

Company number: 3306364

SATURDAY



A12      08/02/2020      #203  
COMPANIES HOUSE

**THE COMPANIES ACT 2006**  
**COMPANY LIMITED BY SHARES**  
**WRITTEN RESOLUTION OF THE MEMBERS**

of

**M&C SAATCHI SPORT & ENTERTAINMENT LIMITED**

(the "Company")

Pursuant to chapter 2 of part 13 of the Companies Act 2006, the following resolution (the "**Resolution**") is proposed by the directors as a special resolution. The Resolution is first circulated to the members of the Company on 31 October 2017 ("**Circulation Date**").

**SPECIAL RESOLUTION**

1. THAT:

- 1.1 the existing issued share capital of the Company of: (i) 74,377 A ordinary shares; (ii) 25,624 B ordinary shares of £0.01; (iii) 26,925 growth A shares of £0.001; (iv) 26,925 growth B shares of £0.001; and (v) 7,000 Z shares of £0.01, be re-designated into 112,386 A ordinary shares of £0.01, being subject to the rights and restrictions set out in the new articles of association to be adopted pursuant to resolution 1.3;
- 1.2 the proposed creation of a new class of C shares of £0.01 ("**C Shares**");
- 1.3 the Company adopt new articles of association ("**New Articles**") in the form attached in substitution for, and to the exclusion of, the existing articles of association of the Company;
- 1.4 the directors of the Company be authorised, by virtue of section 551 Companies Act 2006, to allot (in aggregate):
  - 1.4.1 114 A Shares of £0.01 each in the capital of the Company (being subject to the rights and restrictions set out in the New Articles);
  - 1.4.2 37,500 C Shares of £0.01 each in the capital of the Company (being subject to the rights and restrictions set out in the New Articles);

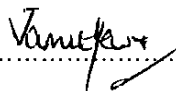
for a period of one month from the Circulation Date.

**Please read the notes set out below before signing or taking any action on the Resolution.**

## AGREEMENT OF SOLE MEMBER

We, being the sole person entitled to vote on the Resolution on the Circulation Date, irrevocably agree to the Resolution:

**SIGNED by M&C SAATCHI SPORT &  
ENTERTAINMENT LIMITED**  
acting by a director

)   
)  
) Print name: JAMIE HEWITT

Dated: 31 October 2017

## NOTES:

1. If you agree with the Resolution, please:
  - 1.1 sign this document above; and
  - 1.2 return the signed document by one of the following methods:
    - 1.2.1 by delivery in person, by hand or by post to Andy Blackstone at 36 Golden Square, London W1F 9EE;
    - 1.2.2 by attaching a scanned copy of the signed document in pdf (portable document format) to [andyB@mcsaatchi.com](mailto:andyB@mcsaatchi.com);
2. Unless by the end of the period of 28 days beginning with the Circulation Date agreement has been received by the Company for the Resolution to pass, it will lapse.

**Company Number: 03306364**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**of**

**M&C SAATCHI SPORT & ENTERTAINMENT LIMITED**

**Incorporated in England and Wales on 17 January 1997  
under the Companies Act 2006**

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**Adopted under the Companies Act 2006 by special resolution on 31 October 2017**

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## ARTICLES OF ASSOCIATION

- of -

### M&C SAATCHI SPORT & ENTERTAINMENT LIMITED

("Company")

#### 1. PRELIMINARY

- 1.1 The relevant model articles (within the meaning of section 20(2) Companies Act 2006 as amended, modified or re-enacted from time to time) and the regulations contained in Table A scheduled to the Companies (Tables A to F) Regulations 1985 (as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 and as further amended by the Companies Act 1985 (Electronic Communications) Order 2000) are excluded in their entirety.
- 1.2 For so long as there is only one shareholder of the Company (ignoring for these purposes the Company as holder of any treasury shares) references in these articles to shareholders or which imply the existence of more than one shareholder shall be construed as references to the one shareholder for the time being of the Company.
- 1.3 In these articles (unless the context requires otherwise) the following words and expressions have the following meanings:

"Accountants" means the firm of accountants appointed as valuers under article 19;

"A Director" means a director appointed or deemed appointed as an A Director by the holder(s) of the majority of the A Shares in accordance with article 9.2 and including, unless otherwise stated, the duly appointed alternate of such a director;

"AIM" means the market of that name operated by London Stock Exchange plc;

"Annual Accounts" means in respect of any particular financial year of the Company, the annual accounts and reports (within the meaning of section 471(2) Companies Act 2006) of the Company for that particular financial year, provided that in respect of any completed financial year in respect of which there are not yet any such accounts prepared, the Annual Accounts shall be the draft accounts of the Company for that financial year as approved by the Parent Company;

"Appointor" has the meaning given in article 8.1;

"A Shareholder" means a holder of A Shares from time to time;

"A Shares" means A ordinary shares of £1.00 each in the capital of the Company, having the rights set out in these articles;

"associated company" has the meaning given in article 33.2,

**"bankruptcy"** means the making of a bankruptcy order by a court in England and Wales or Northern Ireland, or any individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy and a **"Bankrupt"** shall mean a person subject to such an adjudication of bankruptcy or insolvency proceedings;

**"Base Profit Level"** in relation to any particular C Shareholder means the amount agreed from time to time in writing between the Company and that C Shareholder;

**"Business Day"** means a day when banks are open for general banking business in the City of London;

**"call"** has the meaning given in article 27.8;

**"call notice"** has the meaning given in article 27.9;

**"Call Option"** has the meaning given in article 14.1;

**"Call Option Shares"** has the meaning given in article 14.2,

**"call payment date"** has the meaning given in article 27.17.1;

**"capitalised sum"** has the meaning given in article 24.1.2;

**"C Director"** means a director appointed or deemed appointed as a C Director in accordance with article 9.2 and including, unless otherwise stated, the duly appointed alternate of such a director;

**"Chairman"** has the meaning given in article 4.6.1;

**"clear days"** in relation to a period of notice means a period of the specified length excluding the date on which notice is given and the day for which it is given or on which it is to take effect,

**"Companies Acts"** means the Companies Acts (as defined in section 2 Companies Act 2006 as amended, modified or re-enacted from time to time), in so far as they apply to the Company;

**"Companies Act 2006"** means the Companies Act 2006 including any statutory modification or re-enactment of that statute for the time being in force, subject always to article 1.4;

**"Company's lien"** has the meaning given in article 27.1

**"Company Secretary"** means the secretary of the Company, if any, or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary, if any;

**"Compulsory Seller"** has the meaning given in article 18.2;

**"Compulsory Transfer Event"** means one of the events referred to in article 18.1,

**"Compulsory Transfer Notice"** means (in relation to any Compulsory Seller) a notice given in accordance with the terms of article 18.3 and offering, on the terms of article 18, to sell the Compulsory Transfer Shares;

**"Compulsory Transfer Shares"** means in relation to any Compulsory Seller:

- (a) all of the shares registered in that shareholder's name; and
- (b) all of the shares to which that person is entitled, or has become the holder by reason of a transmission of shares, or in relation to which that person is entitled to exercise the rights on behalf of the relevant shareholder or person by virtue of a court order or otherwise;

**"Connected Person"** means, in respect of any person, a person connected with that person as described in sections 1122 and 1123 Corporation Taxes Act 2010;

**"Controlling Interest"** means an interest in shares in a company conferring in aggregate more than 50% of the total voting rights conferred by all the issued shares in that company, taking account at the relevant time of provisions regarding voting rights contained in the articles of association of that company,

**"C Shareholder"** means a holder of C Shares from time to time;

**"C Share Put Option"** has the meaning given in article 13.1;

**"C Share Put Option Accounts"** in respect of any C Shareholder means the annual accounts and reports (within the meaning of section 471(2) Companies Act 2006) of the Parent Company for the financial year ending on such date as the Company and that C Shareholder may from time to time agree in writing;

**"C Shares"** means a C ordinary share of £0.01 in the capital of the Company having the rights set out in these articles;

**"Distribution Recipient"** has the meaning given in article 23.2.2;

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

**"eligible director"** means (a) in relation to a matter proposed at a directors' meeting, a director who is entitled to vote and to have that vote counted in relation to that particular matter at that meeting, or (b) in relation to a decision of the directors taken in accordance with article 4.2, a director who would have been entitled to vote and to have that vote counted, had the matter in question been proposed at a directors' meeting;

**"fully paid"** in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid or credited as paid to the Company;



**"Group Reorganisation"** means a transfer of assets (including for the avoidance of doubt shares in any subsidiary) within a group of companies (provided each company is and remains a subsidiary of the Parent Company) that is undertaken for the purpose of reorganising the relevant group's structure and, for the avoidance of doubt introducing an intermediate holding company into a group of companies will constitute a "Group Reorganisation";

**"Group Companies"** means the Company and its subsidiary undertakings from time to time, and a reference to a **"Group Company"** shall be a reference to any one of them;

**"instrument"** means a document in hard copy form;

**"Leaver"** means an individual who:

- (a) for any reason (including death, disability or the expiry of any notice period) ceases to be, and does not remain, as an employee or a director of, or engaged by, a Parent Group Company, and for the purposes of these articles an individual shall (without limitation) be regarded as ceasing to be an employee of a company on termination of any agreement or arrangement under which that individual's services are to be supplied to that company; or
- (b) becomes entitled by reason of illness or disability giving rise to permanent incapacity to receive benefits under any permanent health insurance scheme of the Company or any of its Connected Persons;

**"lien enforcement notice"** has the meaning given in article 27.4;

**"M&C Saatchi"** means M&C Saatchi plc, a company incorporated in England and Wales with registered number 5114893;

**"M&C Saatchi Group"** means M&C Saatchi and each of its subsidiary undertakings and **"M&C Saatchi Group Company"** means any such person;

**"New Owner"** means the ultimate parent undertaking of M&C Saatchi (if there is one);

**"Option"** means a C Share Put Option or a Call Option (as relevant);

**"New Owner Group"** means the New Owner and each of its subsidiary undertakings and **"New Owner Group Company"** means any such person,

**"Parent Company"** means M&C Saatchi or, if M&C Saatchi is a subsidiary undertaking of a New Owner, the New Owner;

**"Parent Company Accounts"** means the annual accounts and reports (within the meaning of section 471(2) Companies Act 2006) of M&C Saatchi or, if there is a New Owner, the equivalent accounts of the New Owner;

**"Parent Company Adjusted Consolidated PBT"** means the Headline Consolidated Profit Before Tax of the Parent Company Group as derived from the most recently published

accounts of the Parent Company prior to the date on which the Parent Company Multiple is required to be calculated (the "**Accounts PBT**") after adding back to the Accounts PBT an amount (if any) equal to the losses of all Parent Company Group Companies which made a loss and which were taken into account in determining the Accounts PBT, and the "**Headline Consolidated Profit Before Tax**" is to be taken from the Parent Company Accounts for the financial year preceding the year in which the relevant Option is exercised, as presented in the IFRS8 segmental note (or equivalent) of those accounts;

"**Parent Company Group**" means the M&C Saatchi Group or, if M&C Saatchi is a subsidiary undertaking of a New Owner, means the New Owner Group, and a "**Parent Company Group Company**" means a member of any such group of companies;

"**Parent Company Multiple**" shall be determined as follows:

- (a) if the shares of any class of the Parent Company are admitted to trading on AIM or listed on a Relevant Exchange at the relevant date, it shall be a number equal to the number of issued shares in the capital of the Parent Company at the relevant date multiplied by the Parent Company Share Price and then divided by the Parent Company Adjusted Consolidated PBT; or
- (b) if the shares of any class of the Parent Company are not admitted to trading on AIM or listed on a Relevant Exchange at the relevant date, it shall be the average P/E ratio for the United Kingdom media sector on the relevant date (as derived from the sector indices published by the Financial Times) less 2;

"**Parent Company Share Price**" shall be:

- (a) if the shares of any class of the Parent Company are admitted to trading on AIM or listed on a Relevant Exchange at the relevant date, the average closing price of such a Parent Company share for the 45 days prior to the exercise of the relevant Option (which shall for this purpose be deemed to be the date of receipt by the Company of the notice exercising the relevant Put Option or the date of despatch by the Company of the notice exercising the Call Option); or
- (b) if the shares of any class of the Parent Company are not admitted to trading on AIM or listed on a Relevant Exchange at the relevant date, then the Parent Company Share Price shall be a price equal to the Parent Company Adjusted Consolidated PBT multiplied by the Parent Company Multiple and then divided by the number of issued shares in the capital of the Parent Company at the relevant date;

"**partly paid**" means, in relation to a share, that part of that share's nominal value or any premium at which it was issued which has not been paid to the Company;

"**Patient**" means, as at any date:

- (a) a person in relation to whom an order has been made (and, as at that date, not discharged) or a deputy has been appointed (and, as at that date, such

appointment has not been revoked) under section 16 Mental Capacity Act 2005;  
or

- (b) a person who is, as at that date, a patient within the meaning of section 145(1) Mental Health Act 1983;

**"PBT"** in respect of any financial year means the consolidated profit before tax of the Company and its share of its subsidiaries for that financial year excluding any dividend flows. To avoid any doubt the PBT shall exclude the same items as the Parent Company Adjusted Consolidated PBT;

**"PBT Growth rate"** is the compound annual PBT growth rate of the Company above the PBT for year ended 31 December 2016 (PBT 2016);

**"PBT 2016"** is the PBT of the company for year ended 31 December 2016, which is equal to £1,291,000;

**"persons entitled"** has the meaning given in article 24.1 2;

**"Proxy Notice"** has the meaning given in article 26 2.1;

**"Put Option Shares"** has the meaning given in article 13.3;

**"qualifying person"** has the meaning given in article 25.2;

**"Relevant Annual Accounts"** in respect of the exercise of any Option means the Annual Accounts of the Company for the financial year preceding the financial year in which the Option is exercised (or, if there are no such Annual Accounts:

- (a) the balance sheet of the Company as at the end of the last calendar month; plus
- (b) the average of each income statement line item as derived from the available monthly management accounts of the Company for the financial year in which the Option is exercised, multiplied by 12 (which calculations shall be undertaken by a firm of chartered accountants appointed by the Company),

and such balance sheet and resulting income statement shall then, together, constitute the "Relevant Annual Accounts");

**"Relevant PBT"** in respect of the exercise of any Option means the aggregate of (a) 50% of the PBT derived from the Relevant Annual Accounts; and (b) 50% of the PBT derived from the Annual Accounts for the financial year preceding the financial year to which the Relevant Accounts relate.

**"Relevant Company"** has the meaning given in article 34.2;

**"Relevant Exchange"** means an exchange recognised as a "recognised investment exchange" by the Financial Conduct Authority under the Financial Services and Markets Act 2000;

**"Relevant Matter"** means in relation to a director, a matter which may constitute or give rise to a breach by that director of his duty under section 175 Companies Act 2006 to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company (including a breach which would arise by virtue of his appointment as a director);

**"relevant rate"** has the meaning given in article 27.17.2;

**"share"** means a share in the Company;

**"shareholder"** means a person whose name is entered on the register of members as the holder of a share;

**"shareholders' agreement"** means any agreement binding on each shareholder which relates (in whole or in part) to the management of the business of the Company and/or the rights and obligations of each shareholder in his/her/its capacity as a shareholder,

**"Share Sale"** means the completion of any sale of any interest in any shares (whether in one transaction or a series of related transactions) resulting in the transferee (either alone or together with its Connected Persons) holding a Controlling Interest in the Company (save to the extent the same arises as a result of a Group Reorganisation);

**"Share Sale Proceeds"** means the proceeds of a Share Sale (whether in cash or otherwise and whether payable on completion of the Share Sale or deferred in any way, with any non-cash consideration being valued by a firm of accountants) after payment or discharge of any relevant costs, expenses or other liabilities connected with such Share Sale;

**"Succession Management"** means. (a) the employment of a potential replacement officer in respect of the position held by the relevant shareholder; (b) in event that the shareholder is a Leaver or is to become a Leaver, the handover by the relevant shareholder to the Company's employees (other than to other shareholders if all such shareholder are (or are to become) Leavers) of the day to day responsibilities and relationships in respect of 75% in terms of value of the Company's clients at the relevant time for which the Leaver(s) has/have primary reasonability; and (c) the budgeted revenue for the Company for the financial year in which the Option is being exercised is not less than 90% of the Company's revenue for the preceding financial year as shown in the Annual Accounts of the Company for the preceding financial year;

**"Transmittee"** means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law;

**"treasury share"** means any share held by the Company as a treasury share within the meaning of section 724 Companies Act 2006;

**"United Kingdom"** means the United Kingdom of Great Britain and Northern Ireland; and

**"writing"** means a method of representing or reproducing words, symbols or other information by any method or combination of methods, whether in electronic form, hard

copy or in any other legible and non-transitory form and "**written**" shall be construed accordingly;

1.4 Words and expressions defined in the Companies Act 2006 and used in these articles (either without further definition or by expressly referring to the statutory definition of that word or expression) shall bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the Company. This does not apply (a) where the word or expression used is not defined by express reference to the Companies Act 2006 and the subject or context in which that word or expression is used is inconsistent with the statutory definition or (b) where that word or expression is otherwise defined in these articles. In all other circumstances references in these articles to any statute or statutory provision (including without limitation to the Companies Act 2006 or any provision of the Companies Act 2006) subordinate legislation, code or guideline ("**legislation**") is a reference to such legislation as the same may from time to time be amended, re-enacted, modified, extended, varied, superseded, replaced, substituted or consolidated.

1.5 The provisions of these articles relating to the Options assume that the Parent Company holds one or more A Shares. In the event of the Parent Company not holding an A Share, the A Shareholders shall be obliged to give effect to the Options by procuring that the Parent Company acquire the relevant shares on the basis provided for in these articles or, alternatively, to acquire the relevant shares themselves and to provide the consideration required by the relevant articles.

## **2 LIABILITY OF MEMBERS**

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

## **3. DIRECTORS' POWERS, RESPONSIBILITIES AND DELEGATION**

3.1 Subject to these articles and provisions of any shareholders' agreement for the time being in force, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

3.2 The shareholders may, by special resolution, direct the directors to take, or refrain from taking, a specified action. No such special resolution shall invalidate anything which the directors have done before the passing of the resolution.

3.3 Subject to these articles, the directors may delegate any of the powers which are conferred on them under these articles to such person or committee, by such means (including by power of attorney), to such an extent, in relation to such matters or territories, and on such terms and conditions, as they think fit. If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated. The directors may revoke any delegation in whole or part, or alter its terms and conditions.

3.4 Committees to which the directors delegate any of their powers must follow procedures which are based, as far as they are applicable, on those provisions of these articles which

govern the taking of decisions by directors. The directors may make rules of procedure for all or any committees which prevail over rules derived from these articles if they are not consistent with them.

#### **4. DECISION-MAKING BY DIRECTORS**

##### **4.1 Directors to take decisions collectively**

4.1.1 The general rule about decision making by directors is that any decision of the directors must either be a majority decision at a meeting or taken in accordance with article 4.2.

4.1.2 If the Company only has one director for the time being (and no provision of these articles requires it to have more than one director) the general rule does not apply and the sole director (for as long as he remains the sole director) shall be entitled to exercise all the powers and authorities vested in the directors by these articles (and the provisions of these articles shall be construed accordingly), and he may take decisions (provided that he constitutes an eligible director in relation to any particular decision) without regard to the provisions of articles 4.2, 4.3, 4.4.1, 4.4.2, 4.4.6, 4.4.7, 4.5.1, 4.5.2 and 4.6 relating to directors' decision-making.

##### **4.2 Unanimous decisions**

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. 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 his agreement in writing. A decision may only be taken in accordance with this article 4.2 where the eligible directors taking the decision would have formed a quorum had the matter been proposed as a resolution at a directors' meeting.

##### **4.3 Calling a directors' meeting**

4.3.1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the Company Secretary to give such notice. The Company Secretary must call a directors' meeting if a director so requests.

4.3.2 Notice of any directors' meeting must indicate, its proposed location (if any), its proposed date and time and, if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

4.3.3 Subject to these articles, notice of a meeting of the directors must be given to each director (including one who is absent for the time being from the United Kingdom) and may be given either personally or by word of mouth or in hard copy form or by electronic means, or by any other means authorised by the director concerned.

- 4.3.4 Notice of a directors' meeting need not be given to directors who are not entitled to receive notice, or who have elected not to receive notice of that meeting pursuant to article 7.1.2, or who have waived their entitlement to notice of that meeting, by giving notice to that effect to the Company in advance of the meeting or not more than 7 days after the date on which the meeting is held. Where such notice of waiver is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

#### **4.4 Participation in directors' meetings and decision making**

- 4.4.1 Subject to these articles, the directors participate in a directors' meeting when the meeting has been called and takes place in accordance with these articles and where each director can communicate orally to all of the other directors taking part, any information or opinions he has on any particular item of the business of the meeting. In determining whether the directors are participating in a directors' meeting it is irrelevant where any director is or (subject to the first sentence of this article) how the directors communicate with each other. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the board meeting is located.

- 4.4.2 Subject to these articles, each director participating in a directors' meeting has one vote, save that if:

4.4.2 1 the holder(s) of a majority of the A Shares has/have not appointed a majority of the directors then in office; and/or

4 4.2 2 some but not all of the A Directors appointed by the holder(s) of a majority of the A Shares are present at the meeting,

those A Directors who are present at the meeting shall be entitled to cast, between them, in aggregate a number of votes equal to the majority of the votes capable of being cast at that meeting.

- 4 4.3 Subject to the Companies Act 2006 and the other provisions of these articles, a director may participate in any decision-making process (including being able to vote on, and be counted in the quorum at any meeting) where the matter under consideration or the resolution to be voted on concerns a matter in which he has a direct or indirect interest which conflicts or may conflict with the interests of the Company provided that:

4.4.3.1 the director has declared the nature and extent of that interest in accordance with and to the extent required by the provisions of the Companies Act 2006 and these articles;

4.4.3.2 where necessary, any situation which could give rise to a conflict and which would otherwise be prohibited by section 175 Companies Act 2006 is authorised pursuant to article 5 1 or article 6; and

4.4.3.3 the terms of any authorisation given or imposed pursuant to article 5.1 or article 6 do not prevent or otherwise restrict the director from doing so,

but otherwise shall not be entitled to participate in such process or to vote or count in the quorum where he has a direct or indirect interest which conflicts or may conflict with the interests of the Company. If a director purports to vote in a situation where, by virtue of this article 4.4.3 (or the terms of any authorisation) he is not entitled to vote, his vote shall not be counted.

4.4.4 For the purposes of article 4.4.3:

4.4.4.1 an interest of a person who is connected with a director (within the meaning of section 252 Companies Act 2006) shall be treated as an interest of the director;

4.4.4.2 in relation to an alternate, an interest of his Appointor shall be treated as an interest of the alternate in addition to any interest which the alternate otherwise has, but this does not preclude the alternate from voting in relation to that transaction or arrangement on behalf of another Appointor who does not have such an interest (or for himself or herself if he or she is a director and has no such interest);

4.4.4.3 references to a conflict of interest include a conflict of interest and duty and a conflict of duties; and

4.4.4.4 an interest of which a director has no knowledge and of which it is unreasonable to expect him or her to have knowledge shall not be treated as an interest of his or hers.

4.4.5 For the avoidance of doubt, where a director ("**first director**") is appointed to act as an alternate by another one or more directors ("**second director**") and the first director has an interest which prevents him or her from voting in relation to any transaction or arrangement, that first director shall also not be entitled to vote in relation to that transaction or arrangement as alternate on behalf of any second director.

4.4.6 Subject to article 4.4.7, if a question arises at a meeting of the directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, and that question is not resolved by the director voluntarily agreeing to abstain from voting, the question may, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any director other than the Chairman is to be final and binding.

4.4.7 If any question as to the right to participate in a meeting (or part of a meeting) arises in respect of the Chairman (and that question is not resolved by the Chairman voluntarily agreeing to abstain from voting) the question is to be



decided by a decision of the directors at that meeting, for which purpose the Chairman is not to be counted as entitled to participate in the meeting (or that part of the meeting) for voting or quorum purposes.

#### **4.5 Quorum for directors' meetings**

4.5.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

4.5.2 Save as set out in article 4.5.3, the quorum for the transaction of business of the directors shall be three eligible directors (including one A Director). If within one hour from the time appointed for a meeting a quorum is not present, the meeting shall stand adjourned to the next following working day at the same time and place. If at the adjourned meeting a quorum is not present within one hour from the time appointed for the adjourned meeting, any two eligible directors (including at least one A Director) present at that adjourned meeting shall constitute a quorum.

4.5.3 The quorum for transaction of business of the directors shall be one eligible director (and for the avoidance of doubt shall not require the presence of an A Director and a C Director) if:

4.5.3.1 there is a sole director, or

4.5.3.2 at any meeting of the directors, to the extent called to consider and vote on any matter in relation to which a director is not entitled to or does not vote or whose vote is not counted by virtue of:

4.5.3.2.1 the provisions of article 4.4.3; or

4.5.3.2.2 the exercise by a director, pursuant to article 7.1, of the right not to attend and vote; or

4.5.3.2.3 section 175(6)(b) Companies Act 2006,

there is only one eligible director willing or able to take a decision on any matter; or

4.5.3.3 any C Director has consented to the meeting being held without him/her being present.

4.5.4 If there are no directors in office or the directors in office or the sole director are unable or unwilling to form a quorum or to take a decision on any particular matter, or to appoint further directors to make up a quorum or to enable a decision to be taken on any particular matter, or to call a general meeting or circulate a written resolution to do so, then any shareholder (ignoring for these purposes the Company as holder of any treasury shares) may call a general meeting or circulate a written resolution or instruct the Company Secretary to do so, for the

purposes of taking the decision or appointing one or more additional directors to form a quorum or to enable a decision to be taken.

**4.6 Chairing of directors' meetings and chairman's casting vote**

4.6.1 The directors may appoint (and remove at any time) a director to chair their meetings and the person so appointed for the time being is known as the Chairman. If the Chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, or is unwilling or unable to act as chairman at that meeting or any part of it, the participating directors must appoint one of themselves who is willing and able so to act, to be the Chairman for that meeting or for that part of the meeting.

4.6.2 If the numbers of votes for and against a proposal are equal, the Chairman or other director chairing the meeting has a casting vote, unless in relation to a particular proposal at a meeting, the Chairman or other director chairing the meeting is not an eligible director.

**4.7 Records of decisions to be kept**

The directors must ensure that the Company keeps a permanent record in writing which can be read by the naked eye, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors and of any decisions taken by a sole director.

**4.8 Directors' discretion to make further rules**

Subject to these articles and the Companies Act 2006, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

**5. DIRECTORS' PERMITTED INTERESTS**

5.1 Provided that (a) he has declared the nature and extent of his interest in accordance with (and to the extent required by) the provisions of article 5.4; and (b) the directors or the shareholders have not (upon request) refused to give specific authorisation pursuant to article 6 for a particular situation or matter; and (c) the directors and shareholders have not otherwise resolved pursuant to article 6.3 that a particular situation or matter shall no longer be authorised, a director, notwithstanding his office, shall be authorised:

5.1.1 to enter into, or otherwise be interested in, any transaction or arrangement with the Company or any other Group Company or in which the Company (or any other Group Company) is interested, either with regard to his tenure of any office or position in the management, administration or conduct of its business or as seller, buyer or otherwise;

5.1.2 to hold any office or place of profit (except that of auditor) with, or to be employed by or a consultant to or otherwise interested (including by way of the holding of

shares or securities convertible into shares) in, the Company, any other Group Company or in any shareholder holding a majority of the voting rights attaching to the issued share capital of the Company or any Connected Person of any such shareholder;

- 5.1.3 to act by himself or by any firm of which he is a partner, director, employee or member in a professional capacity (except as auditor) for the Company, any other Group Company or any shareholder holding a majority of the voting rights attaching to the issued share capital of the Company or any Connected Person of any such shareholder and he or his firm shall be entitled to remuneration for professional services as if he were not a director of the Company; and
- 5.1.4 to be a director of any other company in which the Company does not have an interest if that cannot reasonably be regarded as likely to give rise to a conflict of interest at the time of his appointment as a director of the Company or that other company (whichever is the later),

and such authorisations shall extend to any direct or indirect interest that conflicts or possibly may conflict with the interests of the Company which may reasonably be expected to arise out of the situations and matters so authorised and which is capable of being authorised at law. No authorisation shall be required pursuant to article 6 of any such situation or matter authorised by this article 5.1 and, without limitation, no director shall, by reason of his holding office as a director of the Company (or of the fiduciary relationship established by his holding that office) be liable to account to the Company for any remuneration, profit or other benefit received as a result of any interest permitted by this article 5.1 and no transaction or arrangement shall be liable to be avoided by reason of any director having any interest or having received any benefit permitted by this article 5.1.

- 5.2 The authorisations given pursuant to, and the other provisions of, article 5.1 shall extend to and include, without limitation, direct or indirect interests of a director which arise (or which may potentially arise) due to:

- 5.2.1 any transaction entered into by the director or any shareholder holding the majority of the voting rights attaching to the issued share capital of the Company or any Connected Person of that shareholder in relation to shares (or securities convertible into shares) debentures or other securities in (a) the Company or any other Group Company; or in (b) such shareholder or in any such Connected Person of such shareholder;
- 5.2.2 any guarantee, security or indemnity given or proposed to be given by any Group Company to, or to any person for the benefit of, (a) any other Group Company; or (b) any shareholder holding the majority of the voting rights attaching to the issued share capital of the Company or any Connected Person of that shareholder;
- 5.2.3 the recommendation, declaration and payment of any dividend or other distribution by the Company,

5.2.4 any transaction or arrangement proposed, made, terminated or varied between (a) the Company and any other Group Company; or (b) the Company and any shareholder holding the majority of the voting rights attaching to the issued share capital of the Company or any Connected Person of that shareholder including without limitation transactions or arrangements relating to the sale and supply of goods and services, the borrowing or advancing of money and the use of property and other assets; and

5.2.5 any claim or right arising between (a) the Company and any other Group Company; or (b) the Company and any shareholder holding the majority of the voting rights attaching to the issued share capital of the Company or any Connected Person of that shareholder.

It shall be a term and condition of the authorisation given pursuant to article 5.2.5 that the director shall not be entitled to vote or participate in any discussions relating to the exercise, enforcement or pursuance of any claim or right so authorised.

5.3 For the purposes of articles 5.1 and 5.2:

5.3.1 an interest of: (a) a person who is connected with a director (within the meaning of section 252 Companies Act 2006); and (b) the Appointor in relation to any alternate; shall be treated as an interest of the director or the alternate (as appropriate) in each case in addition to any interest which the director or alternate otherwise has; and

5.3.2 any authorisation of a situation or matter pursuant to articles 5.1 and 5.2 relating to a Group Company or to any shareholder holding the majority of the voting rights in the share capital of the Company or any Connected Person of that shareholder, shall be effective only for so long as the relevant Group Company remains a Group Company, the relevant shareholder holds the majority of the voting rights in the Company and the relevant Connected Person remains a Connected Person of a person who holds the majority of the voting rights in the Company.

5.4 In relation to transactions or arrangements with the Company, the director shall declare the nature and extent of any interest authorised under articles 5.1 and 5.2 in any way permitted by the Companies Act 2006 and shall only be required to make such disclosure to the extent required to do so under the Companies Act 2006. In relation to other situations of actual or potential conflict of interest, the director shall declare the nature and extent of his interest at a meeting of the directors, or as otherwise determined by the directors, but shall not be required to declare the nature and extent of his interest to the extent that the other directors are already aware of the interest and its extent.

5.5 For the purposes of this article 5, when calculating whether any shareholder holds a majority of the voting rights attached to the issued share capital of the Company, the voting rights attached to any shares held by the Company as treasury shares shall be ignored.

## **6 AUTHORISATION OF CONFLICTS OF INTEREST**

- 6.1 Any Relevant Matter may be authorised by the directors to the fullest extent permitted by law in accordance with the provisions of articles 6.2 to 6.4.
- 6.2 Any director may propose that a Relevant Matter be authorised by the directors. Such proposal and any authorisation given by the directors shall be effected in the same way as any other matter may be proposed to, and resolved upon by, the directors in accordance with these articles (or in such other manner as all the directors may approve) except that no authorisation shall be effective unless the requirements of section 175(6) of the Companies Act 2006 have been complied with. Any authorisation of a matter pursuant to this article 6 shall, unless it states otherwise, extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.
- 6.3 Any authorisation of a matter under article 6.1 shall be subject to such terms, conditions and limitations as the directors may specify, whether at the time of giving the authorisation or subsequently. The directors or the shareholders may terminate or vary (including by imposing new terms, conditions and limitations in relation to) any authorisation given under this article 6 or under article 5.1 for the purpose of section 175 Companies Act 2006 at any time, but no such termination or variation shall be of retrospective effect. The director concerned must act in accordance with any terms, conditions or limitations specified by the directors or the shareholders in accordance with this article 6.3.
- 6.4 No director shall, by reason of his office as director of the Company (or by reason of the fiduciary relationship established by holding that office), be liable to account to the Company for any benefit derived from any Relevant Matter to the extent that the Relevant Matter has been authorised by the directors in accordance with this article 6. No transaction or arrangement shall be liable to be avoided by reason of any interest of a director to the extent that it has been so authorised.
- 6.5 Notwithstanding the other provisions of this article 6, the shareholders of the Company shall be entitled to authorise a Relevant Matter (whether or not authorisation has previously been requested from and/or refused by the directors) and any authorisation of a matter pursuant to this article 6.5 shall, unless it states otherwise, extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised. The provisions of articles 6.3 and 6.4 shall apply mutatis mutandis to any authorisation so given by the shareholders save that the word(s) "directors" or "directors or shareholders" when referring to the authorisation being given, or to any terms and conditions of authorisation being specified, imposed, varied or terminated shall be read only as the word "shareholders". Any authorisation, and the variation or termination of any authorisation by the shareholders under article 6.3 or this article 6.5 shall be by ordinary resolution, save where any greater majority is otherwise required by the Act or other applicable law.

**7. DIRECTORS' INTERESTS: GENERAL**

7.1 Where this article 7.1 applies, a director shall be deemed to have the authority, without breaching the general duties he owes to the Company by virtue of sections 171 to 177 of the Companies Act 2006 to take (and shall take if so requested by the other directors or the shareholders) such steps as may be necessary or desirable for the purpose of managing any conflict of interest to which this article 7.1 applies, including (without limitation) by:

7.1.1 complying with any procedures laid down from time to time by the directors or shareholders for the purpose of managing conflicts of interest generally or any specific procedures approved by the directors or shareholders in relation to the situation, matter or interest in question;

7.1.2 excluding himself from attending and voting at board meetings or otherwise participating in directors' decision making to the extent relating to such situation, matter or interest or from participating in discussions (whether at meetings of the board or otherwise), or receiving documents or information to the extent relating to any such situation, matter or interest (including without limitation, notice of meetings, board papers, minutes or draft minutes, directors' written resolutions and legal advice given to any Group Company);

7.1.3 arranging for documents or information relating to any such situation, matter or interest to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information, and/or

7.1.4 not disclosing to the Company, or not using in relation to the Company's affairs, information which he obtains or has obtained otherwise than through his position as a director of the Company which relates to a situation, matter or interest and which is confidential to a third party, where to do so would amount to a breach of confidence or breach of duty to the third party.

7.2 Article 7.1 shall apply, where a director has or could have:

7.2.1 a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company and provided that the interest or the existence of the situation or relationship leading to the interest has been authorised pursuant to article 5.1 or article 6 and unless otherwise specified by the terms and conditions of such authorisation; and

7.2.2 a direct or indirect interest in a transaction or arrangement with the Company and such interest has been declared to the other directors to the extent required by the Companies Act 2006.

7.3 Where a director obtains or has obtained information, otherwise than through his position as a director, which is confidential to a third party other than the Company, then provided that the duty of confidentiality does not arise out of a situation in which the director has or

may have a direct or indirect conflict of interest, the director shall not be required to disclose such information to the Company or use it in relation to the Company's affairs. This article is without prejudice to the ability of a director to withhold such information from the Company in accordance with the provisions of article 7.1.

7.4 Articles 7.1 and 7.3 are without prejudice to any equitable principle or rule of law which may otherwise excuse or release the director from any requirement to disclose information or use information in relation to the Company's affairs, participate in discussions or receive documents or information.

7.5 For the purposes of articles 5 to 7 references to a conflict of interest include a conflict of interest and duty and a conflict of duties.

## **8. ALTERNATE DIRECTORS**

8.1 Any director, other than an alternate director, ("**Appointor**") may appoint as an alternate any other director, or any other person who is willing to act, to exercise (in the absence of the Appointor) the Appointor's powers as a director generally, and in particular but without limitation (in the absence of the Appointor) to carry out the Appointor's responsibilities in relation to the taking of decisions by directors

8.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the directors. The notice must identify the proposed alternate and, in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

8.3 An alternate director has the same rights, in relation to any directors' meeting or decision of the directors, as the alternate's Appointor and, without limitation, is entitled to receive notice of all meetings of directors and committees of directors and all meetings of shareholders which their Appointor is entitled to receive and in the absence of their Appointor, to attend, speak and vote at all such meetings at which the Appointor is entitled to attend, speak and vote.

8.4 Except as these articles specify otherwise, alternate directors are deemed for all purposes to be directors, are liable for their own acts and omissions, are subject to the same restrictions as their Appointors, and are not deemed to be agents of or for their Appointors

8.5 Subject to article 8.6, a person who is an alternate director, but not a director:

8.5.1 may be counted as participating in a directors' meeting for the purposes of determining whether a quorum is present and may vote on any proposal made at a directors' meeting (if that person's Appointor is not participating but would have been an eligible director in relation to that proposal had he been participating); and

8.5.2 may take part in decisions of the directors pursuant to article 4.2 (provided that person's Appointor does not take part in making the decision but would have

been an eligible director in relation to that decision had he taken part in making it).

8.6 A person may be appointed as the alternate director of more than one director. Where a person is appointed as the alternate director of more than one director, or is an alternate director and a director himself or herself, that alternate director shall (subject to article 4.4):

8.6.1 be entitled at meetings of the directors to one vote in respect of every director by whom he has been appointed (and who is not himself or herself participating, but who would have been an eligible director in relation to the proposal had he been participating) in addition to his own vote (if any) as a director;

8.6.2 may be counted more than once for the purpose of determining whether or not a quorum is present, and

8.6.3 shall be entitled to take part in decisions of the directors pursuant to article 4.2 on behalf of each director by whom he has been appointed (and who would have been an eligible director in relation to that decision) as well as being able to take part in making the decision for himself or herself (if he is a director).

8.7 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the remuneration of the alternate's Appointor as the Appointor may direct by notice in writing made to the Company.

8.8 An alternate director's appointment as an alternate for a particular Appointor shall terminate:

8.8.1 when that Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

8.8.2 on the death of that Appointor; or

8.8.3 when the directorship of that Appointor terminates,

and an alternate director's appointment as an alternate for an Appointor (and, if the person is an alternate for more than one director, that person's appointment as an alternate for each Appointor) shall terminate on the occurrence in relation to the alternate of any event which, if it occurred in relation to any Appointor of that alternate, would result in the termination of that Appointor's appointment as a director.

## **9. APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS**

9.1 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 three. For the avoidance of doubt, no director may be appointed other than pursuant to articles 9.2 and 9.3.



- 9.2 The holder(s) of a majority of the A Shares may from time to time appoint such number of individuals (who are willing to act and permitted by law to do so) as they may determine from time to time as directors (each an "**A Director**") and remove from office any A Director. Each C Shareholder may for so long as he or she (i) holds any C Shares and (ii) is an employee of any Group Company or any other member of the M&C Saatchi Group, appoint himself or herself as a director (provided he or she is permitted by law to do so) (a "**C Director**") and remove himself or herself from office. If a C Director ceases to be an employee of a Group Company or any other member of the M&C Saatchi Group, he or she shall automatically cease to be a director.
- 9.3 The board shall be entitled to appoint and remove any individual as a director and any person so appointed shall neither be an A Director nor a C Director
- 9.4 Any appointment or removal of a director pursuant to article 9.2 shall be made by notice to the Company signed by the shareholder(s) entitled to appoint or remove that director. Any such appointment or removal shall take effect when the notice is received or at any later time specified for the purpose in the notice. In this article 9, references to the appointment of a director as an A Director, or a C Director shall also include the designation of any existing director as an A Director, or a C Director (as the case may be) and any director so designated in accordance with this article 9.4 shall be deemed to have been appointed under article 9.2.
- 9.5 Subject to the terms of any relevant authorisation imposed on a director pursuant to article 6, any director appointed for the time being under article 9.2 may make such disclosures in relation to the Group Companies to the shareholder(s) appointing him or her as he or she thinks appropriate in his or hers sole discretion.
- 9.6 Notwithstanding any other provision of these articles, on any resolution which is proposed:
- 9.6.1 in general meeting (either on a show of hands or on a poll) to remove a director appointed in accordance with article 9.2 from office, or
- 9.6.2 in general meeting (either on a show of hands or on a poll) or as a written resolution to alter these articles so as to result in the deletion or amendment of article 9.2, or this article 9.6,
- the votes cast by the shareholders (or the duly appointed proxies or corporate representatives of the shareholders) entitled to appoint and remove any director(s) under article 9.2 shall, if voting against that resolution, in aggregate carry such number of votes as is required to defeat that resolution.
- 9.7 A person ceases to be a director as soon as:
- 9.7.1 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;

- 9.7.2 (in case of a director who is a natural person) a bankruptcy order is made against that person or a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 9.7.3 (in the case of a director which is a body corporate) that body corporate (i) passes any resolution for voluntary winding up (within the meaning of section 84(2) Insolvency Act 1986 or otherwise) or is wound up by the court; (ii) is the subject of an administration order or an administrator is appointed in respect of that body corporate; (iii) makes any proposal under Part I Insolvency Act 1986 or otherwise for a composition in satisfaction of its debts or a scheme of arrangement of its affairs or makes any proposal under part 26 Companies Act 2006 or otherwise for a compromise or arrangement between it and its creditors or any class of them, makes any arrangement or compromise with creditors generally or ceases to carry on all or substantially all of its business, (iv) has an administrative receiver, receiver or manager appointed over all or any substantial part of its assets; or is the subject of any occurrence substantially similar in nature or effect, whether in England and Wales or any other jurisdiction;
- 9.7.4 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- 9.7.5 he is removed from office in accordance with article 9.2; or
- 9.7.6 notification is received by the Company from the director that the director is resigning from office as director and such resignation has taken effect in accordance with its terms.

## **10. DIRECTORS' REMUNERATION AND EXPENSES**

- 10.1 Subject to the prior written consent of the shareholder(s) holding a majority of the voting rights attaching to the issued share capital of the Company the directors may:
  - 10.1.1 appoint a person to the office of managing director or any other executive or salaried office; and
  - 10.1.2 enter into an agreement or arrangement with any such person in respect of such appointment or in respect of the provision by a director of services outside the scope of the ordinary duties of that director; and
  - 10.1.3 agree to pay remuneration in such amount and form (both for their services to the Company as directors and for any other service which they undertake for the Company) as the directors determine.
- 10.2 Unless the directors decide otherwise (with the prior written consent of shareholder(s) holding a majority of the voting rights attaching to the issued share capital of the Company) such remuneration shall accrue from day to day and directors shall not be accountable to

the Company for any remuneration which they receive as directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested

- 10.3 The Company may pay any reasonable expenses which the directors (including any alternate director) or the Company Secretary properly incur in connection with their attendance at meetings of directors or committees of directors, general meetings, or separate meetings of the holders of any class of shares or of debentures of the Company, or otherwise in connection with the proper exercise of their powers and the discharge of their responsibility in relation to the Company
- 10.4 The directors may (with the prior written consent of the shareholder(s) holding a majority of the voting rights attaching to the issued share capital of the Company) exercise all the powers of the Company to provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director or former director who holds or has held any executive office or employment with the Company or with any body corporate which is or has been a Group Company or with a predecessor in business of the Company or of any such body corporate, and for any member of his family (including a spouse, former spouse, civil partner or former civil partner) or any person who is or was dependent on him or her/her, and may contribute to any fund and pay premiums for the purchase or provision of any such benefit
- 10.5 For the purposes of this article 10, when calculating whether any shareholder holds a majority of the voting rights attaching to the issued share capital of the Company, the voting rights attaching to any shares held by the Company as treasury shares shall be ignored.

## **11. SHARES: GENERAL**

### **11.1 Power to issue different classes of share**

11.1.1 Subject to these articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

11.1.2 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the relevant shareholder.

### **11.2 Authority to grant options over shares**

The Directors shall not grant options to subscribe for shares in the capital of the Company without the prior written consent of the holder of a majority of the A Shares.

### **11.3 Authority to purchase own shares with cash**

The Company shall have the authority to purchase its own shares with cash pursuant to section 692(1)(b) Companies Act 2006.

#### **11.4 Absolute interests only**

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

#### **11.5 Share certificates**

11.5.1 The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

11.5.2 Every certificate must specify:

11.5.2.1 in respect of how many shares and of what class, it is issued,

11.5.2.2 the nominal value of those shares;

11.5.2.3 the amount paid up on those shares; and

11.5.2.4 any distinguishing numbers assigned to them,

and no certificate may be issued in respect of shares of more than one class. Certificates must have affixed to them the Company's common seal, or be otherwise executed in accordance with the Companies Acts.

11.6 If more than one person holds a share, only one certificate may be issued in respect of it and delivery to one joint shareholder shall be a sufficient delivery to all of them.

11.7 If a certificate issued in respect of a shareholder's shares is damaged or defaced, or said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares. A shareholder exercising the right to be issued with such a replacement certificate may at the same time exercise the right to be issued with a single certificate or separate certificates and (if it is damaged or defaced) must return the certificate which is to be replaced to the Company, and must comply with such conditions as to evidence and indemnity as the directors decide.

#### **12. SHARES: RIGHTS**

12.1 The A Shares and C Shares shall constitute separate classes of shares but except as expressly provided otherwise in these articles, shall rank *pari passu* in all respects. If at any time the Company has only one class of share in issue, these articles shall be read as if they do not include reference to any other class of share, or to any consents from, or attendance at any meeting or votes to be cast by any shareholder of any other class of share or to any directors appointed by that other class.

## 12.2 Income

12.2.1 Unless the A Shareholders unanimously agree to the contrary, dividends may only be declared in respect of a full financial year. Any dividends to be paid in respect of a particular class of shares shall be paid between the holder(s) of that class of share pro-rata to the number of shares of that class held by such shareholder(s). If any interim dividends are paid, they shall be paid on account of the shareholders' entitlements to dividends to be paid in respect of that financial year in accordance with the provisions of article 12.3.2. The directors shall be entitled to estimate the amount which shall be due to Shareholders in respect of that financial year based upon their estimate of what they consider likely to be due.

12.2.2 Unless the A Shareholders unanimously agree to the contrary, any dividends declared in respect of a particular financial year may not exceed the distributable profits of the Company which arose in respect of that financial year, and any dividends declared in respect of a financial year shall be paid as follows:

12.2.3 In respect of the dividends to be paid to a particular C Shareholder on his or her C Shares in accordance with the preceding provisions of this article, if certain targets are not met a proportion of the dividend which would otherwise be payable on those C Shares shall not be payable on them and shall be reallocated to the A Shareholders as follows:

12.2.3.1 if in respect of any particular C Shareholder the PBT in respect of that financial year was less than or equal to the Base Profit Level relating to that C Shareholder as at 31 December of that financial year, that C Shareholder shall have no right to participate in any distribution made and the amount which would, but for the provisions of this article, be payable on the C Shares held by him or her in accordance with article 12.3.2 shall be paid by way of distribution on the A Shares in addition to any other amounts payable on the A Shares;

12.2.3.2 if in respect of any particular C Shareholder the PBT in respect of that financial year is more than the Base Profit Level relating to that C Shareholder as at 31 December of that financial year, an amount equal to X% of the amount which would, but for the provisions of this article, be payable on the C Shares held by him or her in accordance with article 12.3.2 shall be paid by way of distribution on the C Shares held by that C Shareholder, where:

$$"X" = \frac{(A \times 100)}{B}$$

B

$$"A" = (B - C)$$

"B" = the PBT for that financial year

"C" = the Base Level Profit relating to that C Shareholder as at 31 December of that financial year;

and if the foregoing provisions of this article mean that the amount payable on the C Shares held by the relevant C Shareholder is less than their pro rata proportion of the aggregate amount of the distribution made, the balance of the amount which would, but for the provisions of this article, be payable on the C Shares held by the relevant C Shareholder in accordance with article 12.3.2 shall be paid by way of distribution on the A Shares in addition to any other amounts payable on the A Shares;

### **12.3 Return of Capital**

On a return of assets on liquidation or capital reduction or otherwise, the surplus assets of the Company remaining after the payment or discharge of its liabilities (as the case may be) shall be distributed as if such amount represented income to be distributed in accordance with article 12.2 and 12.3 by reference to the Company's most recently audited Annual Accounts.

### **12.4 Share Sale**

On a Share Sale, the Share Sale proceeds shall be distributed as if such amount represented amounts to be distributed in accordance with article 12.2 , and shall be distributed by reference to the Company's most recently audited Annual Accounts.

### **12.5 Voting**

12.5.1 On a show of hands, every A Shareholder, and every C Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by proxy, shall have one vote.

12.5.2 On a poll, every A Shareholder and every C Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall have one vote for every A Share or C Share of which he is the holder.

12.5.3 On a written resolution, every A Shareholder and every C Shareholder as at the time on which the first copy of the resolution is sent or submitted to such shareholder in accordance with Chapter 2 of Part 13 of the Companies Act 2006, shall have one vote for every A Share or C Share held.

### 13. **SHARES: C SHARE PUT OPTION**

- 13.1 Each C Shareholder shall have the right to require the Parent Company, on the exercise of such right, to purchase: all of the C Shares held by such C Shareholder, provided that the Parent Company may not be required to purchase C Shares unless the board of the Parent Company (acting reasonably) has determined that the Company has put in place adequate and suitable Succession Management (the "**C Share Put Option**").
- 13.2 The C Share Put Option shall be exercisable, providing that the PBT Growth rate is greater than nil, and at any time during:
- 13.2.1 the period of one month starting on the date that the C Share Put Option Accounts are published, by notice given to the Parent Company by a C Shareholder; or
  - 13.2.2 in the event that the C Share is not exercised within the period set out in article 13.2.1, or in the event that the C Share Put Option may not be exercised in respect of the C Shares due to the application of the provisions of article 13.1, the period of one month starting on the date that the Parent Company Accounts for any financial year are subsequently published, by notice given to the Parent Company by a C Shareholder (and the provisions of article 13.1 shall apply mutatis mutandis).
- 13.3 The C Share Put Option shall be exercisable only in respect of all (rather than some only) of the C Shares held by such C Shareholder (the relevant C Shareholder's "**Put Option Shares**").
- 13.4 Upon service of a notice by a C Shareholder pursuant to article 13.2, the relevant C Shareholder shall be bound to sell and the Parent Company or its nominee shall be bound to purchase all of the relevant C Shareholder's Put Option Shares.
- 13.5 The Put Option Shares shall be sold by the relevant C Shareholder with full title guarantee, free from all liens, charges and encumbrances and together with all rights attaching to such Put Option Shares.
- 13.6 Completion of the sale and purchase of the Put Option Shares pursuant to a C Share Put Option shall take place as soon as reasonably practicable and in any event by the later of (i) the date that falls one month after the date that notice is given in accordance with article 13.2 and (ii) the date that falls two months after the date on which the relevant Parent Company Accounts were published, whereupon the relevant C Shareholder shall deliver to the Parent Company or its nominee duly executed transfers of the Put Option Shares in favour of the Parent Company or its nominee and the relevant share certificates (or an indemnity for lost share certificates) against payment of the consideration for those Put Option Shares.
- 13.7 The consideration shall be satisfied by the issue or transfer of such number of ordinary shares in the capital of the Parent Company as is determined in accordance with the formula for calculating the consideration set out in article 13.7 (rounded up to the nearest whole share).

- 13.8 The number of ordinary shares in the capital of the Parent Company to be issued or transferred as consideration for all of a particular C Shareholder's Put Option Shares pursuant to a C Share Put Option shall be calculated using the formula set out below:

Number of Parent Company shares = lower of:

- i) Share Value / Parent Company Share Price; and
- ii) total number of Parent Company shares admitted to trading on the Relevant Exchange on the date of issue x 5% (the number of Put Option Shares divided by the total number of C Shares in issue)

where:

"Share Value" =  $(A \times B) - (C \times D) + (C \times E)$ ;

"A" = the cash amount of the Relevant PBT which would have been distributed on the relevant C Shareholder's Put Option Shares in accordance with the provisions of article 12.3 if all the Relevant PBT had been distributed in accordance with article 12.3;

"B" = the relevant Parent Company Multiple times F;

"C" = A / Relevant PBT,

"D" = the amount of the Company's indebtedness, including an amount equal to the aggregate amount owed by the Company to other Parent Group Companies, as at the balance sheet date as stated in the Relevant Annual Accounts;

"E" = the amount of cash held by the Company as at the balance sheet date as stated in the Relevant Annual Accounts plus an amount equal to the aggregate amount owed to the Company by other Parent Group Companies as at the balance sheet date as stated in the Relevant Annual Accounts;

"F" = lower of 1 and ten times PBT Growth Rate

provided that if the amount of consideration is calculated to be an amount equal to zero or a negative amount then one ordinary share of the Parent Company shall be issued or transferred as consideration (or, at the option of the Parent Company £1.00 shall be paid in cash as consideration) for all of the relevant C Shareholder's C Shares.

#### 14. **SHARES: CALL OPTION**

- 14.1 The Parent Company shall have the right to require a C Shareholder, on the exercise of such right, to sell all the C Shares held by that C Shareholder for the Call Option Consideration (the "**Call Option**").

- 14.2 The Parent Company shall be entitled to exercise the Call Option at any time on or after 1 January 2030 in respect of all (rather than some) of the C Shares held by a C



Shareholder, provided that the Parent Company shall exercise the Call Option by service on the Company and the relevant C Shareholder of a written notice, which notice shall be deemed to be in respect of all of the C Shares then registered in the name of the relevant C Shareholder ("**Call Option Shares**"). Such notice shall be irrevocable

- 14.3 Upon service of a notice by the Parent Company on a C Shareholder pursuant to article 14.2, the relevant C Shareholder shall be bound to sell and the Parent Company or its nominee shall be bound to purchase the Call Option Shares in accordance with this article 14.
- 14.4 The Call Option Shares shall be sold by the relevant C Shareholder with full title guarantee, free from all liens, charges and encumbrances and together with all rights attaching to such Call Option Shares.
- 14.5 Completion of the sale and purchase of the Call Option Shares pursuant to the Call Option shall take place as soon as the Parent Company shall determine and in any event no later than one month after the date that the Parent Company's notice is delivered pursuant to article 14.2, whereupon the relevant C Shareholder shall deliver to the Parent Company or its nominee duly executed transfers of the relevant Call Option Shares in favour of the Parent Company or its nominee and the relevant share certificates (or an indemnity for lost share certificates) against payment of the Call Option Consideration for the Call Option Shares.
- 14.6 If any C Shareholder does not cause the Parent Company to receive any of the documents referred to in article 14.5 or the Parent Company determines that completion needs to occur sooner to facilitate the relevant transaction, then any director shall as agent of the C Shareholder be entitled to:
- 14.6.1 execute the documents in question on that C Shareholder's behalf; and
- 14.6.2 against receipt by the Company on trust for that C Shareholder of the consideration payable for the relevant Call Option Shares, deliver those documents to the Parent Company.
- 14.7 Following receipt by the Company of the consideration payable for those Call Option Shares, the Company shall (subject to the payment of any stamp duty) cause the Parent Company to be registered as the holder of those Call Option Shares and, after such registration, the validity of such proceedings shall not be questioned by any person.
- 14.8 The Call Option Consideration shall be satisfied by the issue or transfer of such number of ordinary shares in the capital of the Parent Company as is determined in accordance with the formula for calculating the Call Option Consideration set out in article 14.9 (rounded up to the nearest whole share).
- 14.9 The number of ordinary shares in the capital of the Parent Company to be issued or transferred as consideration for all of the Call Option Shares pursuant to the Call Option ("**Call Option Consideration**") shall be calculated using the formula set out below:

Number of Parent Company shares = lower of:

- i) Share Value / Parent Company Share Price; and
- ii) total number of Parent Company shares admitted to trading on the Relevant Exchange on the date of issue x 5% (the number of Call Option Shares divided by the total number of C Shares in issue)

where:

"Share Value" = (A x B) - (C x D) + (C x E);

"A" = the cash amount of the Relevant PBT which would have been distributed on the Call Option Shares in accordance with the provisions of article 12.3 if all the Relevant PBT had been distributed in accordance with article 12.3;

"B" = the relevant Parent Company Multiple multiplied by 60%;

"C" = A/Relevant PBT,

"D" = the amount of the Company's indebtedness, including an amount equal to the aggregate amount owed by the Company to other Parent Group Companies, as at the balance sheet date as stated in the Relevant Annual Accounts;

"E" = the amount of cash held by the Company as at the balance sheet date as stated in the Relevant Annual Accounts plus an amount equal to the aggregate amount owed to the Company by other Parent Group Companies as at the balance sheet date as stated in the Relevant Annual Accounts

provided that if the Call Option Consideration is calculated to be an amount equal to zero or a negative amount then one ordinary share of the Parent Company or (if relevant) of the New Owner shall be issued or transferred as consideration (or, at the option of the Parent Company £1.00 shall be paid in cash as consideration) for all of the Call Option Shares.

#### **15. SHARES: PRE-EMPTION**

The provisions of sections 561 and 562 Companies Act 2006 are excluded and shall not apply to the Company.

#### **16. SHARES: TRANSFER**

16.1 No shareholder may transfer any share except pursuant to an Option, article 17 (Permitted Transfers) and article 18 (Compulsory Transfers), and any purported transfer in breach of this article 16 shall be void.

16.2 References in article 16.1 to a transfer of any share include a transfer or grant of any interest in any share or of any right attaching to any share, whether by way of sale, gift, holding on trust, declaration of trust, charge, mortgage or pledge, or in any other way, and

whether at law or in equity, and also include an agreement to make any such transfer or grant or to exercise the voting rights attaching to a share at the direction of any third party and any renunciation or other direction by a shareholder entitled to an allotment, issue or transfer of shares, that such shares be allotted, issued or transferred to any other person.

- 16.3 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor and in the case of partly paid shares also executed by or on behalf of the transferee. No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share and the Company may retain any instrument of transfer which is registered.
- 16.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as shareholder in respect of it
- 16.5 The directors shall refuse to register a transfer of shares prohibited by or not effected in accordance with these articles, and a transfer of shares to a minor, a Bankrupt or a Patient. The directors shall have discretion to refuse to register a transfer of shares that are not fully paid.
- 16.6 Unless under these articles the directors have an express discretion or are obliged to refuse to register the transfer of any share, the directors shall register any transfer permitted by or effected in accordance with these articles as soon as practicable and in any event within two months after the date on which the following are lodged at the office or such other place as the directors may appoint:
- 16.6.1 the duly stamped (or exempt) transfer; and
- 16.6.2 the certificate(s) for the shares to which the transfer relates or an indemnity in lieu of the certificate(s) in a form reasonably satisfactory to the directors.
- 16.7 If the directors refuse to register a transfer of a share, they shall comply with the requirements of the Companies Act 2006 to give the transferee notice of such refusal together with reasons as soon as practicable and in any event within two months after the date on which the transfer was lodged in accordance with article 16.6.
- 16.8 Notwithstanding anything contained in these articles to the contrary, the directors will register any transfer of shares and may not suspend the registration of the transfer of any shares if such transfer:
- 16.8.1 is for the fulfilment of a charge on those shares that was approved by the holders of a majority of the A Shares when the charge was put in place;
- 16.8.2 is to a bank or other financial institution (a "**Financial Institution**") to which such shares have been charged by way of security, whether as security trustee and/or agent trustee for more than one Financial Institution or otherwise or to any nominee or any transferee of such Financial Institution;

16.8.3 is delivered to the Company for registration by a Financial Institution or its nominee in order to perfect its security over such shares; or

16.8.4 is executed by a Financial Institution or its nominee pursuant to a power of sale or other power under such security.

## 17. **SHARES: PERMITTED TRANSFERS**

17.1 A transfer of any share, other than one which in accordance with these articles is declared to be subject to the restrictions set out in section 454 Companies Act 1985, may, unless otherwise provided in these articles, be made at any time and at any price in each of the following cases:

17.1.1 with the prior consent of the holders of a majority of the A Shares, subject to the fulfilment of any conditions on the basis of which any such consent is given;

17.1.2 a transfer of the entire legal and beneficial interest in any share by a shareholder (being a company) to a Connected Person.

17.2 Subject to the following provisions of these articles and the provisions of any shareholders' agreement in force from time to time, an A or C Shareholder may transfer his Shares without restriction to the following transferees ("**Permitted Transferees**") in relation to the following transfers:

17.2.1 in the case of a Shareholder being a holding company, a transfer of Shares to its wholly-owned subsidiary (being a UK limited company) or by a Shareholder being a subsidiary to its holding company or any other subsidiary or holding company of that company, provided that if any such holding company or subsidiary shall at any time while a Shareholder cease to be such holding a company or such a subsidiary it shall forthwith transfer any Shareholding in the Company transferred to it under this article 17.2.2 to the Shareholder who transferred such shareholding to it and until such time as the relevant Shares are transferred as aforesaid:

17.2.1.1 any transfer (other than as required by this article) of the relevant Shares shall be void;

17.2.1.2 the relevant Shares shall carry no rights to vote at general meetings of the Company;

17.2.1.3 no further Shares shall be issued as of right to the Shareholder concerned, or in pursuance of any offer made to the holder of them, in respect of such Shares; and

17.2.1.4 except in a liquidation of the Company, no payment shall be made of any sums due from the Company on the relevant Shares whether in respect of capital or otherwise;

- 17.2.2 a transfer of C Shares by a C Shareholder to another C Shareholder provided that the A Shareholders have given written consent to the C Shareholder to such a transfer;
  - 17.2.3 a transfer of C Shares by a C Shareholder to an employee provided that the A Shareholders have given written consent to the C Shareholder to such a transfer; or
  - 17.2.4 a transfer of A Shares or C Shares made pursuant to the terms of any shareholders' or other agreement in force from time to time.
- 17.3 Any such transfer as is referred to in article 17.2 shall be subject to the decision of the Directors, as to whether any transfer of Shares is, or the holder of Shares remains, bona fide within the provisions of that article and any such decision shall be final and binding.
- 17.4 If any Shares have, pursuant to the provisions of article 17.2 come to be held by trustees of a settlement or trust, and in the reasonable opinion of the Directors the absolute beneficial entitlement to or control of any such Shares so held has passed or is about to pass to persons other than the trustees of such settlement or trust or Permitted Transferees, the Directors may by notice in writing to the registered or last known address of the holder of the Shares concerned direct that until further notice from the Directors:
- 17.4.1 any transfer of the relevant Shares shall be void;
  - 17.4.2 no voting rights shall be exercisable in respect of the relevant Shares;
  - 17.4.3 no further Shares shall be issued as of right to the Shareholder concerned or in pursuance of any offer made to the holder of them; and
  - 17.4.4 except in a liquidation of the Company, no payment shall be made of any sums due from the Company on the relevant Shares whether in respect of capital or otherwise.

## 18. **SHARES: COMPULSORY TRANSFERS**

- 18.1 For the purposes of these articles, a Compulsory Transfer Event shall occur in relation to a C Shareholder:
- 18.1.1 if that person, being a company:
    - 18.1.1.1 passes any resolution for voluntary winding up (within the meaning of section 84(2) Insolvency Act 1986 or otherwise) or is wound up by the court;
    - 18.1.1.2 is the subject of an administration order or an administrator is appointed in respect of that company;
    - 18.1.1.3 makes any proposal under Part I Insolvency Act 1986 or otherwise for a composition in satisfaction of its debts or a scheme of

- arrangement of its affairs or makes any proposal under part 26 Companies Act 2006 or otherwise for a compromise or arrangement between it and its creditors or any class of them, makes any arrangement or compromise with its creditors generally or ceases to carry on all or substantially all of its business;
- 18.1.1.4 has an administrative receiver, receiver or manager appointed over all or any substantial part of its assets;
  - 18.1.1.5 is the subject of any occurrence substantially similar in nature or effect to those in articles 18.1.1.1 to 18.1.1.4 whether in England and Wales or any other jurisdiction; or
  - 18.1.1.6 is a party to, or its ultimate holding company is a party to, any form of statutory merger in any jurisdiction irrespective of whether or not that person or its ultimate holding company (as appropriate) is the surviving entity following such merger, or
- 18.1.2 if that person, being an individual:
- 18.1.2.1 becomes a Bankrupt;
  - 18.1.2.2 becomes a Patient;
  - 18.1.2.3 is the subject of any occurrence substantially similar in nature or effect to those in articles 18.1.2.1 and 18.1.2.2 whether in England and Wales or any other jurisdiction;
  - 18.1.2.4 dies (unless that shareholder is a joint holder); or
  - 18.1.2.5 becomes a Leaver and where this article 18.1.2.5 applies it shall do so to the exclusion of the other provisions of this article 18.1
- 18.2 If a Compulsory Transfer Event occurs in relation to a shareholder then the shareholder in question, or any Transmitttee of that shareholder, or any person appointed by the court or otherwise becoming able to act on behalf of that shareholder or person in relation to shares in the Company ("**Compulsory Seller**") shall promptly notify the directors that the Compulsory Transfer Event has occurred.
- 18.3 Any director may, on behalf of a Compulsory Seller, give a Compulsory Transfer Notice to all of the shareholders at any time following the date on which that director receives the notice given by the Compulsory Seller under article 18.2 or (if no such notice is received during the period of 14 days starting on the date of the relevant Compulsory Transfer Event) starting on the date when that director becomes aware of that Compulsory Transfer Event. The Compulsory Transfer Notice shall:
- 18.3.1 identify the Compulsory Seller and the number and class of the Compulsory Transfer Shares;

- 18.3.2 constitute an irrevocable and unconditional offer to sell the Compulsory Transfer Shares on the terms set out in this article 18 and specify the persons to whom the Compulsory Transfer Shares are to be offered pursuant to article 18.5;
  - 18.3.3 state that the price of the Compulsory Transfer Shares shall be their fair value as determined under article 20;
  - 18.3.4 set out a summary of the procedure to be adopted for the sale and purchase of the Compulsory Transfer Shares pursuant to this article 18 including the procedure to be adopted following the receipt of the Accountant's determination of the fair value of the Compulsory Transfer Shares pursuant to article 20 and the way in which the Compulsory Transfer Shares will be allocated pursuant to articles 18.8 and 18.9;
  - 18.3.5 and may contain any further information deemed by the director giving the Compulsory Transfer Notice to be necessary or expedient in the circumstances.
- 18.4 Within the period of 28 days starting on the date of the Compulsory Transfer Notice, the Company shall appoint a firm of accountants in accordance with article 19 to determine in accordance with article 20 the fair value of the Compulsory Transfer Shares.
- 18.5 The offer contained in the Compulsory Transfer Notice shall be made:
- 18.5.1 to the Parent Company, who shall have the right to accept any or all of the Compulsory Transfer Shares offered to it (if it is lawfully able to do so) or appoint a nominee to accept, in each case by notice to the Company,
  - 18.5.2 if or to the extent any offer made to the Parent Company under article 18.5.1 is not lawfully accepted by the Parent Company or its nominee, to any A Shareholder selected by the Board, who shall have the right to accept any or all of the Compulsory Transfer Shares offered to it (if it is lawfully able to do so) or appoint a nominee to accept, in each case by notice to the Company; and
  - 18.5.3 if or to the extent that any offer made to any A Shareholder under article 18.5.2 is not lawfully accepted by that A Shareholder or its nominee, to the Company, which shall have the right to indicate its intention (subject to any specified conditions) to accept any or all of the Compulsory Transfer Shares offered to it (if it is lawfully able to do so) by notice given by it to all shareholders containing the information required by article 18.7.
- 18.6 The notices required to be given by and to the Company under articles 18.5.1 to 18.5.3 must be given within 14 days of the notification of the value of the Compulsory Transfer Shares in accordance with article 20. A person shall be deemed to have declined an offer made to it under the preceding provisions of this article 18.5 to the extent that acceptance of the offer is not received (or, in the case of the Company, a notice indicating an intention to accept, is not received) in accordance with this article within the relevant period of time. An accepting person's notice shall specify the number of Compulsory Transfer Shares applied for.

18.7 A notice given by the Company under article 18.5.3 indicating an intention to accept the offer shall specify:

18.7.1 the number of shares which the Company intends to acquire;

18.7.2 the procedure (determined in accordance with article 18.10) to be adopted by the Company to enable it to purchase the shares;

18.7.3 the timetable within which it is intended the acquisition of the Buy-back Shares will be completed; and

18.7.4 a long-stop date, being not more than 45 days after the date of the notice of intention to accept the offer given by the Company under article 18.5.3.

In the event that either (a) a lawful and legally binding unconditional contract between the Company and the Compulsory Seller ("**Buy-back Agreement**") to acquire any or all of the shares specified (pursuant to article 18.7.1) in the notice given by the Company under article 18.5.3 ("**Buy-back Shares**") has not been entered into by the long-stop date specified in accordance with article 18.7.4 or (b) prior to the long-stop date specified in article 18.7.4 the Company decides that it no longer wishes to acquire any shares, then the notice given by the Company pursuant to article 18.5.3 shall automatically be revoked, the Company shall give notice of such revocation to all the shareholders without delay.

18.8 Each notice received by the Company under articles 18.5.1 or 18.5.2 shall, subject to the terms of this article 18 be irrevocable, and shall give rise to a legally binding and unconditional agreement between the person giving it and the Compulsory Seller. A notice given by the Company under article 18.5.3 shall not give rise to a legally binding agreement between the Company and the Compulsory Seller but shall indicate the Company's conditional intention to accept the offer made to it under article 18.5.3. Under any agreement arising pursuant to this article 18.8 as a result of a notice received by the Company under articles 18.5.1 or 18.5.2, or under any Buy-back Agreement, the person accepting the offer or the Company (as appropriate) shall be bound to buy, and the Compulsory Seller shall be bound to sell the number of Compulsory Transfer Shares applied for or the subject of the Buy-back Agreement, except where the aggregate of: (a) the number of Compulsory Transfer Shares applied for by all persons under articles 18.5.1 and 18.5.2; and (b) the number of Compulsory Transfer Shares the subject of any Buy-back Agreement, exceeds the total number of Compulsory Transfer Shares. In those circumstances, the Compulsory Transfer Shares shall be allocated in accordance with article 18.9.

18.9 If the aggregate of: (a) the number of shares applied for under articles 18.5.1 and 18.5.2; and (b) the number of shares the subject of any Buy-back Agreement, exceeds the number of Compulsory Transfer Shares then the Compulsory Transfer Shares shall be allocated as follows:

18.9.1 to satisfy, to the extent possible, the number of Compulsory Transfer Shares applied for by the Parent Company or its nominee pursuant to an offer made



under article 18.5.1. The Parent Company or its nominee shall not be allocated more Compulsory Transfer Shares than it has applied for. Fractional entitlements to shares shall be ignored. Fractions of shares which would otherwise be allocated to the Parent Company or its nominee under this article 18.9.1 shall be consolidated and allocated to the Parent Company or its nominee;

18.9.2 to the extent that there remain any Compulsory Transfer Shares unallocated following offers made under article 18.5.1, to satisfy, to the extent possible the number of Compulsory Transfer Shares applied for by any A Shareholder or its nominee pursuant to an offer made under article 18.5.2. Such A Shareholder or its nominee shall not be allocated more Compulsory Transfer Shares than it has applied for. Fractional entitlements to shares shall be ignored. Fractions of shares which would otherwise be allocated to an A Shareholder or its nominee under this article 18.9.2 shall be consolidated and allocated to such A Shareholder or its nominee; and

18.9.3 to the extent that there remain any Compulsory Transfer Shares unallocated following offers made under articles 18.5.1 and 18.5.2, to satisfy, to the extent possible, the number of Compulsory Transfer Shares the subject of any Buy-back Agreement following an offer made under article 18.5.3,

and in each case the Compulsory Transfer Shares shall be sold on, and subject to, the provisions of articles 18.11, 18.12, 18.13 and 18.14.

18.10 If the Company gives notice under article 18.5.3 that it intends to buy any Compulsory Transfer Shares, the directors (other than the Compulsory Seller or (if different) any director who is the person to whom the Compulsory Transfer Event in question has occurred or any director appointed by the Compulsory Seller or any such person) shall in accordance with the provisions of this article 18 determine a timetable and procedure for such purchase and the shareholders shall comply with any requirements of the directors (as to voting of their shares or otherwise) to give effect to that purchase. In the event that any shareholder refuses so to comply, then any director shall be entitled to do anything on behalf of such shareholder (including without limitation appointing any person as that shareholder's proxy at any general meeting of the Company or signifying that shareholder's agreement to and authenticating on behalf of that shareholder any written resolution of the Company) in order to give effect to this article 18.10.

18.11 The Compulsory Transfer Shares shall be sold free from all charges, liens and encumbrances and otherwise with full title guarantee, at the fair value as determined under article 20, and together with all rights attaching to such shares on or after the date of the Compulsory Transfer Notice, including the right to receive dividends and the right to be sold or allotted any other shares by virtue of the holding of any of the Compulsory Transfer Shares

18.12 The Company shall specify by notice given to the persons acquiring Compulsory Transfer Shares pursuant to this article 18 and the Compulsory Seller, a time and place for completion of the sale and purchase of the Compulsory Transfer Shares. Where the

Company does not give a notice under article 18.5.3 indicating its intention to purchase Compulsory Transfer Shares, completion shall take place not less than three and not more than 14 days after the date on which the final notice is received by the Company under article 18.5.1. If the Company gives notice under article 18.5.3 indicating its intention to purchase Compulsory Transfer Shares, then:

- 18.12.1 where some or all of the Compulsory Transfer Shares are being acquired by the Company under a Buy-back Agreement, completion of the sale and purchase of the Buy-back Shares and any Compulsory Transfer Shares to be sold pursuant to acceptances received under articles 18.5.1 and/or 18.5.2, shall take place at the same time, where appropriate in accordance with the provisions of the Buy-back Agreement, but in any event on a date not later than seven days after the long-stop date specified in the directors' notice pursuant to article 18.7.4, or
- 18.12.2 where any notice given by the Company under article 18.5.3 is automatically revoked in accordance with article 18.7, completion of the sale and purchase of all of the Compulsory Transfer Shares to be sold pursuant to acceptances received under articles 18.5.1 and/or 18.5.2, shall take place on the date falling not less than three and not more than 14 days after the date of the Company's notice under article 18.7 informing shareholders of such revocation,

when:

- (a) each person acquiring Compulsory Transfer Shares shall pay the Compulsory Seller in cash the purchase price for the shares bought by that person less any sum which the Compulsory Seller owes in respect of such shares if they are partly paid up, and which withheld amount shall be applied in satisfying (to the extent possible) the Compulsory Seller's payment obligation in respect of the outstanding amount; and
  - (b) the Compulsory Seller shall deliver to each person acquiring Compulsory Transfer Shares, a transfer in respect of the shares bought by it, duly executed in its favour by the Compulsory Seller, together with the certificate(s) for the shares being sold or an indemnity in lieu of the certificate(s) in a form satisfactory to the directors.
- 18.13 If the Compulsory Seller does not, (where relevant) execute and deliver the Buy-back Agreement in accordance with any procedure or timetable determined by the directors under article 18.10 and/or, execute and deliver the transfers in accordance with article 18.12 and/or deliver the certificate(s) for the Compulsory Transfer Shares (or an indemnity in lieu of those certificate(s) in accordance with article 18.12), then any director shall be entitled to execute, or to authorise and instruct such person as he thinks fit to execute, (where relevant) the Buy-back Agreement and/or the necessary transfer(s) on behalf of the Compulsory Seller and, against receipt by the Company on trust for the Compulsory Seller of the consideration payable for the Compulsory Transfer Shares, deliver (where relevant) the Buy-back Agreement, those transfer(s) and certificate(s) (or indemnities) to the Company and the relevant purchaser (as appropriate). Following receipt by the Company of the consideration payable for the Compulsory Transfer Shares, the Company shall

(subject to the payment of any stamp duty) cause the relevant purchaser(s) (other than the Company itself where the sale of shares is pursuant to a Buy-back Agreement) to be registered as the holder of those shares and, after such registration, the validity of such proceedings shall not be questioned by any person. Sections 982(2), (3), (4), (5), (7) and (9) Companies Act 2006 shall apply mutatis mutandis in relation to any consideration held on trust in accordance with this article 18.13.

- 18.14 Subject to the provisions of article 18.15 the Compulsory Transfer Shares shall be subject to the restrictions set out in section 454 Companies Act 1985, until sold under this article 18 or otherwise agreed by the directors.
- 18.15 In the event that a sale process pursuant to article 13, 14 or 17 is underway and a Compulsory Transfer Event occurs in relation to any shareholder then (without prejudice to the obligations of the Compulsory Seller to give notice of that Compulsory Transfer Event to the directors pursuant to article 18.2) this article 18 shall not apply and the sale process underway pursuant to article 13, 14 or 17 (as appropriate) shall continue in accordance with the provisions of that article. If following the conclusion of such sale process (including without limitation the completion of the sale and purchase of the last of the shares to be bought and sold pursuant to such article or the lapse of such process in accordance with the terms of article 13, 14 or 17 or otherwise the termination of such process with the consent of the shareholders of the Company) the relevant Compulsory Seller still holds or is entitled to shares by reason of a transmission, then the provisions of this article 18 shall then apply in relation to those shares save that the time period within which any director shall be entitled to serve a Compulsory Transfer Notice on behalf of such Compulsory Seller pursuant to article 18 3 shall be the later of. (a) the time period set out in article 18.3; and (b) 30 days following the date on which the sale process pursuant to article 13, 14 or 17 as appropriate has concluded.

## **19. ACCOUNTANTS**

- 19.1 Where these articles provide for a valuation to be determined (or any other calculations to be made such as, for example, in relation to any Relevant Annual Accounts) by a firm of accountants who are to be appointed by the Company under these articles within a specified period of time:
- 19.1.1 the Company shall appoint a firm of chartered accountants (which may be the Company's auditors if they are able and willing to act) and determine their terms of engagement within the specified period of time; or
- 19.1.2 if no such firm is appointed (and their terms of engagement agreed) within the period of time specified (or if no period of time is specified, within one month of the date on which the requirement for such an appointment arose), a firm of chartered accountants shall be nominated on the application of any director or shareholder by the President for the time being of the Institute of Chartered Accountants in England and Wales and the Company shall appoint such firm. In the event that the Company fails to agree and sign terms of engagement with any firm so nominated within five Business Days after the date on which such

nomination is made, or terms are received by the Company (if later) any director or shareholder shall be entitled to enter into such terms of engagement on behalf of the Company and the appointment of that firm on such terms shall be binding on the Company and all the shareholders and shall not be challenged by the Company or any shareholder

- 19.2 The Company shall use all reasonable efforts to ensure that the valuation is determined (or any other calculations are made such as, for example, in relation to any Relevant Annual Accounts) by the Accountants as quickly as possible. The Accountants shall act as experts and not as arbitrators, shall not be obliged to give reasons for their valuations (or calculations) and their certificate shall, save in the case of manifest error or fraud, be final and binding on the Company and all shareholders, including (for the avoidance of doubt but without limitation) in the circumstances where pursuant to article 19.1 any director or shareholder has signed that firm's terms of engagement on behalf of the Company. The first £20,000 of the Accountants' costs for any determination (or calculations) shall be borne by the Company and thereafter the costs for such determination shall be borne equally by the parties who require the valuation (or calculations). The Company shall ensure that a notice containing details of any determination under this article 19 is promptly given to each shareholder

## **20. FAIR VALUE DETERMINATION**

- 20.1 Subject to article 20.2, where the fair value of any C Share is to be determined under this article, it shall be an amount equal to the higher of amount paid up on the shares and Call Option Consideration divided by the number of issued C Shares as applicable.

- 20.2 For the purposes of these articles:

20.2.1 the fair value of each C Share held by an individual who becomes a Leaver (or by any person becoming entitled to that Leaver's shares on a transmission of those shares) in any circumstances other than those set out in article 20.2.2 shall be the amount paid up on that C Share including in respect of partly paid shares, the amount which remains due,

20.2.2 the fair value of each C Share held by an individual who becomes a Leaver (or by any person becoming entitled to that Leaver's shares on a transmission of those shares) in any of the following circumstances:

20.2.2.1 death; or

20.2.2.2 illness or disability giving rise to permanent incapacity to continue in employment; or

20.2.2.3 dismissal or constructive dismissal by the Company or any member of the Parent Company Group other than on grounds justifying summary dismissal, or

- 20.2.2.4 in any circumstances (other than dismissal on grounds justifying summary dismissal) where the board of the Company (acting reasonably) has determined that the Company has put in place adequate and suitable succession management for any period after that Leaver has ceased to be employed by the Company or any of its Connected Persons and which shall be evidenced by: (a) the employment of a potential replacement officer in respect of the position held by that Leaver, (b) the handover by that Leaver to the Company's employees (other than any other Leaver) of the day to day responsibilities and relationships in respect of 75% in terms of value of the Company's clients at the relevant time for which that Leaver has primary responsibility, and (c) the budgeted revenue for the Company for the financial year in which the Leaver becomes a Leaver is not less than 90% of the Company's revenue for the preceding financial year as shown in the Company's audited Annual Accounts for that financial year; or
- 20.2.2.5 any other circumstance agreed by the directors to be exceptional for the purposes of this article 20.2.2,

<sup>2</sup>shall be the fair value determined in accordance with article 20.1.

## 21. DRAG ALONG

- 21.1 If, following an Enforcement Event, a bona fide offer is made by any third party (the "**Offeror**") for shares and such offer is conditional upon all of the issued shares being sold or, if the price to be paid for the shares will be increased if all of the shares are sold and acceptances are given by holders of shares (the "**accepting shareholders**") which in aggregate confer 50 per cent or more of the voting rights exercisable at general meetings of the Company the accepting shareholders may require by written notice all of the holders of C Shares (the "**non-accepting shareholders**") to accept the offer, in each case on terms that each non-accepting shareholder shall be entitled to receive for his holding of C Shares a consideration of £1.00 (one pound).
- 21.2 Within 5 Business Days of receiving the notice from the accepting shareholders referred to in this article, the non-accepting shareholders must agree to sell all of their C Shares (the "**Drag Along Shares**") to the Offeror. If any non-accepting shareholder refuses to transfer such Drag Along Shares within the five Business Day period then, with effect from the date of termination of the five Business Day period, each accepting shareholder shall be entitled to act as such non-accepting shareholder's agent to transfer the Drag Along Shares held by such non-accepting shareholder on his or its behalf to the Offeror on the terms of the

offer. Such agent shall be entitled to execute any necessary documentation on behalf of the non-accepting shareholder for the purposes of such transfer

21.3 For the purposes of this article 21, "**Enforcement Event**" shall mean the enforcement of any security by a chargee or mortgagee over shares which in aggregate confer 50 per cent or more of the voting rights exercisable at the general meeting of the Company.

21.4 Article 12.5 shall not apply in respect of any transfer effected pursuant to this article 21 and following a transfer pursuant to this article 21, articles shall cease to apply.

## 22 **SHARES: TAG RIGHTS**

22.1 If:

22.1.1 the A Shareholder(s) wish to transfer the beneficial (or the legal and beneficial) interest in all of the A Shares to any person not being a member of the Parent Company Group; and

22.1.2 that transfer would result in the transferee ("**Proposed Transferee**") and any person with whom he is acting in concert together holding a beneficial interest in shares then representing greater than 50% of the voting rights attaching to the then issued share capital of the Company,

then the A Shareholder(s) shall notify the Company of the intended transfer. That notice ("**Prospective Seller's Notice**") shall set out:

- (a) the fact that the A Shareholder(s) intend to transfer all the A Shares held by them;
- (b) the identity of the Proposed Transferee;
- (c) details of any conditions to which the transfer is subject;
- (d) the date on which the transfer is proposed to be made; and
- (e) the amount which would be payable to each C Shareholder for his or her C Shares, in accordance with the provisions of article 12.5 if all the C Shareholders were to sell their C Shares to the Proposed Transferee..

22.2 The Prospective Seller's Notice shall be accompanied by an irrevocable offer by the Proposed Transferee, complying with the requirements set out below in this article 22 ("**Tag-along Offer**") to buy all of the C Shares held by the C Shareholder.

22.3 The Tag-along Offer shall be expressed to be capable of acceptance by notice given to the Company, shall remain open for acceptance for not less than 14 days after the date of the Prospective Seller's Notice and shall provide for the sale and purchase of any Shares to

which it relates to be completed (and for the purchase price to be paid in full) at the same time as completion of the purchase of the A Shares held on the date of the Prospective Seller's Notice by the A Shareholder(s), which may not be earlier than the first working day falling not less than two working days after the end of the period during which the Tag-along Offer is open for acceptance.

- 22.4 The Tag-along Offer may not require any Shareholder to give any warranties, representations, indemnities or covenants (including, without limitation, restrictive covenants) in respect of the shares to be transferred by the that Shareholder other than a covenant as to title and the aggregate liability of each Shareholder under any warranties, representations, indemnities or covenants (including, without limitation, restrictive covenants) it may give shall be limited to the consideration payable by the Proposed Transferee to that Shareholder for such shares.
- 22.5 The Company shall (within three working days of receipt) send a copy of the Prospective Seller's Notice and a copy of the Tag-along Offer to each C Shareholder, and each C Shareholder may, within the period during which the Tag-along Offer remains open for acceptance, notify the Company that it wishes to accept that offer. If any notice accepting the offer is so given to the Company by any C Shareholder, at the time set in the Tag-along Offer for the completion of the sale and purchase of the shares, the C Shareholder(s) in question shall each deliver to the Company a duly executed transfer in respect of the relevant C Shares together with the certificate in respect of those shares (or an indemnity in lieu of any such certificate in such form as the Company may reasonably require) and the Prospective Transferee shall deliver to the Company the purchase monies due in respect of those C Shares (which the Company shall hold on trust for the relevant C Shareholder(s))
- 22.6 If the Proposed Transferee does not, at the time set in the Tag-along Offer for completion of the sale and purchase of the shares, pay the consideration for the relevant number C Shares in respect of which notice has been received from a C Shareholder under article 22.5, other than by reason of any failure by that C Shareholder to discharge its obligations in relation to the completion of the sale and purchase of the relevant C Shares, no A Shareholder may sell any of the A Shares registered in its name to the Proposed Transferee. The directors shall refuse to register any transfer prohibited by this article 22.6.

## **23. DIVIDENDS AND OTHER DISTRIBUTIONS**

### **23.1 Procedure for declaring dividends**

- 23.1.1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 23.1.2 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights. Unless the shareholders' resolution to declare or the directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it. Any shares held by

the Company as treasury shares shall be ignored for the purposes of calculating each shareholder's entitlement to any dividend or distribution

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

## 23.2 Payment of dividends and other distributions

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

23.2.1.1 transfer to a bank or building society account specified by the Distribution Recipient either in writing or as the directors may otherwise decide;

23.2.1.2 sending a cheque made payable to the Distribution Recipient by post (in accordance with article 32.4) to the Distribution Recipient at the Distribution Recipient's registered address (if the Distribution Recipient is the shareholder of the share), or (in any other case) to an address specified by the Distribution Recipient in writing or (where no such address has been specified) as the directors may otherwise decide,

23.2.1.3 sending a cheque made payable to such person by post (in accordance with article 32.4) to such person at such address as the Distribution Recipient has specified in writing or (where no such address has been specified) as the directors may otherwise decide, or

23.2.1.4 any other means of payment as the directors agree with the Distribution Recipient in writing.

- 23.2.2 In this article 23, "**Distribution Recipient**" means, in respect of a share in respect of which a dividend or other sum is payable:

23.2.2.1 the shareholder of the share (ignoring for these purposes the Company as holder of any treasury share); or

23.2.2.2 if the share has two or more joint shareholders, whichever of them is named first in the register of members; or

23.2.2.3 if the shareholder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the Transmittee.



### **23.3 No interest on distributions**

The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by the terms on which the share was issued, or the provisions of another agreement between the shareholder of that share and the Company.

### **23.4 Unclaimed distributions**

23.4.1 All dividends or other sums which are payable in respect of shares and which are unclaimed after having been declared or becoming payable, may be invested or otherwise made use of by the directors for the benefit of the Company until claimed. The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.

23.4.2 If twelve years have passed from the date on which a dividend or other sum became due for payment and the Distribution Recipient has not claimed it, the Distribution Recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

### **23.5 Non-cash distributions**

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

23.5.2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including (where any difficulty arises regarding the distribution) fixing the value of any assets, paying cash to any Distribution Recipient on the basis of that value in order to adjust the rights of Distribution Recipients, and vesting any assets in trustees.

### **23.6 Waiver of distributions**

Distribution Recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect prior to the declaration of a dividend by a general meeting, or the payment of an interim dividend decided on by the directors, but if the share has more than one shareholder, or more than one person is entitled to the share whether by reason of the death or bankruptcy of one or more joint shareholders or otherwise, the notice is not effective unless it is expressed to be given, and signed, by all the shareholders or persons otherwise entitled to the share.

## **24. CAPITALISATION OF PROFITS**

24.1 Subject to these articles, the directors may, if they are so authorised by an ordinary resolution:

- 24.1 1 decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve, and
- 24.1.2 appropriate any sum which they so decide to capitalise ("**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend ("**persons entitled**") and in the same proportions.
- 24.2 Capitalised sums must be applied on behalf of the persons entitled, and in the same proportions as a dividend would have been distributed to them
- 24.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 24 4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 24.5 Subject to these articles the directors may:
  - 24.5.1 apply capitalised sums in accordance with articles 24.3 and 24.4 partly in one way and partly in another;
  - 24.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments or ignoring fractions altogether); and
  - 24.5.3 authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.
- 25. **GENERAL MEETINGS: ORGANISATION**
- 25.1 **Attendance and speaking at general meetings**
  - 25.1.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate orally to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
  - 25.1.2 A person is able to exercise the right to vote at a general meeting when:
    - 25.1.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

- 25.1.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 25.1.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 25.1.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 25.1.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them. Such a meeting shall be deemed to take place where the largest group of those persons are assembled or, if there is no such group, where the chairman of the meeting is located.

## **25.2 Quorum for general meetings**

The quorum required at general meetings shall be any qualifying person or qualifying persons (including one holder of A Shares and one holder of C Shares) present at the meeting. The quorum required at adjourned meetings shall be any qualifying person or qualifying persons (including one holder of A Shares) present at the meeting. No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting or an adjourned meeting if the persons attending it do not constitute a quorum. For the purposes of this article 25.2 a "**qualifying person**" means (i) an individual who is a shareholder of the Company; (ii) a person authorised to act as the representative of a corporation who is a shareholder (ignoring for these purposes the Company as the holder of any treasury shares) in relation to the meeting; or (iii) a person appointed as proxy of a shareholder (ignoring for these purposes the Company as the holder of any treasury shares) in relation to the meeting.

## **25.3 Attendance and speaking by directors and non-shareholders**

Unless the shareholder(s) holding shares representing a majority of the voting rights attaching to the issued share capital of the Company resolve otherwise in relation to a particular meeting directors may attend and speak at general meetings, whether or not they are shareholders.

## **25.4 Notice deemed received**

A shareholder present either in person or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and, where relevant, of the purposes for which it was called.

## **25.5 Adjournment**

- 25.5.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn the meeting. The chairman of the meeting must also adjourn a general meeting if directed to do so by a meeting at which a quorum is present.
- 25.5.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if the meeting consents to an adjournment, or it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or to ensure that the business of the meeting is conducted in an orderly manner.
- 25.5.3 When adjourning a general meeting, the chairman of the meeting must either specify the time and place to which it is adjourned (which shall be the time and place (if any) specified at the meeting by shareholder(s) holding a majority of the voting rights attached to the issued share capital of the Company excluding the voting rights attached to any shares held by the Company as treasury shares) or (if no such time and place are so stated by the shareholders) state that it is to continue at a time and place to be fixed by the directors.
- 25.5.4 Save where: (a) the adjournment is of a temporary nature lasting not more than half an hour; (b) the adjourned meeting is to be held in the same place as the original meeting; and (c) the chairman announces whilst a quorum is present the time at which the adjourned meeting shall start; at least 5 clear days' notice shall be given of every adjourned meeting. Such notice shall be given to the same persons to whom notice of the Company's general meetings is required to be given and shall specify the time and place of the meeting and the general nature of the business to be conducted. No further notice of an adjourned meeting is required.
- 25.5.5 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## **26. GENERAL MEETINGS: VOTING**

### **26.1 Voting: General**

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

### **26.2 Content of proxy notices**

- 26.2.1 Proxies may only validly be appointed by a notice in writing ("**Proxy Notice**") which.

- 26.2.1.1 states the name and address of the shareholder appointing the proxy;
- 26.2.1.2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
- 26.2.1.3 where the proxy is not entitled to exercise the rights attaching to all of the shares held by that shareholder, identifies the number of shares in relation to which the proxy is entitled to exercise such rights;
- 26.2.1.4 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
- 26.2.1.5 is delivered to the Company in accordance with these articles and any instructions contained in the notice of the general meeting to which they relate,

and only one proxy may be appointed in any Proxy Notice and a shareholder wishing to appoint more than one proxy must use a separate Proxy Notice for each appointment.

- 26.2.2 The directors may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes. Proxy Notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions or may give the proxy discretion as to how to vote on one or more resolutions

- 26.2.3 Unless a Proxy Notice indicates otherwise, it must be treated as:

- 26.2.3.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting;
- 26.2.3.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself; and
- 26.2.3.3 allowing the person appointed under it as a proxy to exercise the rights attaching to all of the shares held by the shareholder appointing that person as a proxy and no person shall be entitled to challenge the validity of the exercise by such proxy of all those rights.

### **26.3 Delivery of proxy notices**

- 26.3.1 A Proxy Notice and any authority under which it is signed or otherwise authenticated in such a manner as the directors may determine (or a copy of

such authority or other authentication certified notarially or by a solicitor or in some other way approved by the directors) may:

26.3.1.1 in the case of a Proxy Notice in hard copy form, be deposited at the registered office (or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any form of proxy sent out by the Company in relation to the meeting) at any time before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or

26.3.1.2 in the case of a Proxy Notice sent by electronic means where an address has been given by the Company:

26.3.1.2.1 in the notice calling the meeting, or

26.3.1.2.2 in any form of proxy sent out by the Company in relation to the meeting; or

26.3.1.2.3 in any invitation to appoint a proxy issued by the Company in relation to the meeting,

be received at that address (subject to any conditions or limitations specified in the notice) at any time before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or

26.3.1.3 in the case of a poll taken after the date of the meeting or adjourned meeting, be deposited or received as aforesaid at any time before the time appointed for the taking of the poll,

and a Proxy Notice which is not deposited, delivered or received in a manner so permitted shall be invalid. Any valid Proxy Notice shall, unless stated to the contrary in it, be valid both for the relevant meeting and for any adjournment of that meeting. In this article 26.3, "address" includes a number or address used for the purposes of sending or receiving documents or information by electronic means.

26.3.2 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid Proxy Notice has been delivered to the Company by or on behalf of that person.

26.3.3 An appointment under a Proxy Notice may be revoked by delivering to the Company at the registered office or at any other place or address specified by the Company pursuant to article 26.3.1 in relation to the delivery of Proxy Notices for the particular meeting concerned, a notice of revocation of authority in writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given

- 26.3.4 A notice revoking a proxy appointment or the authority of a person authorised by a corporation pursuant to section 323(1) Companies Act 2006, only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates or (in the case of a poll taken after the date of the meeting or adjourned meeting at which the poll was demanded) before the time appointed for taking the poll to which it relates.
- 26.3.5 Subject to article 26.3.4, the provisions of sections 330(1) to (4) inclusive Companies Act 2006 shall apply mutatis mutandis to any termination of the authority of a person authorised by a corporation pursuant to section 323(1) Companies Act 2006.
- 26.3.6 If a Proxy Notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

## 27. **SHARES: LIENS, CALLS AND FORFEITURE**

### ***Company's lien over partly paid shares***

- 27.1 The Company has a lien ("**Company's lien**") over every share which is not fully paid for any part of that share's nominal value and any premium at which it was issued, which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it.
- 27.2 The Company's lien over a share takes priority over any third party's interest in that share and extends to any dividend or other money payable by the Company in respect of that share and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share.

### **Enforcement of the Company's lien**

- 27.3 Subject to the provisions of this article, if a lien enforcement notice has been given (in accordance with article 27.4) in respect of a share and the person to whom the notice was given has failed to comply with it, the Company may sell that share in such manner as the directors decide.
- 27.4 A lien enforcement notice:
- 28.4.1 may only be given in respect of a share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
  - 28.4.2 must specify the share concerned;
  - 28.4.3 must require the payment of the sum payable within 14 clear days after the notice has been given;
  - 28.4.4 must be addressed either to the holder of the share or Transmittree of the holder, and

28 4.5 must state the Company's intention to sell the share if the notice is not complied with

- 27.5 Where shares are sold under this article the directors may authorise any person to execute an instrument of transfer of the shares to the purchase or a person nominated by the purchaser, and the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale
- 27.6 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice, and second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the Company for cancellation (or an indemnity in a form acceptable to the directors has been given for any lost certificates), and subject to a lien over the residue of the net proceeds of sale (equivalent to the Company's lien) for any money payable in respect of the shares (whether payable immediately or sometime in the future) after the date of the lien enforcement notice.
- 27.7 A statutory declaration by a director or the secretary that the declarant is a director or the secretary and that a share has been sold to satisfy the Company's lien on a specified date is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

#### **Call Notices**

- 27.8 Subject to the articles and the terms on which shares are allotted, the directors may send a notice ("**call notice**") to a shareholder requiring the shareholder to pay the Company a specified sum of money ("**call**") which is payable in respect of any monies unpaid on the shares which that shareholder holds at the date when the directors decide to send the call notice.
- 27.9 A call notice may not require a shareholder to pay a call which exceeds the total sum unpaid on that shareholder's shares (whether as to the share's nominal value or any amount payable to the Company by way of premium) must state when and how any call to which it relates it is to be paid and may permit or require the call to be paid by instalments.
- 27.10 A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 clear days have passed since the notice was sent.
- 27.11 *Before the Company has received any call due under a call notice the directors may, by a further notice in writing to the shareholder in respect of whose shares the call is made, revoke the call wholly or in part, or specify a later time for payment than is specified in the notice.*

#### **Liability to pay calls**



- 27.12 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.
- 27.13 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.
- 27.14 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provided that call notices sent to the holders of those shares may require them to pay calls which are not the same, or to pay calls at different times.

**When a call notice need not be issued**

- 27.15 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the Company in respect of that share (whether in respect of nominal value or premium) on allotment, on the occurrence of a particular event, or on a date fixed by or in accordance with the terms of issue. But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

**Failure to comply with a call notice: automatic consequences**

- 27.16 If a person is liable to pay a call and fails to do so by the call payment date.
- 27.16.1 the directors may issue a notice of intended forfeiture to that person, and
- 27.16.2 until the call is paid, that person must pay the company interest on the call from the call payment date at the relevant rate.
- 27.17 For the purposes of this article:
- 27.17.1 the "**call payment date**" is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "call payment date" is that later date; and
- 27.17.2 the "**relevant rate**" is:
- 27.17.2.1 the rate fixed by the terms on which the share in respect of which the call is due was allotted;
- 27.17.2.2 such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
- 27.17.2.3 if no rate is fixed in either of these ways, 5 per cent per annum
- 27.18 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

27.19 The directors may waive any obligation to pay interest on a call wholly or in part.

**Notice of intended forfeiture**

27.20 A notice of intended forfeiture:

27.20.1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;

27.20.2 must be sent to the holder (or all the joint holders of that share) or to a Transmittree of that holder;

27.20.3 must require payment of the call and any accrued interest (and all expenses that may have been incurred by the Company by reason of such non-payment) by a date which is not less than 14 clear days after the of the notice;

27.20.4 must state how the payment is to be made; and

27.20.5 must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

**Directors' powers to forfeit shares**

27.21 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

**Effect of forfeiture**

27.22 Subject to the articles, the forfeiture of a share extinguishes:

27.22.1 all interests in that share, and all claims and demands against the Company in respect of it; and

27.22.2 all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company.

27.23 Any share which is forfeited in accordance with the articles:

27.23.1 is deemed to have been forfeited when the directors decide that it is forfeited;

27.23.2 is deemed to be the property of the Company; and

27.23.3 may be sold, re-allotted or otherwise disposed of as the directors think fit.

27.24 If a person's shares have been forfeited:

27.24.1 the Company must send that person notice that forfeiture has occurred and record it in the register of shareholders;

27.24.2 that person ceases to be a shareholder in respect of those shares;

27.24.3 that person must surrender the certificate for the shares forfeited to the Company for cancellation;

27.24.4 that person remains liable to the Company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and

27.24.5 the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

27.25 At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls, and interest and expenses due in respect of it and on such other terms as they think fit.

**Procedure following forfeiture**

27.26 If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.

27.27 A statutory declaration by a director or the secretary that the declarant is a director or the secretary and that a share has been forfeited on a specified date is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and, subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

27.28 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.

27.29 If the Company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which

27.29.1 was, or would have become, payable, and

27.29.2 had not, when that share was forfeited, been paid by that person in respect of that share,

but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them

### **Surrender of shares**

- 27.30 A shareholder may surrender any share in respect of which the directors may issue a notice of intended forfeiture, or which the directors may forfeit or which has been forfeited, and the directors may accept the surrender of any such share. The effect of surrender on a share is the same as the effect of forfeiture on that share and a share that has been surrendered may be dealt with in the same way as a share which has been forfeited.

### **28. COMPANY SECRETARY**

The Company shall not be required to have a secretary, but may choose to have one. Any Company Secretary shall be appointed by the directors for such term and at such remuneration and upon such conditions as they think fit, and any Company Secretary so appointed may be removed by them.

### **29. AUTHENTICATION**

Any director or the Company Secretary or any person appointed by the directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company, any resolutions of the Company or decisions of the directors or any committee of the directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies of, or extracts from, them as true copies or extracts. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the directors or any committee of the directors which is certified in accordance with this article shall be conclusive evidence in favour of a person dealing with the Company upon the faith of that document that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting

### **30. COMPANY SEALS**

- 30.1 Any common seal may only be used by the authority of the directors and the directors may decide by what means and in what form any common seal is to be used.

- 30.2 Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature. For the purposes of this article, an authorised person is:

30.2.1 any director of the Company;

30.2.2 the Company Secretary; or

30.2.3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

**31. PROVISION FOR EMPLOYEES ON THE CESSATION OF BUSINESS**

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

**32. NOTICES AND COMMUNICATIONS**

- 32.1 Except as otherwise provided in these articles and subject to article 32.4, any document or information to be given, sent or supplied under these articles by the Company shall be given, sent or supplied in any way in which the Company may send or supply documents or information generally to the intended recipient under schedule 5 of the Companies Act 2006 (which may include, without limitation, in hard copy form, in electronic form or by making it available on a website) subject to, and in accordance with, the requirements of that schedule.
- 32.2 Except as otherwise provided in these articles and subject to article 32.4, any document or information to be given, sent or supplied under these articles to the Company shall be given, sent or supplied in English and otherwise in any way in which documents or information generally may be sent or supplied by the sender to the Company under schedule 5 of the Companies Act 2006 (where the sender is a body corporate) or schedule 4 of the Companies Act 2006 (in all other cases) subject to, and in accordance with, the requirements of schedule 4 or schedule 5 of the Companies Act 2006, as applicable.
- 32.3 Articles 32.1 and 32.2 shall apply whether the document or information is authorised or required to be sent or supplied by the Companies Acts or otherwise. References in this article 32 to documents or information being given, sent or supplied by or to the Company include references to documents or information being given, sent or supplied by or to the directors of the Company acting on the Company's behalf.
- 32.4 Articles 32.1 and 32.2 shall apply as if schedules 4 and 5 of the Companies Act 2006 required documents and information sent by post to be sent by prepaid first class post or (in the case of a registered address outside the United Kingdom) by prepaid airmail.
- 32.5 In the case of joint shareholders of a share, all notices, documents and information shall be given to the joint shareholder whose name stands first in the register of members in respect of the joint shareholding and any notices, documents and information so given shall be sufficiently given to all the joint shareholders. A shareholder whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices, documents or information may be given to him or her, or an address to which notices, documents or information may be sent by electronic means, shall be entitled to have such notices, documents or information given to him or her at that address
- 32.6 Proof that an envelope containing a notice, document or information was properly addressed, prepaid first class and posted shall be conclusive evidence that the notice,

document or information was given. Proof that a notice, document or information sent by electronic means was sent or given in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice, document or information was sent or given. The board may require authentication of any document or information given, sent or supplied to the Company in electronic form in such manner as it may determine.

32.7 Section 1147 of the Companies Act 2006 shall not apply to documents or information sent by or to the Company for the purposes of the Companies Acts or these articles.

32.8 In this article 32, "**address**" includes a number or address used for the purposes of sending or receiving documents or information by electronic means.

32.9 Nothing in these articles shall affect any legal requirement that any particular notice or other document be served in any particular manner.

### 33. **INDEMNITIES AND FUNDING OF PROCEEDINGS**

33.1 Subject to the provisions of and so far as may be consistent with the Companies Act 2006:

33.1.1 the directors may exercise all the powers of the Company to indemnify any person who is, or was at any time a director of the Company or any of its associated companies, against all liabilities incurred by or attaching to him or her in connection with his duties, powers or office in relation to any such company of which he is or was a director, to the fullest extent permitted by law;

33.1.2 where the Company or any of its associated companies is or was at any time a trustee of an occupational pension scheme (as defined in section 235(6) Companies Act 2006 as amended, modified or re-enacted from time to time), the directors may exercise all the powers of the Company to indemnify any person who is or was at any time a director of that company against all liabilities incurred by him or her in connection with that company's activities as trustee of the occupational pension scheme, to the fullest extent permitted by law; and

33.1.3 the directors may exercise all the powers of the Company to provide any director of the Company or of its holding company with funds to meet expenditure incurred or to be incurred by him or her of the kind referred to in sections 205(1)(a) and 206(a) Companies Act 2006 as amended, modified or re-enacted from time to time and otherwise take any action to enable any such director to avoid incurring such expenditure, to the fullest extent permitted by law.

33.2 In article 33.1, the term "**associated company**" has the meaning given in section 256(b) Companies Act 2006 as amended, modified or re-enacted from time to time.

34. **INSURANCE**

34.1 Without prejudice to article 33, the directors may exercise all the powers of the Company to purchase and maintain insurance for, or for the benefit of, any person who is or was at any time:

34.1.1 a director of any Relevant Company; or

34.1.2 a trustee of any pension fund or retirement, death or disability scheme for the benefit of any employee of any Relevant Company or of any employees' share scheme in which employees of any such Relevant Company are interested,

including (without limitation) insurance against any liability referred to in article 33 attaching to him or her in relation to any Relevant Company, or any such pension fund, retirement or other scheme or employees' share scheme.

34.2 In article 34 1, "**Relevant Company**" means the Company or any other undertaking which is or was at any time:

34 2 1 the holding company of the Company; or

34 2 2 a subsidiary of the Company or of such holding company, or

34 2 3 a company in which the Company has an interest (whether direct or indirect).