

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION OF SALLIS HEALTHCARE LIMITED
Company Number : 00402658
(Adopted by special resolution passed on 24th May 2021)

INTRODUCTION

1. INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

Act: means the Companies Act 2006;

appointor: has the meaning given in article 11(1);

Articles: means the company's articles of association for the time being in force;

A Ordinary Shares: means the Ordinary A shares of £1.00 each in the capital of the Company;

B Ordinary Shares: means the Ordinary B shares of £1.00 each in the capital of the Company;

C Ordinary Shares: means the Ordinary C shares of £1.00 each in the capital of the Company;

D Ordinary Shares: means the Ordinary D shares of £1.00 each in the capital of the Company;

E Ordinary Shares: means the Ordinary E shares of £1.00 each in the capital of the Company;

First Preference Shares: means the 6% (Non-redeemable) Cumulative First Preference Shares of £1 each in the capital of the Company;

Second Preference Shares: means the 8% (Non-redeemable) Cumulative Second Preference Shares of £1 each in the capital of the Company

business day: means 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;

Conflict: has the meaning given in article 7.1;

eligible director: means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);

Model Articles: means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) as amended prior to the date of adoption of these Articles;

Ordinary Shares: means together the A Ordinary Shares, the B ordinary Shares, the C Ordinary Shares, the D Ordinary Shares and the E Ordinary Shares.

Shares: means together the A Ordinary Shares, the B ordinary Shares, the C Ordinary Shares, the D Ordinary Shares, the E Ordinary Shares, the First Preference Shares and the Second Preference Shares.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.6 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.
- 1.7 The Model Articles shall apply to the company, except in so far as they are modified or excluded by these Articles.
- 1.8 Articles 11, 49 and 52 of the Model Articles shall not apply to the company.

2. DIRECTORS

- 2.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.
- 2.2 Subject to article 2.3, the quorum for the transaction of business at a meeting of directors is any two eligible directors.
- 2.3 For the purposes of any meeting (or part of a meeting) held pursuant to article 4 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.
- 2.4 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
 - (a) to appoint further directors; or
 - (b) to call a general meeting so as to enable the shareholders to appoint further directors.
- 2.5 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 2.6 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 2.7 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.
- 2.8 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote.
- 2.9 Any director may call a directors' meeting by giving not less than 2 business days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.

3. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
- (b) shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested;
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;
- (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.

4. DIRECTORS' CONFLICTS OF INTEREST

4.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

4.2 Any authorisation under this article 7 will be effective only if:

- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

4.3 Any authorisation of a Conflict under this article 7 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 shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- (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.

4.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

4.5 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.

4.6 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 or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

5. RECORDS OF DECISIONS TO BE KEPT

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

6. SHARE CAPITAL

6.1 The share capital of the Company at the date of adoption of these Articles comprises the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares, the D Ordinary Shares, the E Ordinary Shares, the First Preference Shares and the Second Preference Shares.

6.2 The First Preference Shares and the Ordinary Shares shall confer on the holders thereof the following rights and privileges and shall be subject to the following restrictions:

- (a) as to income
 - (i) the holders of the First Preference Shares shall be entitled to a fixed cumulative preferential dividend at the rate of 6% per annum to be paid in a manner provided by article 30 of the Model Articles, if and so far as in the opinion of the directors the profits of the company justify such payment, yearly on the 31st day of October in every year in respect of the year ending on that date and in priority to the dividend on the Second Preference Shares and any dividend on the

Ordinary Shares but shall not be entitled to participate further in the profits of the company;

- (ii) subject to the dividend payable to the holders of the First Preference Shares referred to in article 6.2(a)(i), the holders of the Second Preference Shares shall be entitled to a fixed cumulative preferential dividend at the rate of 8% per annum to be paid in a manner provided by article 30 of the Model Articles, if and so far as in the opinion of the directors the profits of the company justify such payment, yearly on the 31st day of October in every year in respect of the year ending on that date and in priority to any dividend on the Ordinary Shares but shall not be entitled to participate further in the profits of the company;
 - (iii) subject to the dividend payable to the holders of the First Preference Shares referred to in article 6.2(a)(i) and the dividend payable to the holders of the Second Preference Shares referred to in article 6.2(a)(ii) and to any special rights which may be attached to any other class of Shares in issue or to be issued, the profits of the Company available for distribution shall be distributed in such manner as the directors may decide (who shall have the power to declare and pay interim and final dividends) provided always that the holders of A Ordinary Shares, B Ordinary Shares and C Ordinary Shares shall be entitled to a dividend of no less an amount than that conferred on the D Ordinary Shares (and for the avoidance of doubt the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares, the D Ordinary Shares and the E Ordinary Shares shall comprise separate classes of shares for the declaration and payment of dividends).
- (b) as to capital – on a return of assets on liquidation or otherwise the surplus assets of the company remaining after payment of its liabilities and the costs of liquidation, shall be applied in the following order of priority, namely:
- (i) in repaying to the holders of the First Preference Shares the amounts paid up or credited as paid up on the First Preference Shares held by them respectively;
 - (ii) in paying to the holders of the First Preference Shares a sum equal to any arrears or deficiency of the fixed cumulative preferential dividend on their First Preference Shares (whether earned or declared or not) to be calculated down to the date of the return of assets and to be paid in proportion to any payments to the holders of the Ordinary Shares as such;
 - (iii) in repaying to the holders of the Second Preference Shares the amounts paid up or credited as paid up on the Second Preference Shares held by them respectively;
 - (iv) in paying to the holders of the Second Preference Shares a sum equal to any arrears or deficiency of the fixed cumulative preferential dividend on their Second Preference Shares (whether earned or declared or not) to be calculated down to the date of the return of assets and to be paid in proportion to any payments to the holders of the Ordinary Shares as such; and
 - (v) the balance of such assets shall (subject to the foregoing payments having been made in full and subject to any special rights which may be attached to any class of Shares hereafter issued) belong to and be paid or distributed amongst the holders of the Ordinary Shares rateably according to the amounts paid up on the Ordinary Shares held by them respectively at the commencement of such liquidation or (in the case of a return of assets otherwise than on liquidation) at

the date of such return of assets.

(c) as to variation of rights:

- (i) no further capital, ranking either pari passu with or in priority to the First Preference Shares, shall be created without the consent in writing of the holders of three-fourths of the holders of the First Preference Shares;
- (ii) no further capital, ranking either pari passu with or in priority to the Second Preference Shares, shall be created without the consent in writing of the holders of three-fourths of the holders of the Second Preferences;

(d) as to voting rights for the First Preference Shares – the First Preference Shares shall not confer upon the holders the right to receive notice of meetings of the company, or to attend or vote at such meetings either in person or by proxy, except in the following circumstances:

- (i) when the yearly cumulative preferential dividend remains unpaid for a continuing period of six months after any yearly day on which by these Articles it is made payable;
- (ii) when a resolution is, or is to be proposed which in any way abrogates, modifies or affects the rights of the holders of the First Preference Shares;
- (iii) when a resolution is, or is to be proposed to wind up the company, to reduce its capital or dispose of its undertaking;

and (as to both the said classes of Shares) such other rights and privileges and be subject to such restrictions as are in these Articles contained, mentioned or declared. In the event of the holders of the First Preference Shares being entitled to vote at any meeting of the company, the provisions of article 8.5 shall apply.

(e) as to voting rights for the Second Preference Shares – the Second Preference Shares shall not confer upon the holders the right to receive notice of meetings of the company, or to attend or vote at such meetings either in person or by proxy, except in the following circumstances:

- (i) when the yearly cumulative preferential dividend remains unpaid for a continuing period of six months after any yearly day on which by these Articles it is made payable;
- (ii) when a resolution is, or is to be proposed which in any way abrogates, modifies or affects the rights of the holders of the Second Preference Shares;
- (iii) when a resolution is, or is to be proposed to wind up the company, to reduce its capital or dispose of its undertaking;

and (as to both the said classes of Shares) such other rights and privileges and be subject to such restrictions as are in these Articles contained, mentioned or declared. In the event of the holders of the Second Preference Shares being entitled to vote at any meeting of the company, the provisions of article 8.5 shall apply.

(f) as to voting rights for the Ordinary Shares – the Ordinary Shares shall be full voting shares and shall entitle the holders to receive notice of and to attend and vote at all general meetings of the company;

6.3 Subject to the provisions of these Articles with regard to the First Preference Shares and the

Second Preference Shares, the company shall have power to increase its capital by ordinary resolution in general meeting and, subject as aforesaid, also shall have power by the like resolution from time to time to issue Shares in the original or new capital with any preference or priority in the payment of dividends or the distribution of assets, or otherwise, over or as Shares ranking equally with any other Shares, whether preference, ordinary or any other class, or whether then already issued or not, or as deferred shares and with any special right or restriction whether absolute or partial against voting. Subject to the provisions of the Act, any preference shares (other than the First Preference Shares and the Second Preference Shares) which may from time to time form part of the share capital of the company may, with the sanction of a special resolution, be issued on the terms that they are, or at the option of the company are liable to be redeemed on such terms and in such manner as the company, before the issue of the Shares, may by special resolution determine.

- 6.4 Upon any further issue of Shares forming part of any increased capital of the company, the company shall offer the same at par to the then existing shareholders of the class of the Shares proposed to be issued in proportion, as nearly as the circumstances admit, to the number of the Shares of the class which they hold and they shall be entitled to accept the offer as to the whole or any part of such Shares and shall have 14 days from the date of receiving the offer in which to have to signify in writing acceptance or refusal as to the whole or any part of the shares covered by the offer and all such Shares as the said Shareholders shall neglect or refuse within the time aforesaid to accept shall be dealt with as the board shall determine.

7. PURCHASE OF OWN SHARES

- 7.1 Subject to the Companies Act 2006 but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Companies Act 2006 with cash up to any amount in a financial year not exceeding the lower of:

- (a) £15,000; and
- (b) the value of 5% of the Company's share capital.

8. PROCEEDINGS OF SHAREHOLDERS

- 8.1 No business shall be transacted at any general meeting of the company unless a quorum of members is present at the time when the meeting proceeds to business and unless otherwise provided in these Articles two members present in person shall be a quorum.
- 8.2 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 8.3 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.
- 8.4 On a show of hands every member present in person or by proxy shall have one vote.
- 8.5 Upon a poll every member present in person or by proxy and entitled to vote shall have one vote for every pound in nominal amount of the share capital then held by him of the class of Shares entitling him to vote at the meeting.
- 8.6 A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was entitled to attend shall be as effectual as if it had been passed at a general meeting duly convened and such resolution may consist of several instruments in the like form each executed by or on behalf of the appropriate members.

9. PROXIES

- 9.1 Article 45(1) (d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 9.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

10. MEANS OF COMMUNICATION TO BE USED

- 10.1 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.

- 10.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

11. TRANSFER OF SHARES

- 11.1 No member of the company shall be entitled to deal with any Shares of which he is the holder so as to create in favour of any person, firm or company, any interest of a nature which would cause the company to cease to be an exempt private company within the meaning of the Act without first giving a Transfer Notice in accordance with the provisions of article 11.3.
- 11.2 Subject to the provisions in these Articles, every Share may be transferred by the holder thereof, but no ordinary share shall be transferred so long as any member of the company (or any person selected by the directors as one whom it is desirable in the interests of the company to admit to membership) is willing to purchase the same at the fair value thereof in accordance with the provisions of these Articles.
- 11.3 In order to ascertain whether any member (or person selected as aforesaid) is willing to purchase Ordinary Shares, the proposing transferor shall give notice in writing (a "Transfer Notice") to the company that he desires to transfer the same. Such Transfer Notice shall constitute the company his agent for the sale of the Ordinary Shares at the fair value thereof to be agreed between the

parties, or at the fair value thereof to be ascertained and fixed in manner hereinafter provided. The Transfer Notice may include several Ordinary Shares. The Transfer Notice shall not be revocable except with the sanction of the directors.

- 11.4 If the company shall, within the space of three months after being served with a Transfer Notice, find a member or members (or person or persons approved or selected as aforesaid) willing to purchase the Ordinary Shares (the "Purchasing Member") and shall give notice thereof to the proposing transferor, he shall be bound, upon payment of the fair value fixed as by these Articles provided, to transfer the same to the Purchasing Member.
- 11.5 The proposing transferor and the Purchasing Member may agree upon the fair value, but in case any difference arises between them as to the fair value of the Ordinary Shares, the auditors of the company shall, on the application of either party and after (if they deem it necessary) hearing the parties and making such enquiries as they consider necessary, certify in writing the sum which in their opinion is the fair value, and such sum shall be deemed to be the fair value. They shall be deemed to be acting as experts and not as arbitrators (and accordingly the Arbitration Act 1996 shall not apply) and their decision shall be final. The expenses incurred to the auditors for their services under this article shall be borne as the auditors shall decide.
- 11.6 If in any case the proposing transferor, after having been called upon to sell and transfer his Ordinary Shares offered under article 11.8 or 11.9, makes default in transferring an Ordinary Share or Ordinary Shares, the company may receive the purchase money, and may authorise some person to execute a transfer of the Ordinary Share or Ordinary Shares in favour of the Purchasing Member, who shall thereupon be registered as the holder of the Ordinary Share or Ordinary Shares, and the company shall hold the purchase money in trust for the proposing transferor. The receipt of the company for the purchase money shall be a good discharge to the Purchasing Member, and after his name has been entered in the Register in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.
- 11.7 If the company shall not, within the space of six months after being served with the Transfer Notice, find a member or members or a person or persons selected as aforesaid willing to purchase all the Ordinary Shares comprised in the Transfer Notice, and give notice, in manner aforesaid, the proposing transferor shall, at any time within six months afterwards, be at liberty to sell and transfer such Ordinary Shares at any price and the directors shall, on being required to do so, register any such transfer or transfers as may be necessary for carrying the provisions of this article into effect.
- 11.8 Whenever any member of the company who is:
- (a) employed by the company ceases to be so employed, or whenever any director ceases to be a director, the directors may at any time afterwards resolve that such member or director shall, upon service upon him of a copy of such resolution, be deemed to have given a Transfer Notice and shall be bound and shall proceed to sell and transfer his Ordinary Shares in accordance with the provisions of articles 11.3 to 11.7 inclusive and article 11.10 provided that the provisions of this article 11.8 shall not apply to any of Peter Roy Sallis, Robert John Sallis or David Pendlebury (the "Controlling Directors") or to any Shares registered in the names of the Controlling Directors;
 - (b) the holder of E Ordinary Shares and employed by the company but ceases to be so employed for whatever reason, the directors may at any time afterwards resolve that such member shall, upon service upon him of a copy of such resolution, be deemed to have given a Transfer Notice and shall be bound and shall proceed to sell and transfer his E Ordinary Shares in accordance with the provisions of articles 11.3 to 11.7 inclusive and article 11.10 provided that:

- (i) the purchase price payable under this article 11.8(b) shall be the par nominal value of each E Ordinary Share.

- 11.9 The directors may (subject to article 11.11) give notice, which shall have the same effect as a Transfer Notice, to any person, who, but for the provisions of this article, would be entitled to be registered as a member on a transmission from a deceased or bankrupt member, requiring him to sell all the Ordinary Shares in respect of which he would be so entitled to be registered as a member, and he shall thereupon sell and transfer the same in accordance with the provisions of articles 11.3 to 11.7 inclusive without being registered.
- 11.10 The company by special resolution may make and from time to time vary rules as to the mode in which any Shares to be sold to satisfy a lien on the company, or in which any Ordinary Shares specified in a Transfer Notice or becoming available for transfer pursuant to articles 11.8 and 11.9 shall be offered to the members, and as to their rights in regard to the purchase thereof and in particular may give any member or class of members a preferential right to purchase the same but, notwithstanding any such rules, all such Ordinary Shares shall in the first place be offered at their fair value (agreed or fixed as provided by article 11.5) to the other holders of Ordinary Shares who may accept the whole of the Ordinary Shares as offered (and as between themselves as nearly as possible in proportion to their respective holdings of Ordinary Shares) but may not accept only a part thereof. Such other holders of Ordinary Shares shall have six weeks after receiving the offer in which to signify in writing their acceptance or refusal and any offer not accepted within the period aforesaid shall be deemed to have been declined. If at any time there shall be insufficient number of Ordinary Shares to allow each such other holder of Ordinary Shares taking one or if on a pro rata apportionment there shall be an odd surplus of Ordinary Shares the other holders of the Ordinary Shares aforesaid shall, failing agreement draw lots as to which of them shall take any odd surplus Ordinary Share or Ordinary Shares.
- 11.11 Notwithstanding anything in these Articles contained any of the Controlling Directors may transfer any Share registered in his name to any person being his wife, husband, child or grandchild (including adoptive children and grandchildren) or to a trustee or trustees on behalf of any such relatives (either for life or for any other interest) and any Share of a deceased Controlling Director may be transferred by his legal personal representatives to any such relative as aforesaid of such deceased Controlling Director and the directors shall register any transfer permitted by this article 11.11.
- 11.12 Subject to the provisions of articles 11.7 and 11.11 the directors may at any time and in their absolute and uncontrolled discretion and without specifying the grounds or assigning any reason decline to register any proposed transfer of Ordinary Shares.
- 11.13 The registration of any transfer of;
- (a) the First Preference Shares shall require the consent of any one director, unless it is a transfer pursuant to article 11.11, when no consent shall be required; and
 - (b) the Second Preference Shares shall require the consent of any one director, unless it is a transfer pursuant to article 11.11, when no consent shall be required.
- 11.14 Any A Ordinary Share, B Ordinary Share or C Ordinary Share transferred by a Controlling Director to any person shall, immediately prior to such transfer, be redesignated as a D Ordinary Share.

12. INDEMNITY

- 12.1 Subject to article 12.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- (a) each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual

or purported execution and/or discharge of his duties, or in relation to them including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated 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 article 12(1)(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

12.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

12.3 In this article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- (b) a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

13. INSURANCE

13.1 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.

13.2 In this article:

- (a) a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);
- (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, any associated company or any pension fund or employees' share scheme of the company or associated company; and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.