

**Private Company Limited by Shares**  
**Written Resolution**  
**of**

**S.P. STEPHENSON LIMITED (the Company)**  
**Company Number: 01641703**

MONDAY



Circulation Date: 20 February 2019

Pursuant to Chapter II of Part 13 of the Companies Act 2006, we the undersigned being the persons entitled to vote on the resolution below on the date hereof, hereby irrevocably agree to the said resolution which are thus passed as Special Resolutions:

**1. Re-designation resolution**

"THAT with immediate effect the Company's issued share capital be re-designated as follows:"

Current class	New class
400 Ordinary shares held by James Robert Stephenson	A ordinary
160 Ordinary shares held by Samuel Paul Stephenson	B ordinary
260 Ordinary shares held by Elizabeth Margaret Stephenson	C ordinary
80 Ordinary shares held by Richard Paul Stephenson	D ordinary
100 Ordinary shares held by Helen Nicola Woodruff	E ordinary

We hereby certify that this is a true copy  
HARROWELLS  
Solicitors  
Moorgate House  
Clifton Moorgate  
York YO30 4WY  
15  
19  
22

2. "THAT with immediate effect, the draft articles of association attached to this written resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association."

and we agree that the resolutions are thus passed as Special Resolutions and shall be valid and effective as if passed at a general meeting of the Company duly convened and held.

Signed: EM Stephenson

Elizabeth Margaret Stephenson

Dated: 20 February 2019

Signed: JR

James Robert Stephenson

Dated: 20 February 2019

Signed: RP Stephenson

Richard Paul Stephenson

Dated: 20 February 2019

Signed: SP Stephen

Samuel Paul Stephenson

Dated: 20 February 2019

Signed: H.N. Woodruff

Helen Nicola Woodruff

Dated: 20 February 2019

**Notes:**

1. If you agree with both of the resolutions (but not one resolution only), please indicate your agreement by signing and dating this document where indicated above and returning the signed version, either by hand or by post to S.P. Stephenson Limited of Manor Farm, Goodmanham, York, East Yorkshire, YO43 3JA.

You may not return the resolution to the Company by any other method.

If you do not agree to the resolution, you do not need to do anything. You will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the resolution, you may not revoke your agreement.
3. Unless within 28 days of the Circulation Date, sufficient agreement is received for the resolutions to pass, it will lapse. If you agree to the resolutions, please ensure that your agreement reaches us before or during this date.

KPS.

GJS

GJS

UB

HNN

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**S.P. STEPHENSON LIMITED**

Incorporated on 7 June 1982

**Company No. 01641703**

(Adopted by special resolution passed on 20 February 2019 )

We hereby certify that this is a true copy

HARROWELLS  
Solicitors  
Moorgate House  
Clifton Moorgate  
York YO30 4WY

*X/a*  
*Wills*  
*22.2.19*

**Harrowell**

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## INTRODUCTION

### 1 INTERPRETATION

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

**A Share:** means an ordinary share of £1.00 in the capital of the Company designated as an A share, having the rights detailed in Article 3.1.1.

**Act:** means the Companies Act 2006.

**Acting in Concert:** has the meaning given by the City Code on Takeovers and mergers as in force and construed from time to time.

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

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

**Auditor:** means the auditors for the time being of the Company.

**B Share:** means an ordinary share of £1.00 in the capital of the Company designated as a B share, having the rights detailed in Article 3.1.2.

**Board:** means the board of Directors of the Company from time to time, including any committee appointed and authorised by the board of Directors.

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

**C Share:** means an ordinary share of £1.00 in the capital of the Company designated as a C share, having the rights detailed in Article 3.1.3.

**Conflict:** has the meaning given in Article 18.1.

**Continuing Shareholders:** has the meaning given in 4.3.

**Controlling Interest:** means an interest in Shares giving the holder or holders Control of the Company.

**Control:** means in relation to a body corporate, the power of a person to secure that the affairs of the body corporate are conducted in accordance with the wishes of that person (or persons):

- i. by means of the holding of Shares, or the possession of voting power, in or in relation to, that or any other body corporate; or
- ii. by virtue of any powers conferred by the constitutional or corporate documents, or any other document, regulating that or any other body corporate

and a **Change of Control** occurs if a person who Controls any body corporate ceases to do so or if another person acquires Control of it.

**D Share:** means an ordinary share of £1.00 in the capital of the Company designated as a D share, having the rights detailed in Article 3.1.4.

**Deemed Transfer Notice:** a Transfer Notice that is deemed to have been served under any provisions of these Articles.

**Director:** means a director of the Company from time to time.

**E Share:** means an ordinary share of £1.00 in the capital of the Company designated as an E share, having the rights detailed in Article 3.1.5.

**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).

**Encumbrance:** means any interest or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, security, trust, right of set-off, interest, title retention or any other security, agreement or arrangement howsoever created or arising having the same effect.

**Fair Value:** means the fair value of the Shares as determined in accordance with Article 12.

**Family Trusts:** in relation to an individual Shareholder, a trust or settlement set up wholly for the benefit of that individual Shareholder (**Settlor**) and/or the Settlor's Privileged Relations.

**Model Articles:** means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles)

Regulations 2008 (S/ 2008/3229) as amended prior to the date of adoption of these Articles.

**Permitted Transfer** means a transfer of Shares in accordance with Article 8.1.

**Permitted Transferee:** means, in relation to a Shareholder:

- i. who is an individual, to any of his Privileged Relations, Family Trusts or to the trustees of those Family Trusts;
- ii. that is an undertaking (as defined in section 1161(1) of the 2006 Act), to any Member of the same Group; and
- iii. that is a fund, to any Member of the same fund group.

**Privileged Relation:** means the spouse, widow or widower of a Shareholder and the Shareholder's children and grandchildren (including step and adopted children and step and adopted children of the Shareholder's children).

**Shareholders:** means a registered holder of a Share for the time being.

**Shares:** means the shares in the capital of the Company as set out in Article 2 and any shares issued in exchange for those Shares by way of conversion or reclassification and any shares representing or deriving from those Shares as a result of any increase in, or the reorganisation or variation of, the capital of the Company.

**Termination Date:**

- i. where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;
- ii. where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served; or
- iii. in any other case, the date on which the employment is terminated.

**Third Party Purchaser:** means any person who is a bona fide arm's length purchaser for value who acquires or is to acquire Shares or any interest in any



Shares and if the relevant acquisition was effected by the renunciation of a renounceable letter of allotment, shall include the relevant renounce.

**Transfer Notice:** an irrevocable notice in writing given by any Shareholder to the other Shareholder where the first Shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any shares.

- 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 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.7 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.9 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.10 Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 18(e), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company.

- 1.11 Article 7 of the Model Articles shall be amended by:
- 1.12 the insertion of the words “for the time being” at the end of article 7(2)(a); and
- 1.13 the insertion in article 7(2) of the words “(for so long as he remains the sole director)” after the words “and the director may”.
- 1.14 In article 25(2)(c) of the Model Articles, the words “evidence, indemnity and the payment of a reasonable fee” shall be deleted and replaced with the words “evidence and indemnity”.
- 1.15 Article 27(3) of the Model Articles shall be amended by the insertion of the words “, subject to article 10,” after the word “But”.
- 1.16 Article 29 of the Model Articles shall be amended by the insertion of the words “, or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles,” after the words “the transmittee’s name”.
- 1.17 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words “either” and “or as the directors may otherwise decide”. Article 31(d) of the Model Articles shall be amended by the deletion of the words “either” and “or by such other means as the directors decide”.

## **2 SHARE CAPITAL**

- 2.1 The issued share capital of the Company at the Adoption Date is £1000 divided into:
  - 2.1.1 160 A Shares;
  - 2.1.2 260 B Shares;
  - 2.1.3 400 C Shares;
  - 2.1.4 80 D Shares; and
  - 2.1.5 100 E Shares.

### **3 ISSUE OF SHARES**

3.1 Shares may be issued by the Company of the following classes and with the following rights:

#### **3.1.1 A Shares:**

3.1.1.1 **Voting rights:** full voting rights, with one vote per A Share;

3.1.1.2 **Distribution rights:** pro rata participation in any dividend from time to time declared on the A Shares;

3.1.1.3 **Capital rights:** on a capital distribution:

- a) holders of A Shares shall receive the nominal value of the A Shares held by them prior to any distribution of capital to any other share class; and
- b) thereafter, and subject to the payment of nominal value on all other classes of Shares, the A Shares shall have a right to pro rata participation in any remaining capital distribution, howsoever arising;

#### **3.1.2 B Shares:**

3.1.2.1 **Voting rights:** full voting rights, with one vote per B Share;

3.1.2.2 **Distribution rights:** pro rata participation in any dividend from time to time declared on the B Shares;

3.1.2.3 **Capital rights:** on a capital distribution:

- a) holders of B Shares shall receive the nominal value of the B Shares held by them in priority to any distribution of capital to the C Shares, D Shares or E Shares; and
- b) thereafter, and subject to the payment of nominal value on all other classes of Shares, the B Shares shall have a right to pro rata participation in any remaining capital distribution, howsoever arising;

#### **3.1.3 C Shares:**

3.1.3.1 **Voting rights:** full voting rights, with one vote per C Share;

3.1.3.2 **Distribution rights:** pro rata participation in any dividend from time to time declared on the C Shares;

3.1.3.3 **Capital rights:** on a capital distribution:

- a) holders of C Shares shall receive the nominal value of the C Shares held by them in priority to any distribution of capital to the D Shares or E Shares; and
- b) thereafter, and subject to the payment of nominal value on all other classes of Shares, the C Shares shall have a right to pro rata participation in any remaining capital distribution, howsoever arising;

3.1.4 **D Shares:**

3.1.4.1 **Voting rights:** full voting rights, with one vote per D Share;

3.1.4.2 **Distribution rights:** pro rata participation in any dividend declared from time to time on the D Shares;

3.1.4.3 **Capital rights:** on a capital distribution:

- a) holders of D Shares shall receive the nominal value of the D Shares held by them in priority to any distribution of capital to the E Shares; and
- b) thereafter, and subject to the payment of nominal value on all other classes of Shares, the D Shares shall have a right to pro rata participation in any remaining capital distribution, howsoever arising;

3.1.5 **E Shares:**

3.1.5.1 **Voting rights:** full voting rights, with one vote per E Share;

3.1.5.2 **Distribution rights:** pro rata participation in any dividend declared from time to time on the E Shares;

3.1.5.3 **Capital rights:** on a capital distribution:

- a) holders of E Shares shall receive the nominal value of the E Shares held by them; and

b) thereafter, and subject to the payment of nominal value on all other classes of Shares, the E Shares shall have a right to pro rata participation in any remaining capital distribution, howsoever arising.

3.2 If the Company proposes to allot any Shares, those Shares shall not be allotted to any person unless the Company has first offered them to each Shareholder on the same terms, and at the same price, as the Shares are being offered to the other persons on a pari passu and pro rata basis to the number of Shares held by those Shareholders (as nearly as possible without involving fractions). The offer:

3.2.1 shall be in writing, and give details of the number and subscription price of the Shares; and

3.2.2 may stipulate that any Shareholder who wishes to subscribe for a number of Shares in excess of the proportion to which each is entitled shall, in its acceptance, state the number of excess Shares (**Excess Shares**) for which they wish to subscribe.

3.3 Any Shares not accepted by the Shareholders pursuant to the offer made to them in accordance with Article 3.2 shall be used for satisfying any requests for Excess Shares made pursuant to Article 3.2. If there are insufficient Excess Shares to satisfy such requests, the Excess Shares shall be allotted pro rata to the number of Shares held by the applicants immediately before the offer was made to the Shareholders in accordance with Article 3.2 (as nearly as possible without involving fractions or increasing the number of Excess Shares allotted to any Shareholder beyond that applied for by him).

#### **4 SHARE TRANSFERS: GENERAL**

4.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.

4.2 The Board shall not register the transfer of any Share or any interest in any Share unless the transfer is made in accordance with these Articles.

4.3 For the purpose of ensuring that a transfer of Shares is in accordance with these Articles, any transferring Shareholder must provide notice of the

transfer to the other Shareholders (the **Continuing Shareholders**), and the Continuing Shareholders may from time to time require the transferring Shareholder or any person named as transferee in any transfer lodged for registration to furnish to the Continuing Shareholders such information and evidence as they reasonably deem relevant for such purpose.

4.4 Failing such information or evidence being furnished within 14 days after the request under Article 4.3 the Board are required to reasonably consider refusing the registration of the transfer in question.

4.5 Any transfer of Shares by way of sale under these Articles shall be deemed to include a warranty that the transferor sells the Shares with full title guarantee.

4.6 Any Transfer Notice served in respect of the transfer of any Shares which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by service of the Deemed Transfer Notice.

## **5 PURCHASE OF OWN SHARES**

5.1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act.

5.2 The Company shall immediately cancel any Shares acquired under Chapter 4 of Part 18 of the Act.

## **6 RIGHT OF PRE-EMPTION ON TRANSFER**

6.1 Except where the provisions of Article 8 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this Article.

6.2 A Shareholder (the **Seller**) wishing to transfer his Shares (**Transfer Shares**) must give notice in writing (a **Transfer Notice**) to the other Shareholders (**Continuing Shareholders**) giving details of the proposed transfer including:

6.2.1 the number of Transfer Shares;

6.2.2 if the Seller wishes to sell the Transfer Shares to a third party, the name of the proposed buyer;

- 6.2.3 the price (in cash) at which the Seller wishes to sell the Transfer Shares (which will be deemed to be Fair Value of the Transfer Shares if no cash price is agreed between the Seller and the Continuing Shareholders) (**Transfer Price**); and
- 6.2.4 whether the Transfer Notice is conditional on all, or a specific number of, the Transfer Shares being sold to the Continuing Shareholders (**Minimum Transfer Condition**).
- 6.3 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn.
- 6.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Transfer Shares in accordance with the provisions of these Articles.
- 6.5 As soon as practicable following the receipt of a Transfer Notice, the Continuing Shareholders shall consider whether all or any of the Transfer Shares should be bought back by the Company at the Transfer Price pursuant to Article 5. The decision by the Continuing Shareholders must be made within 15 Business Days after the date of receipt of the Transfer Notice (both dates inclusive) (the **First Offer period**).
- 6.6 If at the end of the First Offer Period, the Continuing Shareholders decide that the Company will not buy back the Transfer Shares or to buy back a number of Transfer Shares which is less than the total number of Transfer Shares, the Company shall buy back the number of Transfer Shares that the Continuing Shareholders have decided to buy back (if any). The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with Article 6.7.
- 6.7 The Board shall offer the Initial Surplus Shares to all the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 28 Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Transfer Shares they wish to buy.
- 6.8 If, at the end of the Second Offer Period, the total number of Transfer Shares applied for is equal to or exceeds the number of Transfer Shares, the Board shall allocate the Transfer Shares to each Continuing Shareholder who has

applied for Transfer Shares in the proportion which the Continuing Shareholder's existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Transfer Shares. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Transfer Shares being allocated, in which case the allocation of any such fractional entitlements among the Continuing Shareholders who have applied for Transfer Shares shall be determined by the Board). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Transfer Shares which it has stated it is willing to buy;

6.9 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance (the **Second Surplus Shares**) shall be dealt with in accordance with Article 6.14.

6.10 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Transfer Shares applied for is less than the number of Transfer Shares specified in the Minimum Transfer Condition, the Board shall notify the Seller and all those to whom Transfer Shares have been conditionally allocated under Article 6.8 to Article 6.9, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

6.11 If:

6.11.1 the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition; and

6.11.2 allocations under Article 6.8 to Article 6.9 have been made in respect of some or all of the Transfer Shares,

the Board shall give written notice of allocation (an **Allocation Notice**) to the Seller and each Continuing Shareholder to whom Transfer Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Transfer Shares allocated to each Applicant, the amount payable by each Applicant for the number of Transfer Shares allocated to them



(**Consideration**) and the place and time for completion of the transfer of the Transfer Shares (which shall be at least 20 Business Days, but not more than 30 Business Days, after the date of the Allocation Notice).

- 6.12 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Transfer Shares allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice.
- 6.13 If the Seller fails to comply with Article 6.12:
  - 6.13.1 the chairman of the Company (or, failing the chairman, one of the other Directors, or some other person nominated by a resolution of the Board) shall, as agent on behalf of the Seller:
    - 6.13.1.1 complete, execute and deliver in the Seller's name all documents necessary to give effect to the transfer of the relevant Transfer Shares to the Applicants;
    - 6.13.1.2 receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration); and
    - 6.13.1.3 (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Transfer Shares purchased by them; and
  - 6.13.2 the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until the Seller has delivered its certificate(s) for the relevant Transfer Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Transfer Shares, to the Company.
- 6.14 If an Allocation Notice does not relate to all of the Transfer Shares or the Transfer Notice lapses pursuant to Article 6.10 then, subject to Article 6.15 and within 10 working days following service of the Allocation Notice or the date of the lapse of the Transfer Notice (as the case may be), the Seller may transfer the Second Surplus Shares or the Transfer Shares (in the case of a lapsed offer) (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Transfer Shares (following the lapse of a

Transfer Notice) in accordance with this Article 6.14 shall continue to be subject to any Minimum Transfer Condition.

6.15 The Seller's right to sell Transfer Shares under Article 6.14 does not apply if the Board reasonably considers that:

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

6.15.2 the sale of the Transfer Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or

6.15.3 the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the Board to enable it to form the opinion mentioned above.

6.16 The restrictions imposed by this Article may be waived in relation to any proposed transfer of Transfer Shares with the consent of Shareholders who, but for the waiver, would or might have been entitled to have such Transfer Shares offered to them in accordance with this Article.

## **7 COMPULSORY TRANSFERS**

7.1 A Shareholder is deemed to have served a Transfer Notice in respect of their entire shareholding under Article 6 (a **Deemed Transfer Notice**) immediately before any of the following events:

7.1.1 a bankruptcy petition or application being presented for the Shareholder's bankruptcy; or

7.1.2 an arrangement or composition with the Shareholder's creditors being proposed; or

7.1.3 the Shareholder convening a meeting of his creditors or taking any other steps with a view to making an arrangement or composition in satisfaction of his debts generally; or

7.1.4 the Shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or

- 7.1.5 any encumbrancer taking possession of, or a receiver being appointed over or in relation to, all or any material part of the Shareholder's assets; or
- 7.1.6 the happening in relation to a Shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets; or
- 7.1.7 the Shareholder having a disqualification order made against him under the Company Directors Disqualification Act 1986; or
- 7.1.8 the Shareholder committing a material or persistent breach of any shareholders' agreement to which he is a party in relation to the Shares in the Company which if capable of remedy has not been so remedied within 10 Business Days of the holder(s) of a majority of the Shares requiring such remedy; or
- 7.1.9 the Shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding; or
- 7.1.10 the death of the Shareholder; or
- 7.1.11 in the case of Shareholder that is Shareholder only by virtue of a Permitted Transfer, on the death of the Original Shareholder (as defined in Article 8.1).
- 7.2 Article 7.1.10 shall not apply to any Shares held by Samuel Paul Stephenson or Elizabeth Margaret Stephenson and such Shares shall, on their death be transmitted in accordance with Article 9
- 7.3 The Transfer Price in relation to any Deemed Transfer Notice made pursuant to Articles 7.1.9 to 7.1.11 shall be Fair Value.
- 7.4 The Transfer Price in relation to the Deemed Transfer Notice made pursuant to Articles 7.1.1 to 7.1.8 shall be the nominal value of the Transfer Shares.
- 7.5 A Deemed Transfer Notice under Article 7.1 shall immediately and automatically revoke a Transfer Notice served, or deemed to be served, by the relevant Shareholder before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under article 7.1.
- 7.6 If the Seller fails to complete a transfer of Transfer Shares as required under this Article 7, the Continuing Shareholders are irrevocably authorised to

appoint any person it nominates for the purpose as agent to transfer the Transfer Shares on the Seller's behalf and to do anything else that the Continuing Shareholders may reasonably require to complete the transfer, and the Company may receive the purchase price in trust for the Seller (without any obligation to pay interest), giving a receipt that shall discharge the Continuing Shareholders.

- 7.7 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death, the Board shall require the legal personal representatives of that deceased Shareholder either:
  - 7.7.1 to effect a Permitted Transfer of those Shares (including an election to be registered in respect of the Permitted Transfer); or
  - 7.7.2 to show, to the satisfaction of the Board, that a Permitted Transfer will be effected before (or promptly on) the completion of the administration of the estate of the deceased Shareholder.
- 7.8 If either paragraph 7.7.1 or paragraph 7.7.2 is not fulfilled to the satisfaction of the Board, a Deemed Transfer Notice shall be given in respect of each such Share.
- 7.9 If a Shareholder that is a company or a Permitted Transferee of a Shareholder either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it (or a material part of its business), that Shareholder or Permitted Transferee shall be regarded as having given a Deemed Transfer Notice in respect of all the Shares held by that Shareholder and/or such Permitted Transferee at such time as the Board determine.
- 7.10 If there is a change in control (as control is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder that is a company (other than any Shareholder that is an Investment Fund or nominee or custodian for an Investment Fund), that Shareholder shall be bound at any time, if and when required in writing by the Board to do so, to give (or procure the giving of, in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names. However, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the original Shareholder from whom it received

its Shares or to any other Permitted Transferee before being required to serve a Transfer Notice.

## **8 PERMITTED TRANSFERS**

8.1 Notwithstanding Article 6, a Shareholder, other than a Shareholder who holds Shares only by virtue of a Permitted Transfer, (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee.

8.2 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 10 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares it holds to:

8.2.1 the Original Shareholder; or

8.2.2 a Member of the Same Group as the Original Shareholder,  
(which in either case is not in liquidation), without any price or other restriction.

8.3 If the Original Shareholder is an investment fund (or nominee of such person) and a Permitted Transfer has been made, the Permitted Transferee must, within 10 Business Days of ceasing to be a Member of the same fund group as the Original Shareholder, transfer the Shares held by it to:

8.3.1 the Original Shareholder; or

8.3.2 a member of the same fund group as the Original Shareholder,  
(which in either case is not in liquidation), without any price or other restriction.

8.4 Where Shares are held by the trustees of a Family Trust, the trustees may transfer Shares to:

8.4.1 the Original Shareholder;

8.4.2 another Privileged Relation of the Original Shareholder;

8.4.3 another Family Trust of which the Original Shareholder is the Settlor; or

8.4.4 to the new (or remaining) trustees upon a change of trustees of a Family Trust

without any price or other restriction.

- 8.5 A transfer of Shares may only be made to a Family Trust if the Board is satisfied:
- 8.5.1 with the terms of the trust instrument and, in particular, with the powers of the trustees;
  - 8.5.2 with the identity of the proposed trustees;
  - 8.5.3 that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
  - 8.5.4 that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.
- 8.6 If a Permitted Transfer is made to the spouse of the Original Shareholder, the Permitted Transferee shall, within 5 Business Days of ceasing to be the spouse of the Original Shareholder (whether by reason of divorce or otherwise) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them or failing such agreement, for nominal value.
- 8.7 On the death, bankruptcy or liquidation of a Permitted Transferee (other than a joint holder), his personal representatives, trustee in bankruptcy or its liquidator shall execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee (without any price or other restriction) within 20 Business Days after the date of the grant of probate, the making of the bankruptcy order or the passing of a resolution or making of an order for winding up. The transfer shall be to the Original Shareholder, if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within 20 Business Days of that period, or if the Original Shareholder has died or is bankrupt or is in liquidation, the Company shall be the Permitted Transferee's agent and shall execute such transfer in the Permitted Transferee's name.

8.8 If the Permitted Transferee, personal representatives, trustee in bankruptcy or liquidator (as the case may be) fails to make a transfer in accordance with Articles 8.2, 8.3, 8.6 or 8.7, the chairman of the Company (or, failing the chairman, one of the other Directors, or some other person nominated by resolution of the Board) shall, as agent on behalf of the Permitted Transferee, personal representatives, trustee in bankruptcy or liquidator (as the case may be):

8.8.1 complete, execute and deliver in the Permitted Transferee, personal representatives, trustee in bankruptcy or liquidator's name (as appropriate) all documents necessary to give effect to the transfer of the relevant Shares to the person required by the relevant Article (**Relevant Transferee**), being Article 8.2, 8.3, 8.6 or 8.7;

8.8.2 (subject to the transfers being duly stamped) enter the Relevant Transferee in the register of members as the holder of the relevant Shares transferred to them.

8.9 Article 7.1.11 and Articles 8.6 to 8.8 shall apply to all Shareholders that hold Shares by virtue of a Permitted Transfer unless and until the Original Shareholder has complied with the provisions of Article 6.

## **9 TRANSMISSION OF SHARES**

9.1 Subject to Article 7, where a Shareholder dies or becomes bankrupt and title to a Share passes to a Transmitttee, the Company may only recognise the Transmitttee as having any title to that Share.

9.2 A Transmitttee, on production of such evidence of entitlement to Shares as the Directors shall require, may:-

9.2.1 subject to the Articles, choose either to become the registered holder of those Shares; or

9.2.2 subject to the Articles have the same rights in respect of the Shares to which the Shareholder was entitled, save that, he shall not be entitled to attend or vote at a general meeting of the Company, or agree to a proposed written resolution, in respect of the Shares to which he is entitled by reason of the Shareholder's death or bankruptcy or otherwise, unless and until he becomes the registered holder of those Shares.

- 9.3 A Transmittree who wishes to become the registered holder of Shares to which he has become entitled must notify the Company in writing of that wish within 20 Business Days of the grant of probate after which time the Transmittree shall be deemed to have served a Transfer Notice in respect of those Share to which he is entitled.
- 9.4 In the event that a Transmittree does not wish to become the registered holder of the Shares the Transmittree must notify the Company in writing within 20 Business Days of the grant of probate. Such notice must specify the person to whom the Transmittree intends to transfer the Shares. The Transmittree must execute an instrument of transfer (which shall be treated as being executed by the Shareholder from whom the Transmittree has derived rights in respect of the Shares) in respect of it.
- 9.5 If a notice is given to a Shareholder in respect of Shares and a Transmittree is entitled to those Shares, the Transmittree is bound by the notice as if it was given to the Shareholder before the Transmittree's name has been entered into the Company's register of members.

## 10 DRAG ALONG

- 10.1 In this Article 10, the **Drag Along Option** shall refer to the right of one or more Shareholders holding Shares representing 75% or more of the votes which may be cast on a poll at a general meeting of the Company (**Selling Shareholder(s)**) who wish to transfer all their Shares to a Third Party Purchaser to require all the other holders of Shares to transfer all their Shares with full title guarantee to the Third Party Purchaser or as the Third Party Purchaser shall direct at the same price per Share and on the same terms as the Selling Shareholder(s) are selling their Shares to the Third party Purchaser.
- 10.2 The Selling Shareholder(s) may exercise the Drag Along Option by giving notice to that effect (a **Drag Along Notice**) to all other Shareholders (the **Called Shareholders**) at least 20 Business Days before the registration of the transfer of the Shares held by the Selling Shareholder(s). A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (the **Called Shares**) pursuant to Article 10.1 to the Third Party Purchaser, the price at which the Called Shares are to be transferred, the



proposed date of transfer (if known) and the identity of the Third Party Purchaser.

- 10.3 A Drag Along Notice may be revoked at any time prior to the completion of the sale of the Called Shares.
- 10.4 Completion of the sale of the Called Shares shall take place on the same date as the date of actual completion of the sale of the Selling Shareholder(s)' Shares unless all of the Called Shareholders and the Selling Shareholder(s) agree otherwise.
- 10.5 Each Called Shareholder shall on service of the Drag Along Notice be deemed to have irrevocably appointed each of the Selling Shareholder(s) severally to be his agent to execute any stock transfer and covenant for full title guarantee in respect of the Called Shares registered in the name of such Called Shareholders and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Called Shares pursuant to this Article 10.

## **11 TAG ALONG**

- 11.1 Except in the case of transfers pursuant to Article 7, and after going through the pre-emption procedure set out in Article 6, the provisions of Article 11.2 to Article 11.6 shall apply if, in one or a series or related transactions, one or more Sellers proposes to transfer any of the Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.
- 11.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to:
  - 11.2.1 the other Shareholders to purchase all of the Shares held by them;
  - 11.2.2 the holders of any existing options to acquire Shares (granted by the Company or under any share option arrangements established by the Company) that are already capable of exercise or that are expected to become capable of exercise before the Proposed Transfer, to purchase any Shares acquired on the exercise of options at any time before the Proposed Transfer;

11.2.3 the holders of any securities of the Company that are convertible into Shares (**Convertible Securities**), to purchase any Shares arising from the conversion of such Convertible Securities at any time before the Proposed Transfer,

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

11.3 The Offer shall be made by written notice (**Offer Notice**), at least 10 Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:

11.3.1 the identity of the Buyer;

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

11.3.3 the Sale Date; and

11.3.4 the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).

11.4 If the Buyer fails to make the offer to all of the holders of Shares in the Company in accordance with Article 11.2 and Article 11.3, the Seller shall not be entitled to complete the Proposed Transfer and the Board shall not register the transfer of Shares effected in accordance with the Proposed Transfer.

11.5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) in writing within 10 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on the completion of all the offer Shares held by the Accepting Shareholders.

11.6 The proposed Transfer is subject to the pre-emption provisions of Article 6, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

## **12 FAIR VALUE**

12.1 If the Transfer Price on any transfer of Shares is to be for Fair Value then such Fair Value shall be determined by the Auditors (if appointed) or such other

independent valuer as the Continuing Shareholders and the Seller may agree in writing (the **Valuer**).

- 12.2 The Valuer shall be requested to determine the Fair Value within 30 Business Days of his appointment and to notify the parties in writing of his determination.
- 12.3 The Fair Value shall be the price per Share determined by the Valuer on the following bases and assumptions:
  - 12.3.1 valuing each of the Transfer Shares as a proportion of the total value of all the issued Shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Transfer Shares;
  - 12.3.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - 12.3.3 the sale is to be on arms' length terms between a willing buyer and a willing seller;
  - 12.3.4 the Transfer Shares are sold free of all Encumbrances;
  - 12.3.5 the sale is taking place on the date the Valuer was requested to determine the Fair Value; and
  - 12.3.6 to take account of any other factors that the Valuer reasonably believes should be taken into account.
- 12.4 To the extent not provided for by this Article 12, the Valuer may, in his reasonable discretion, determine such other procedures to assist with the valuation as he considers just or appropriate, including (to the extent he considers necessary) instructing professional advisers to assist him in reaching his valuation.
- 12.5 The Valuer shall act as expert and not as arbitrator and his written determination shall be final and binding on the parties (in the absence of manifest error or fraud).

- 12.6 The Valuer's fees and any costs properly incurred by him in arriving at his valuation (including any fees and costs of any advisers appointed by the Valuer) shall be borne by the parties in such proportions as the Valuer shall direct.

## **DIRECTORS**

### **13 UNANIMOUS DECISIONS**

- 13.1 A decision of the Directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 13.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 13.3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at such a meeting.

### **14 CALLING A DIRECTORS' MEETING**

Any Director may call a Directors' meeting by giving 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.

### **15 QUORUM FOR DIRECTORS' MEETINGS**

- 15.1 Subject to article 15.2, the quorum for the transaction of business at a meeting of Directors is any two Eligible Directors.
- 15.2 If there is only one Director in office or only one Eligible Director in office other than a conflicted Director(s) (pursuant to Article 18), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

### **16 CASTING VOTE**

If the numbers of votes for and against a proposal at a meeting of Directors are equal, the chairman or other Director chairing the meeting shall not have a casting vote.

## **17 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

- 17.1 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:
- 17.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
  - 17.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
  - 17.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
  - 17.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
  - 17.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
  - 17.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## 18 DIRECTORS' CONFLICTS OF INTEREST

- 18.1 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**).
- 18.2 Any authorisation under this Article 18 will be effective only if:
- 18.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles;
  - 18.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
  - 18.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 18.3 Any authorisation of a Conflict under this Article 18 may (whether at the time of giving the authorisation or subsequently):
- 18.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 18.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
  - 18.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
  - 18.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
  - 18.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a

Director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and

18.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.

18.4 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.

18.5 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.

18.6 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.

## **19 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.

## **20 NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of Directors shall not be subject to any maximum but shall not be less than two.

## **21 APPOINTMENT OF DIRECTORS**

- 21.1 Each of the Shareholders, with the exception of Shareholders who are only Shareholders by virtue of a Permitted Transfer, are entitled to be appointed as a Director of the Company at their written request.
- 21.2 In any case where, as a result of death or bankruptcy, the company has no Shareholders and no Directors, the transmittee(s) of the last Shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a Director.

## **DECISION MAKING BY SHAREHOLDERS**

### **22 POLL VOTES**

- 22.1 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.
- 22.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

### **23 PROXIES**

- 23.1 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".
- 23.2 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" as a new paragraph at the end of that article.



## **ADMINISTRATIVE ARRANGEMENTS**

### **24 MEANS OF COMMUNICATION TO BE USED**

24.1 Subject to Article 24.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

24.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

24.1.2 if sent by fax, at the time of transmission; or

24.1.3 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9 a.m. on the second Business Day after posting; or

24.1.4 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9 a.m. on the fifth Business Day after posting; or

24.1.5 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

24.1.6 if sent or supplied by email, Not until expressly acknowledged by the recipient in writing after the notice, document or information was sent or supplied; or

24.1.7 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; and

24.1.8 if deemed receipt under the previous paragraphs of this Article 24.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

24.2 To prove service, it is sufficient to prove that:

- 24.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- 24.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- 24.2.3 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- 24.2.4 if sent by email, the notice was properly addressed and sent to the email address of the recipient.

## **25 INDEMNITY**

25.1 Subject to Article 25.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

25.1.1 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:

25.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and

25.1.1.2 in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

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 (or any associated company's) affairs; and

25.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 25.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

25.2 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.

25.3 In this article:

25.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

25.3.2 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).

## **26 INSURANCE**

26.1 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.

26.2 In this Article:

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

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

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