indicate to all the directors by any means that they share a common view on a matter

- 10 2 Such a decision may take the form of a resolution in writing, copies of which have been signed by a majority of eligible directors or to which a majority of eligible directors has otherwise indicated agreement in writing

- 10 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

- 10 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

11. MEETINGS OF DIRECTORS

The Board shall meet at least four times each year and the Board or the audit committee of the Board shall meet with the auditors at least once a year

12. CALLING A DIRECTORS' MEETING

- 12 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
- 12 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
- 12 3 Notice of a directors' meeting must be given to each director, but need not be in writing
- 12 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

13. PARTICIPATION IN DIRECTORS' MEETINGS

- 13 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
- 13 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
- 13 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

14. QUORUM FOR DIRECTORS' MEETINGS

14 1 Subject to article 14 2, no business shall be transacted at any meeting of directors unless a quorum of directors is present when the meeting proceeds to business. The quorum shall be the greater of

- (a) two directors, or
- (b) half the directors

In the event that at any duly convened meeting of the directors, the meeting is not so quorate, the meeting shall be adjourned to the same day next week at the same time and place and at such adjourned meeting if there is still no quorum the meeting shall be dissolved.

14 2 Where there are less than two directors at any time, the only business that may be transacted by the sole director shall be the appointment of an additional director or the calling of a general meeting or the circulation of a written resolution to appoint an additional director.

15. CHAIRING OF DIRECTORS' MEETINGS

15 1 The directors may appoint a director to chair their meetings.

15 2 The person so appointed for the time being is known as the chairman.

15 3 The directors may terminate the chairman's appointment at any time.

15 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.

16. CASTING VOTE

16 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.

16 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.

17. DIRECTORS' INTERESTS

- 17 1 For the purposes of section 175 of the Act, the directors 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 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 (a **Conflict**)
- 17 2 The Interested Director must provide the directors with such details as are necessary for the directors to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the directors
- 17 3 Any authorisation by the directors of a Conflict under this article may (whether at the time of giving the authorisation or subsequently)
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
 - (b) 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,
 - (c) 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,
 - (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,
 - (e) 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
 - (f) 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

17 4 Where the directors authorise a Conflict

- (a) 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, and
- (b) the Interested Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act, provided he acts in accordance with such terms and conditions (if any) as the directors impose in respect of their authorisation

17 5 The directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation

17 6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

17 7 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

17 8 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 17 7

17 9 Subject, where applicable, to any terms and conditions imposed by the directors in accordance with article 17 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

- (a) 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,

- (b) 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,
- (c) 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,
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,
- (e) 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
- (f) 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

18. RECORDS OF DECISIONS TO BE KEPT

- 18 1 The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors
- 18 2 Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye

19. DIRECTORS' DISCRETION TO MAKE FURTHER RULES

Subject to 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

20. CONSULTATION WITH THE PARTNERSHIP TRUST

So long as the Partnership Trust holds any share in the capital of the Company, the Board shall ensure that it shall notify the Partnership Trust of every Possible Matter for Consultation and provide all information and advice as the Partnership Trust may reasonably require in respect of each such Possible Matter for Consultation. The Partnership Trust shall identify which, if any, Possible Matter for Consultation should be a matter referred to the Partnership Trust for their consideration in accordance with the closing paragraph of sub-clause 2.7 of the deed of trust of the Partnership Trust and shall notify the directors of any matter so identified. Unless a Possible Matter for Consultation is so identified it may be treated by the directors as a matter which does not need to be referred to the Partnership Trust for the purposes of clauses 2.7 and 2.8 of the deed of trust of the Partnership Trust.

21. SPECIAL CONSENTS

The following matters shall require to be approved in advance in writing by the Partnership Trust:

- (a) the Company entering into any contract of employment with a notice period longer than 12 months, and
- (b) such additional matters as may be approved by a special resolution of the Company from time to time.

22. PARTNERSHIP CULTURE

The directors must carry out their duties in accordance with the principles of a Partnership Culture.

APPOINTMENT OF DIRECTORS AND COMPANY SECRETARY

23. NUMBER OF DIRECTORS

Unless and until the Company by special resolution shall otherwise determine, the number of directors shall be not less than three which shall include at least one independent non-executive director and one executive director.

24. METHODS OF APPOINTING DIRECTORS

24.1 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,

- (b) article 24 4, or
- (c) at a general meeting of the Company pursuant to article 26

24 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

24 3 For the purposes of paragraph 24 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

24 4 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors. A director so appointed shall hold office only until the next following annual general meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof and shall not be eligible for re-appointment as a director until the next annual general meeting

25. ALTERNATE DIRECTORS

No director may appoint another person to be an alternate director to exercise that director's powers in his place

26. RETIREMENT OF DIRECTORS

26 1 At each annual general meeting

- (a) any director who is only to hold office until the next annual general meeting of the Company pursuant to article 26 3, and
- (b) any director where the annual general meeting is the third annual general meeting since their last appointment or re-appointment as a director,

shall retire from office

26 2 Not Used

26 3 A director who retires at an annual general meeting under article 26.1 may, if willing to act, be re-appointed. If he is not so re-appointed

- (a) he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting, and

- (b) he shall not be eligible to be re-appointed as a director until the earlier of (i) the date of the next annual general meeting, or (ii) such date as is approved by ordinary resolution

26 4 No person shall be appointed or reappointed a director at a general meeting unless -

- (a) he is re-appointed as a director in accordance with article 26 3, or
- (b) not less than seven nor more than thirty five clear days before the date appointed for the meeting notice has been given by the board of directors to the Company Secretary of its intention to propose that person for appointment or reappointment together with notice executed by that person of his willingness to be appointed or reappointed

27. TERMINATION OF DIRECTOR'S APPOINTMENT

A person ceases to be a director as soon as

- (a) that person ceases to be a director by virtue of any provision of the 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) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,
- (f) notification is received by the company at the company's registered office or notification is tendered at a meeting of the directors from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms,
- (g) subject to notice being given to the Partnership Trust 48 hours (or such shorter period as the Partnership Trust may agree to from time to time) prior to the relevant meeting that the provisions of this paragraph might apply (for the purposes of this paragraph such notice may be delivered verbally), a majority of the other directors resolve (the director concerned being excluded from voting) that a director's office should be vacated, or

- (h) he is served a written notice, signed by or on behalf of the holders of shares conferring a majority of the voting rights conferred by all the shares, requiring him to resign

28. DIRECTORS' REMUNERATION AND FEES

- 28 1 Directors may undertake any services for the company that the directors decide
- 28 2 Directors are entitled to such remuneration as the directors determine
 - (a) subject to article 28 6, for their services to the company as directors, and
 - (b) for any other service which they undertake for the company
- 28 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
- 28 4 Unless the directors decide otherwise, directors' remuneration accrues from day to day
- 28 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
- 28 6 The directors shall be entitled to receive by way of fees for their services as directors such sum as the Board may from time to time determine (not exceeding £100,000 per annum in aggregate to all the directors or such other sum as the Company by ordinary resolution shall from time to time determine) Such sum (unless otherwise directed by an ordinary resolution of the Company voted) shall be divided among the directors in such proportions and in such manner as the Board may determine or, in default of such determination, equally (except that in such event any director holding office for less than the whole of the relevant period in respect of which the fees are paid shall only rank in such division in proportion to the time during such period for which he holds office) Any fees payable pursuant to this article shall be distinct from any salary, remuneration or other amounts payable to a director pursuant to any other provisions of these articles and shall accrue from day to day

29. DIRECTORS' EXPENSES

The company may pay any reasonable expenses which the directors (including the secretary) 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

30. SECRETARY

The directors may appoint and remove one person to be a secretary

PART 3. SHARES AND DISTRIBUTIONS

SHARES

31. SHARE CAPITAL

31 1 The issued share capital of the Company at the date of adoption of this Article is £914,870 30 divided into 4,648,703 Ordinary Shares, 4,648,703 Growth Shares and 40,351,297 Preference Shares The Ordinary Shares, Growth Shares and the Preference Shares shall be separate classes of shares and, save as otherwise provided herein, shall rank *pari passu* in all respects

31 2 All share certificates issued by the Company shall carry a legend indicating that the transfer of shares in the Company is subject to restrictions

31 3 No share shall be registered in the names of joint holders other than the names of the trustees of an Employee Trust in their capacity as such

Income

31 4 The profits of the Company that are available for distribution which the Company may determine to distribute in respect of any financial year shall be distributed rateably amongst the holders of the Ordinary Shares and the Growth Shares (*pari passu* as if the same constituted one class of share) by reference to the number of Ordinary Shares and / or Growth Shares held by them respectively

- 31 5 Every dividend shall be distributed to the appropriate members pro rata according to the amounts paid up or credited as paid up on the shares held by them respectively and shall accrue on a daily basis from and including the date of issue of the shares. For the avoidance of doubt, no dividend shall be paid on any partly paid share or any Preference Share

Capital

- 31 6 On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied as follows -
- (a) first, in repaying to the holders of the Preference Shares the capital paid up on each such Preference Share, and
 - (b) the balance of such assets shall belong to and be distributed amongst the holders of the Ordinary Shares and the Growth Shares (*pari passu* as if the same constituted one class of share) by reference to the number of Ordinary Shares and / or Growth Shares held by them respectively

Redemption of the Preference Shares

- 31 7 Subject to the provisions of the Act, the Company may redeem any or all of the Preference Shares at any time at a price of £0.01 per share
- 31 8 On the date of any redemption of the Preference Shares, the Company shall pay to each registered holder of the Preference Shares to be redeemed the amount payable in respect of such redemption calculated down to and including the date of the redemption. Upon receipt of that amount the holders thereof shall surrender to the Company any certificates for their shares (or an indemnity in a form reasonably satisfactory to the Company in respect of any missing share certificate) which are to be redeemed in order that they may be cancelled, provided that if any certificate so surrendered includes any shares not redeemable at that time, the Company shall issue to the holder thereof a fresh certificate for the balance of the shares not redeemable
- 31 9 If there is more than one holder of Preference Shares any redemption of their shares in accordance with the provisions of these articles shall be in proportion (as nearly as may be) to that which the aggregate amounts paid up or credited as paid up on the Preference Shares held by the holder bears to the amount paid up or credited as paid up on the whole of the issued Preference Shares at the date of redemption

Voting

- 31 10 The Preference Shares shall carry no voting rights. The voting rights of the Ordinary Shares and Growth Shares are set out in articles 60 and 61

In addition, Employees shall have the voting rights set out in article 60

Reclassification of Growth Shares

- 31 11 In the event that under article 38 the auditors determine that the Sale Price for each Ordinary Share is the same as each Growth Share, the Board may, by giving written notice to all the holders of Growth Shares, reclassify all (and not some only) of the Growth Shares in the issued share capital of the Company as Ordinary Shares

32. UNISSUED SHARES

- 32 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 authorisation has been obtained from the members of the Company in accordance with the provisions of the Act

- 32 2 Subject to articles 32 3 and 33 all unissued shares shall be offered to the members in proportion, as nearly as possible, to their holdings of shares immediately before the issue. The offer shall be made by notice specifying the number of shares offered and a period, not being less than fourteen days, within which the offer, if not accepted, will be deemed to have been declined. A member shall be entitled to accept the offer for all or any of the shares offered to him. After the expiration of the said period or, if earlier, on receipt of notices from all the members as to whether or not they accept the offer, the shares for which acceptances are not received shall be offered to any Employees chosen by the directors on similar terms who are not members and the offer shall be open for the same period as the original offer. If any shares comprised in such further offer are declined or are deemed to be declined, such further offer shall be withdrawn in respect of such shares

- 32 3 Article 32 2 shall not apply to the issue of shares to the EBT or a SIP

33. SHAREHOLDING LIMITS AND THE PARTNERSHIP TRUST SHAREHOLDING REQUIREMENT

- 33 1 Unless otherwise determined by a special resolution, no member shall be entitled to hold or have any beneficial interest in shares in the Company, whether by issue or transfer of shares, in excess of his Shareholding Limit

33 2 The directors shall not register any transfer of shares which would cause either -

- (a) a member's Shareholding Limit to be exceeded, or
- (b) the number of shares held by the Partnership Trust to fall below the Partnership Trust Shareholding Requirement

33 3 If any member applies for shares which would cause his Shareholding Limit to be exceeded, such application shall be deemed to be for such number of shares as would result in his holding being equal to his Shareholding Limit

33 4 If any member applies for shares which would cause either directly or indirectly the aggregate number of shares held by the Partnership Trust to fall below the Partnership Trust Shareholding Requirement, such application shall be deemed to be for such number of shares as would result in the Partnership Trust's holding being maintained at a level at least equal to the Partnership Trust Shareholding Requirement

34. TRUSTS

34 1 The Company shall be bound to recognise the Employee Trusts as holding shares upon trusts and shall enter, as it may think fit, notice of such trusts in the Register of Members. Apart from the foregoing the Company shall be entitled, but shall not be bound, to recognise in such manner and to such extent as it may think fit any trusts in respect of any of the shares of the Company. Notwithstanding any such recognition the Company shall not be bound to see to the execution, administration or observance of any trust, whether expressed, implied or constructive, in respect of any shares of the Company and shall be entitled to recognise and give effect to the Act and deeds of the registered holders of such shares (including the Partnership Trust and the SIP) as if they were the absolute owners thereof. For the purpose of this article 34 "trust" includes any rights in respect of any shares of the Company other than an absolute right thereto in the registered holder thereof for the time being or such other rights in case of transmission thereof as are mentioned in the articles

34 2 Subject to article 34 1 and 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

35. ALL SHARES TO BE FULLY PAID UP

- 35 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
- 35 2 This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum

36. SHARE CERTIFICATES

- 36 1 The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds
- 36 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
- 36 3 No certificate may be issued in respect of shares of more than one class
- 36 4 If more than one person holds a share, only one certificate may be issued in respect of it
- 36 5 Certificates must
- (a) have affixed to them the company's common seal, or
 - (b) be otherwise executed in accordance with the Companies Acts

37. REPLACEMENT SHARE CERTIFICATES

- 37 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
- 37 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 and indemnity as the directors decide

38. SALE PRICE

38 1 The Board shall forthwith upon the statutory accounts of the Company having been agreed with the auditors and the auditors having given their report pursuant to section 495 of the Act request the auditors to prepare and deliver to the board a certificate of the sale price (the **Sale Price**) for each Ordinary Share and (if there are any issued Growth Shares) each Growth Share, to be determined by the auditors in accordance with the provisions set out in article 38 3 In giving such certificate the auditors shall act as experts and not as arbitrators and except in a case of manifest error, their determination of the Sale Price shall be final and binding under the provisions of these articles

38 2 In the event that the directors so resolve at any time the auditors of the Company shall prepare an auditor's certificate revising the latest certificate produced pursuant to article 38 1 so as to re-assess Sale Price as at the date stipulated in that resolution

38 3 The auditors shall determine and certify the Sale Price of the Ordinary Shares and the Growth Shares as set out in this article 38 in accordance with the following provisions -

- (a) In this article 38 3, the following words shall have the following meanings

Group Value is the higher of

Net Assets

or

$((3 \times \text{EBITDAC Y}) + (2 \times \text{EBITDAP Y}) + \text{EBITDAPP Y}) \times 0.9 - \text{Net Debt}$

EBITDAC Y means the profit before interest, tax, depreciation and amortisation as reported in the last statutory accounts of the Company (or, where the statutory accounts are not audited, in the working papers prepared by the auditors in respect of the accounts)

EBITDAPPY means the profit before interest, tax, depreciation and amortisation as reported in the last statutory accounts of the Company (or, where the statutory accounts are not audited, in the working papers prepared by the auditors in respect of the accounts) issued prior to the statutory accounts containing the EBITDAPPY

EBITDAPY means the profit before interest, tax, depreciation and amortisation as reported in the last statutory accounts of the Company (or, where the statutory accounts are not audited, in the working papers prepared by the auditors in respect of the accounts) issued prior to the statutory accounts containing the EBITDAPY

Net Assets is the value of the net assets of the Company as set out in the last statutory accounts of the Company

Net Debt is cash less borrowings (both as set out in the last statutory accounts of the Company)

- (b) If the Sale Shares are Ordinary Shares and there remain Growth Shares in issue, the Sale Price per Ordinary Share shall be the greater of
 - (i) the lesser of (1) the Net Assets, or (2) the value of the net assets of the Company as at 31 December 2010 as set out in the audited statutory accounts of the Company for the financial year ending on that date plus 3%, compounded each year, for each calendar year that has passed since 31 December 2010, or
 - (ii) 50% of the Group Value,divided by the number of Ordinary Shares in issue
- (c) If the Sale Shares are Ordinary Shares and there are no Growth Shares in issue, the Sale Price per Ordinary Share shall be the Group Value, divided by the number of Ordinary Shares in issue
- (d) Subject to the below paragraph (e), if the Sale Shares are Growth Shares, the Sale Price per Growth Share shall be the Group Value less the greater of the sum calculated under the above paragraph (b)(i) or paragraph (b)(ii), divided by the number of Growth Shares in issue
- (e) If any Sale Shares are Growth Shares and the relevant Transferor in respect of those Growth Shares has held the Growth Shares for less than five years, paragraph (d) shall not apply to that Transferor's Growth Shares and the Sale Price for that Transferor's Growth Shares shall be as follows

- (i) if the Growth Shares were offered for sale by reason of the Transferor ceasing to be an Employee by reason of retirement or death, the Share Price shall be the price calculated pursuant to the above paragraph (d) or such lower price as may be agreed between the Board and the Transferor, or
- (ii) if the Growth Shares were offered for sale for any reason other than that specified in the above sub-paragraph (i), the Share Price shall be the lower of the price calculated pursuant to paragraph (d) or the nominal value of the Growth Shares

39. SHARE TRANSFERS

- 39 1 The directors shall refuse to register the transfer of any share unless expressly authorised by these articles
- 39 2 For the purpose of these articles the following shall be deemed (without limitation) to be a transfer by a member of shares in the Company
- (a) any direction (by way of renunciation or otherwise) by a member entitled to an allotment or transfer of shares that a share be allotted or issued or transferred to some person other than himself,
 - (b) any sale or any other disposition of any legal or beneficial interest in a share (including any voting right attached thereto) or whether or not by the registered holder thereof or whether or not for consideration or otherwise and whether or not effected by an instrument in writing, and
 - (c) the grant of any option over any shares
- 39 3 For the purpose of ensuring that a transfer of shares is duly authorised or required under these articles the directors may require any member or legal representatives of any deceased member or any person named as transferee in any transfer lodged for registration or such other person as the directors may reasonable believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the directors may think fit regarding any matter which they deem relevant to such purpose including (but not limited to) the names, addresses and interests of all persons respectfully having interests in the shares from time to time registered in the member's name Failing such information and evidence being furnished to the satisfaction of the directors within a period of 28 days after such request, the directors shall be entitled to refuse to register the transfer in question

- 39 4 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor
- 39 5 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share
- 39 6 The company may retain any instrument of transfer which is registered
- 39 7 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it

40. PERMITTED TRANSFERS

- 40 1 Notwithstanding any other provisions in these articles, article 41 shall not apply to and the directors shall be bound to approve for registration the following transfers -
- (a) any transfer of shares held in trust under an Employee Trust by the existing or previous trustees of the Employee Trust for the time being to new trustees of the same Employee Trust, such shares to continue to be held jointly by all the relevant trustees in trust on the terms of the relevant Employee Trust,
 - (b) any transfer of Shares between the Partnership Trust and the trustees of a SIP,
 - (c) any transfer by the Partnership Trust or by the trustees of a SIP to the trustees of any one or more employee benefit trusts established by the Company for the benefit of Employees on terms similar to those of the Partnership Trust or a SIP including the transfer of any shares by the Partnership Trust or by the trustees of a SIP to one or more trustees or a corporate trustee of such employee benefit trusts,
 - (d) any transfer by the Partnership Trust to a beneficiary of the Partnership Trust or by the trustees of a SIP to a beneficiary of a SIP in accordance with their respective trust deeds and rules,
 - (e) any transfer by an Employee, former Employee or the personal representatives of a former Employee to the Partnership Trust or to a SIP (including a transfer of shares in accordance with articles 41 or 43), or
 - (f) any transfer by the Partnership Trust or the trustees of a SIP in connection with any employees' share scheme (as defined by section 1166 of the Act) which the Company or any subsidiary may from time to time establish

41. VOLUNTARY AND DEEMED TRANSFERS BY MEMBERS

- 41 1 Other than in the case of a transfer permitted pursuant to article 40 no share shall be transferred other than in the manner and at the times set out in this article 41
- 41 2 The Board shall at least once in each calendar year by notice in writing (a **Sale Notice**) invite all members of the Company (other than each of the trustees of the Partnership Trust in their capacity as such) to inform the Board whether any such member wishes to dispose of any of his shares in the Company or the beneficial interest therein (the **Sale Shares**) PROVIDED THAT the Board shall not be obliged to issue any Sale Notice in any calendar year unless the Board is satisfied that the Partnership Trust is willing and able to purchase at least some of the shares in respect of which a Transfer Notice (as defined in article 41 3) may be given pursuant to such invitation or in respect of which a Deemed Transfer Notice (as defined in article 41 4) has been previously given. A Sale Notice may (and usually will) be issued at the same time as a Purchase Notice under article 43 1
- 41 3 The Sale Notice shall specify the Sale Price of each Sale Share determined in accordance with article 38 and the period being not less than 14 days nor more than 30 days after the date of the Sale Notice within which any member to whom the Sale Notice shall be addressed and who wishes to dispose of any of his shares in the Company or the beneficial interest therein (a **Transferor**) may give notice in writing (a **Transfer Notice**) to the Company that he wishes to dispose of one or more of his Sale Shares
- 41 4 A Transfer Notice shall be deemed to have been given to the Company (a **Deemed Transfer Notice**) by any Transferor who purports to transfer Sale Shares otherwise than in accordance with article 40 hereof without giving a Transfer Notice to the Company and, in those circumstances the Deemed Transfer Notice shall -
- (a) be deemed to apply to the number and class of Sale Shares purported to have been transferred,
 - (b) constitute the Company with immediate effect as the agent of the Transferor to offer for sale the Sale Shares in accordance with this article 41 at the Sale Price and upon the terms set out in the next succeeding Sale Notice following the Company becoming aware of the purported transfer of the Sale Shares by the Transferor and, if an or any of the Sale Shares shall not have been sold as a consequence of such offer, to offer them for sale in accordance with this article 41 at the Sale Price and upon the terms set out in the next succeeding Sale Notice and so on until all the Sale Shares shall have been sold,

- (c) entitle the Company to require immediate delivery to it of the certificate for the Sale Shares,
- (d) be irrevocable, and

reference in this article 41 to a Transfer Notice shall, where the context admits, include a reference to a Deemed Transfer Notice

41 5 Every Transfer Notice shall -

- (a) constitute the Company the agent of the Transferor for the sale of the Sale Shares in accordance with this article 41 at the Sale Price,
- (b) specify the number and class of Sale Shares, and
- (c) be accompanied by the certificate for the Sale Shares

If the capital of the Company is divided into separate classes of shares a separate Transfer Notice shall be given (or deemed to have been given) for each such class of shares. A Transfer Notice shall not be revocable except with the sanction of the directors

41 6 Within 7 days of -

- (a) the end of the period specified in the Sale Notice, or
- (b) in the case of a Deemed Transfer Notice, the Board as a whole becoming aware that the Deemed Transfer Notice has been given,

the Board shall give notice in writing (an **Offer Notice**) of the details of the Transfer Notices received offering the Sale Shares for sale to the Partnership Trust. The Partnership Trust may accept any such offer or it may nominate the trustees of another Employee Trust who may accept such of the Sale Shares as the Partnership Trust shall specify in the said nomination

41 7 If any of the Sale Shares shall not have been accepted for purchase at the expiration of the period of one month following the service of the Offer Notice notification of such fact shall be given in writing thereafter by the Company to the Transferor specifying the number of Sale Shares which shall not have been so accepted (the **Unallocated Sale Shares**)

41 8 Any Unallocated Sale Shares that are subject to a Deemed Transfer Notice shall be offered up for sale in the manner set out in article 41 9. The Transfer Notice in respect of any Unallocated Sale Shares that are not the subject of a Deemed Transfer Notice shall be deemed to have been withdrawn and such shares shall remain registered in the name of the Transferor. For the avoidance of doubt, any deemed withdrawal of a Transfer Notice under this

article will not prevent the Transferor offering the Unallocated Sale Shares up for sale on any subsequent date

41 9 Every Deemed Transfer Notice shall constitute the Company the agent of the Transferor for the sale of the Unallocated Sale Shares in accordance with this article 41 at the Sale Price and upon the terms set out in the next succeeding Sale Notice and so on until all the Sale Shares shall have been sold

41 10 If any of the Sale Shares shall have been accepted for purchase at the expiration of the period of one month following the service of the Offer Notice notification of such fact shall be given in writing thereafter by the Company to each Transferor specifying

- (a) the number of Sale Shares which have been accepted (the **Allocated Shares**),
- (b) the identity of the purchaser of their Sale Shares (the **Purchaser**) (which shall be either the Partnership Trust or the trustees of an Employee Trust nominated by the Partnership Trust pursuant to article 41 6), and
- (c) the time, date and place of completion (**Completion**) of the sale of the Allocated Shares in accordance with article 41 11 (which shall be not less than seven and not more than 28 days after the date of the notification issued under this article 41 10)

41 11 On Completion

- (a) the Purchaser shall pay the purchase price in respect of the relevant Allocated Shares
 - (i) to the Transferor, or
 - (ii) if the Transferor is not present at Completion, to the Company to be held on trust (without interest) for the Transferor (and the receipt of the Company for the purchase price shall be a good discharge to that Allocated Person (who shall not be bound to see to the application of it)), and
- (b) the Transferor shall transfer the relevant Allocated Shares to the Purchaser and deliver the relevant share certificates

41 12 If the Transferor, after having become bound to transfer his shares as aforesaid, makes default in transferring the same the Company may receive the purchase money tendered by the relevant transferee and the proposed Transferor shall be deemed to have appointed any one director or the Secretary of the Company as his attorney to execute a transfer of the shares which are the subject of the Transfer Notice to the transferee and upon the execution of such transfer the Company shall hold the purchase money in

trust for the Transferor. The receipt of the Company for the purchase money shall be a good discharge to the transferee and after his name has been entered on the Register of Members in purported exercise of the powers conferred by this article 41 12 the validity of the proceedings shall not be questioned by any person

42. LEAVERS

42 1 This article 42 shall have effect as regards any member of the Company who is an Employee PROVIDED THAT the provisions of this article 42 shall not apply to any shares registered in the name of such Employee in his capacity as a trustee of an Employee Trust

42 2 Subject to article 42 3, if such member shall become a Restricted Member then a Transfer Notice shall be deemed upon such cessation to have been given to the Company in relation to all of the shares in the capital of the Company registered in his name at the date of such cessation (save as provided above) and the provisions of article 41 shall have effect as if such Transfer Notice so deemed to have been given were a Deemed Transfer Notice within the meaning of article 41 4

42 3 Where

- (a) the provisions of article 42 2 apply to a member, and
- (b) the member has ceased to be an Employee for any reason other than gross misconduct (whether gross misconduct has taken place will be determined solely by the Board), and
- (c) the member holds any Growth Shares that he has held for less than five years,

the Board may by written notice issued to the relevant member within 14 days of the member ceasing to be an Employee, cancel the Deemed Transfer Notice (as defined in article 41 4) issued by that member in respect of any Growth Shares held by the member for less than five years PROVIDED THAT after such cancellation, a Transfer Notice shall be deemed to have been given in respect of each of the said Growth Shares on the fifth anniversary of the member's acquisition of the said Growth Shares (which, for the avoidance of doubt, could mean the issuing of a number of Transfer Notices over time if the member acquired Growth Shares on different dates) and the provisions of article 41 shall have effect as if such Transfer Notice so deemed to have been given were a Deemed Transfer Notice within the meaning of article 41 4

42 4 Article 42 5 shall have effect as regards any Restricted Member of the Company in whose name any shares shall have been registered (whether upon allotment or transfer) in pursuance of rights or interests obtained by an Employee (which expression shall extend to and include his personal representatives) PROVIDED THAT the provisions of article 42 5 shall not apply to any shares registered in the name of such Restricted Member in his capacity as a trustee of an Employee Trust

42 5 Immediately upon such Restricted Member becoming a member of the Company a Transfer Notice shall be deemed to have been given to the Company in respect of all of the shares in the capital of the Company then registered in his name (save as provided above) and the provisions of article 41 shall have effect as if such Transfer Notice so deemed to have been given were a Deemed Transfer Notice within the meaning of article 41 4

42 6 Article 61 shall apply to a Restricted Member in respect of the voting rights attached to his Restricted Shares

43. VOLUNTARY TRANSFERS BY EMPLOYEE TRUSTS

43 1 The Board shall at least once in each calendar year by notice in writing (a **Purchase Notice**) invite all Employees to inform the Board whether any such Employee wishes to purchase any Ordinary Shares PROVIDED THAT the Board shall not be obliged to issue any Purchase Notice in any calendar year unless the Board is satisfied that an Employee Trust is willing and able to sell at least some Ordinary Shares at the date of the Purchase Notice The Purchase Notice may (and usually will) be issued at the same time as the Sale Notice issued under article 41 2

43 2 The Purchase Notice shall specify the Sale Price of each Ordinary Share determined in accordance with article 38 and the period being not less than 14 days nor more than 30 days after the date of the Sale Notice within which any Employee to whom the Purchase Notice shall be addressed and who wishes to purchase any Ordinary Shares (a **Potential Purchaser**) may give notice in writing (a **Purchase Offer**) to the Company that he wishes to purchase one or more Ordinary Shares

43 3 Every Purchase Offer shall

- (a) specify the number of Ordinary Shares that he wishes to purchase, and
- (b) oblige the Potential Purchaser to purchase from the trustees of an Employee Trust at the Sale Price such number of Ordinary Shares as is specified in the Purchase Offer as the trustees of the relevant Employee Trust may accept under article 43 5

- 43 4 Within 7 days of the end of the period specified in the Purchase Notice the Board shall give notice in writing to the Employee Trusts of the
- (a) details of the Purchase Offers received,
 - (b) current Sale Price for Ordinary Shares, and
 - (c) current register of members of the Company
- 43 5 If the trustees of a Employee Trust wish to accept some or all of any of the Purchase Offers, they shall give notice of this to the Board within one month of their receipt of the notice issued under article 43 4. In the event of competition among the Employee Trusts to accept any of the Purchase Offers, notice of such competition shall be given by the Board to the Partnership Trust which shall determine which Employee Trust accepts which Purchase Offers
- 43 6 At the expiration of the period of one month following the service of the notice issued under article 43 4 (or, if later, the date following the determination by the Partnership Trust under article 43 5 of which Employee Trust should accept which Purchase Offers), notification shall be given in writing by the Board to each Potential Purchaser confirming
- (a) the identity of the seller of the relevant Ordinary Shares (the **Seller**) (which shall be the trustees of an Employee Trust),
 - (b) the number of Ordinary Shares which shall be sold (the **Sale Shares**) (which shall not exceed the number of Ordinary Shares specified in the relevant Purchase Offer), and
 - (c) the time, date and place of completion (**Completion**) of the sale of the Sale Shares in accordance with article 41 11 (which shall be not less than seven and not more than 28 days after the date of the notification issued under this article 41 10)
- 43 7 On Completion
- (a) the Potential Purchaser shall pay the purchase price in respect of the relevant Sale Shares to the Seller, and
 - (b) subject to the Potential Purchaser's compliance with the forgoing paragraph (a), the Seller shall transfer the relevant Sale Shares to the Potential Purchaser and deliver the relevant share certificates

For the avoidance of doubt, the Seller shall not be obliged to transfer the relevant Sale Shares if it has not received in full the relevant purchase price

44. TRANSMISSION OF SHARES

A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, have his interest noted in the Register of Members and (whether or not such person shall have elected to be registered as the holder of such share) shall be bound by the provisions of these articles and in particular shall be bound to execute a transfer of such share in accordance with article 41

DIVIDENDS AND OTHER DISTRIBUTIONS

45. PROCEDURE FOR DECLARING DIVIDENDS

- 45 1 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends
- 45 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
- 45 3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights
- 45 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
- 45 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 arrears
- 45 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
- 45 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

46. PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS

46 1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means

- (a) transfer to a bank or building society account specified by the distribution recipient in writing,
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient in writing,
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified in writing, or
- (d) any other means of payment as the directors agree with the distribution recipient in writing

46 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

47. NO INTEREST ON DISTRIBUTIONS

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

48. UNCLAIMED DISTRIBUTIONS

48 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

48 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

48 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

49. NON-CASH DISTRIBUTIONS

49 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)

49 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

50. WAIVER OF DISTRIBUTIONS

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

51. AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS

- 51 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
- 51 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
- 51 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
- 51 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
- 51 5 Subject to the articles the directors may
- (a) apply capitalised sums in accordance with paragraphs 51 3 and 51 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

SHARE BUYBACKS

52. COMPANY PURCHASE OF OWN SHARES

Subject to and in accordance with the provisions of the Act, the Company may purchase any of its own shares of any class (including redeemable shares) at any price (whether at par or above or below par), and make a payment in respect of such redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares within such limits as may be specified by the Company in general meeting in compliance with the provisions of the Act and may enter into or vary any contract for such purchase. Any shares to be so purchased may be selected in any manner whatsoever. Every such purchase or contract providing for the purchase by the Company of shares in the Company shall be authorised by such resolution or resolutions of the Company as may be required by the Act. All shares so purchased shall be cancelled immediately upon completion of the purchase. Notwithstanding anything to the contrary contained in these articles the rights and privileges attaching to any class of shares shall be deemed not to be modified or abrogated by anything done by the Company in pursuance of this article.

PART 4. DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

53. GENERAL MEETINGS

53 1 Notice of each general meeting shall be sent to

- (a) each member entitled to attend and vote at the meeting,
- (b) each Employee, and
- (c) each person entitled to receive such notice under the Act

53 2 Every notice calling a general meeting of the Company shall include, with reasonable prominence, a statement that a person entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not also be a person entitled to attend and vote at the meeting

53 3 The Company shall be under an obligation to hold an annual general meeting each year within six months of its financial year-end

- 53 4 A general meeting of the Company may be requisitioned at any time, by
- (a) the holders of no less than 5% of the issued share capital of the Company, or
 - (b) by the Partnership Trust,

regardless of whether, at the date of deposit of the requisition, such members or trustees hold the proportion of the paid-up share capital of the Company required by members to requisition a general meeting under section 303 of the Act, which section (together with the other provisions of Chapter 3 of Part 13 of the Act) shall otherwise apply to such requisition

- 53 5 The Company is required to circulate a written resolution and any accompanying statement once it has received requests from
- (a) the holders of no less than 5% of the issued share capital of the Company, or
 - (b) by the Partnership Trust,

regardless of whether, at the date of deposit of the request, such members or trustees hold the proportion of the paid-up share capital of the Company required by members to requisition a written resolution under section 292 of the Act, which section (together with the other provisions of Chapter 2 of Part 13 of the Act) shall otherwise apply to such requisition

54. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

- 54 1 The following persons shall be entitled to attend and speak at any general meeting
- (a) each member entitled to vote at the meeting,
 - (b) each Employee, and
 - (c) each director

- 54 2 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

- 54 3 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

54 4 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

54 5 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

54 6 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

55. CORPORATE REPRESENTATIVE

A corporate member may by resolution of its directors or other governing body authorise such one person as it thinks fit to act as its representative at general meetings of the Company. The authorised person may exercise the same powers on behalf of the granter of the authority as the granter could exercise if it were an individual member

56. QUORUM FOR GENERAL MEETINGS

56 1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be such number of persons as represents at least 10% of the total number of members holding Ordinary Shares and Growth Shares or duly authorised representatives of such holders

56 2 If a quorum is not present within fifteen minutes (or such longer time not exceeding one hour as the chairman of the meeting decides) from the time appointed for a general meeting the meeting shall be adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine. At the adjourned general meeting the quorum shall be those members present

56 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

- 56 4 In addition to the members of the Company, Employees shall be entitled to receive notice of and to attend general meetings of the Company but any such Employee who is not also a member of the Company shall not be counted in any quorum nor have any right to vote on any resolution nor have any right to speak to any such meeting

57. CHAIRING GENERAL MEETINGS

- 57 1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so

- 57 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

- 57 3 The person chairing a meeting in accordance with this article is referred to as **the chairman of the meeting**

58. ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS

- 58 1 Directors may attend and speak at general meetings, whether or not they are shareholders

- 58 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

59. ADJOURNMENT

- 59 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

- 59 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
- 59 3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting
- 59 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
- 59 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
- 59 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

60. VOTING: GENERAL

- 60 1 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
- 60 2 Subject to article 61, at a general meeting, on a show of hands
- (a) every shareholder who is present in person or by proxy, and

(b) every Employee who is present in person or by proxy,

shall have one vote, unless the proxy is himself a person entitled to vote on a show of hands

60 3 Subject to article 61, on a poll every holder of Ordinary Shares or Growth Shares who is present in person, by representative or by proxy shall have one vote for each Ordinary Share and / or Growth Share registered in their name

61. RESTRICTED MEMBERS VOTING RIGHTS

61 1 All voting rights and rights to receive notice of and attend any general meetings of the Company attached to Ordinary Shares or Growth Shares held by an Employee shall be suspended with immediate effect from the time such Employee becomes a Restricted Member

61 2 If a Restricted Member transfers any Restricted Shares in the Company in accordance with the provisions of these Articles, all rights attached to the Restricted Shares so transferred that were suspended pursuant to article 61 1 shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of members) automatically be restored

62. ERRORS AND DISPUTES

62 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

62 2 Any such objection must be referred to the chairman of the meeting, whose decision is final

63. POLL VOTES

63 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

63 2 A poll may be demanded by

- (a) the chairman of the meeting,

- (b) the directors,
- (c) a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting, 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

63 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

A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made

63 4 Polls must be taken immediately and in such manner as the chairman of the meeting directs

64. CONTENT OF PROXY NOTICES

64 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 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,

and a proxy notice which is not delivered in such manner shall be invalid

64 2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes

64 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

- 64 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

65. DELIVERY OF PROXY NOTICES

- 65 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
- 65 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
- 65 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
- 65 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

66. AMENDMENTS TO RESOLUTIONS

- 66 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
- 66 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

66 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

67. MEANS OF COMMUNICATION TO BE USED

67 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 Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company

67 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

67 3 Any notice, document or other information shall be deemed served on, or delivered to, the intended recipient

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider,
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
- (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this article, no account shall be taken of any part of a day that is not a working day

- 67 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

68. COMPANY SEALS

- 68 1 Any common seal may only be used by the authority of the directors

- 68 2 The directors may decide by what means and in what form any common seal is to be used

- 68 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

- 68 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

69. NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS

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

70. PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS

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

DIRECTORS' INDEMNITY AND INSURANCE

71. INDEMNITY AND INSURANCE

- 71 1 Subject to article 71 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled
- (a) 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 (in each case) 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
 - (b) 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 sub-paragraph (a) and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure
- 71 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
- 71 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
- 71 4 In this article
- (a) a **relevant officer** means any director or other officer or former 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
 - (b) 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 or employees' share scheme of the Company