

Company number 351/4660

**PRIVATE COMPANY LIMITED BY SHARES**

**RESOLUTION**

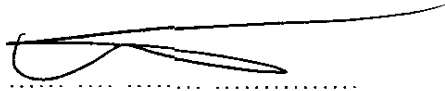
of

**PHOENIX ASSET MANAGEMENT PARTNERS LIMITED (Company)**

On 19 July 2019, pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the resolution below was passed as a special resolution.

**SPECIAL RESOLUTION**

That the regulations contained in the document attached hereto be approved and adopted as the Company's Articles of Association in substitution for and to the exclusion of the Company's existing Articles of Association.



.....

SATURDAY



A10 \*A8B2BEND\* #278  
03/08/2019  
COMPANIES HOUSE

Company number 3514660

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTION**

of

**PHOENIX ASSET MANAGEMENT PARTNERS LIMITED (Company)**

**18** July 2019

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

**SPECIAL RESOLUTION**

That the regulations contained in the document attached hereto be approved and adopted as the Company's Articles of Association in substitution for and to the exclusion of the Company's existing Articles of Association

**AGREEMENT**

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

Each of the undersigned, being a person entitled to vote on the above resolution on 17 July 2019, hereby irrevocably agrees to the Special Resolution.

Signed by Gary Andrew Scott  
Channon

Date ..... 18/7/19 ..... 2019

Signed by Charlotte Clare Maby

Date ..... 18 July ..... 2019

Signed by Roger Timothy Canham

Date ..... 18/7/ ..... 2019

Signed by Gary Andrew Scott for and  
on behalf of Channon Holdings Limited

Date ..... 18/7/19 ..... 2019

SATURDAY

A10

03/08/2019  
COMPANIES HOUSE

#277

Company No: 3514660

**PHOENIX ASSET MANAGEMENT PARTNERS LIMITED (the "Company")**

Minutes of a Meeting of the Board of Directors of the Company held at  
PHOENIX'S OFFICES, 64-66 GLENTHAM RD, LONDON SW13 9SS on  
18 July 2019 at am/

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**PRESENT:** ROGER CANHAM (Chairman)  
GARY CHANNON  
CHARLOTTE MARY

**In attendance:** STEVE TATTERS (BY PHONE)

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**1. NOTICE, QUORUM AND DUTY TO PROMOTE SUCCESS OF THE COMPANY**

The Chairman reported that notice of the Meeting had been given to each Director and that a quorum was present in accordance with the articles of association of the Company (the "Articles").

The Chairman reported that section 172 of the Companies Act 2006 ("Act") required each director of the Company to act in the way which he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so have regard, amongst other matters, to the likely consequences of any decision in the long term, the interests of the Company's employees, the need to foster the Company's business relationships with suppliers, customers and others, the impact of the Company's operations on the community and the environment, the desirability of the Company maintaining a reputation for high standards of business conduct, and the need to act fairly as between its members. He also reported that section 173 of the Act required each director to exercise independent judgment.

**2. PURPOSE OF MEETING**

The Chairman reported that the Meeting had been convened for the purpose of dealing with certain matters requiring to be dealt with in connection with the adoption of new articles of association.

**3. INTERESTS IN PROPOSED TRANSACTIONS AND/OR ARRANGEMENTS WITH THE COMPANY**

3.1 In accordance with the Articles and the requirements of sections 177 and 182 of the Act each of the Directors present who were personally interested in the matters to be dealt with at this Meeting declared the nature of their interests, as follows:

NAME	NATURE AND EXTENT OF INTEREST
Gary Channon	A shareholder of the Company and a shareholder and director of Channon Holdings Limited. a shareholder of the Company.
Charlotte Maby	A shareholder of the Company.
Roger Canham	A shareholder of the Company.

3.2 The other Directors present confirmed that he had no interest, direct or indirect in any way, in the business to be discussed at the Meeting which he were required by the Articles or by sections 177 and 182 of the Act or otherwise to disclose.

3.3 It was noted that pursuant to article 11(b) of the Articles, a director may vote and form part of the quorum in relation to any proposed transaction or arrangement in which they are interested.

#### 4 **WRITTEN SHAREHOLDERS RESOLUTION**

4.1 There were produced to the Meeting the form of the articles of association to be adopted as the Company's articles of association ("New Articles") and a form of Written Resolution to be signed by the members of the Company for the purposes of considering and, if thought fit, passing a resolution to adopt the New Articles as the Company's articles of association.

4.2 **IT WAS RESOLVED** that, after due and careful consideration of all the circumstances and all relevant matters the adoption of the New Articles as the articles of association of the Company would be most likely (having considered the matters required to be considered pursuant to section 172 of the Act) to promote the success of the Company for the benefit of its members as a whole, such form of Written Resolution and such form of the New Articles be and are hereby approved in the form produced to the Meeting and that the Company Secretary is hereby directed to circulate the form of the Written Resolution and the form of the New Articles to the members of the Company.

4.3 The Meeting adjourned to enable the form of the Written Resolution and the form of the New Articles to be circulated to the members of the Company and, if thought fit, the Written Resolutions signed by the members of the Company.]

4.44 Upon resumption it was reported that the form of the Written Resolutions had been signed by all of the members of the Company holding shares carrying voting rights attributable to the share capital of the Company which are exercisable in all circumstances at a general meeting of the Company and accordingly the special resolution set out in the form of the Written Resolution had been duly passed without amendment.

#### 5 **FILING OF RETURNS**

The Company Secretary was instructed to arrange for the completion and filing of all returns and documents required to be filed with the Registrar of Companies in consequence of the business transacted at this Meeting.



.....  
CHAIRMAN

**No.: 3514660**

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**PHOENIX ASSET MANAGEMENT PARTNERS LIMITED**  
**(Adopted by special resolution passed on 18 July 2019)**

No.: 3514660

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**PHOENIX ASSET MANAGEMENT PARTNERS LIMITED**  
**(Adopted by special resolution passed on 18 July 2019)**

**INTRODUCTION**

**1. INTERPRETATION**

1.1 In these Articles, unless the context otherwise requires:

**Accounting Period:** means the period commencing on 1 April in any year and ending on 31 March in the following year;

**Act:** means the Companies Act 2006;

**appointor:** has the meaning given in article 11.1;

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

**Audited Accounts:** means the directors' report and audited accounts of the company (consolidated if necessary) for the relevant Accounting Period;

**Average of Effectively Taxed Management and Other Fees:** means at any particular time the average of the Effectively Taxed Management and Other Fees for each of the immediately preceding eight Accounting Periods in respect of which Audited Accounts have been prepared;

**Average of Effectively Taxed Performance Fees:** means at any particular time the average of the Performance Fees for each of the immediately preceding eight Accounting Periods in respect of which Audited Accounts have been prepared;

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

**Buying Members:** means all those members who have been allocated Sale Shares pursuant to articles 19.2 to 19.6;

**clear days:** in relation to the period of a notice means that period excluding the day on which the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

**CHL:** means Channon Holdings Limited, a company incorporated and registered in England under number 08453606, being a member of the company on the date of the adoption of these Articles;

**Conflict:** has the meaning given in article 7.1;

**Effectively Taxed Management and Other Fees:** means in respect of any Accounting Period the aggregate of (i) Profit before Tax net of tax at the Effective Tax Rate and any other applicable tax paid by reference to such aggregate amount minus (ii) Effectively Taxed Performance Fees;

**Effectively Taxed Performance Fees:** means in respect of any Accounting Period the aggregate amount of Performance Fees net of tax at the Effective Tax Rate and any other applicable tax paid by reference to such fees;

**Effective Tax Rate:** means in respect of any Accounting Period the tax on profit divided by the profit before tax both as shown in the Audited Accounts for that Accounting Period;

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

**Excess Securities:** has the meaning given by article 16.2.2;

**Family Member:** means, in relation to any member, (a) the spouse, widower or widow, civil partner or surviving civil partner of the member and (b) all the lineal descendants and ascendants in direct line of the member, and so that *for the purposes of this definition a person shall be deemed to be the lineal ascendant of a step-child or an adopted or illegitimate child and those children shall be deemed to be lineal descendants of such person and of the lineal ascendants of such person;*

**Family Trust:** means, in relation to any member,

1. any trust or settlement the beneficiaries and potential beneficiaries under which are exclusively that member and/or one or more of his Family Members and/or
2. any trust (whether arising under a settlement, declaration of trust or other instrument, a testamentary disposition or on an intestacy) under which no person has a beneficial interest in shares transferred to the trust that take effect in priority to that member or any of his Family Members

and so that for this purpose a person is beneficially interested in a share if it or income from it is or may become liable to be transferred to that person under the trust; and where a Family Trust is divided into two or more separate funds, each of which is subject to different beneficial trusts, then each such fund shall be regarded as a separate Family Trust for the purposes of these Articles whether or not the trustees have made any appropriation of the assets held by that trust between such funds;

**Group Company:** means, in relation to a body corporate (the "**First Body Corporate**") any other body corporate (the "**Second Body Corporate**") which is a holding company or subsidiary of the First Body Corporate or a subsidiary (but not the First Body Corporate) of the holding company of the First Body Corporate;

**Initial Member:** has the meaning given in article 18.3;

**Interested Director:** has the meaning given in article 7.1;

**Long Term Employee:** means a person who has been a director and/or an employee of the company or a Group Company of the company for a period which exceeds twenty years;

**Medium Term Employee;** means a person who has been a director and/or an employee of the company or a Group Company of the company for a period which exceeds ten years but which does not exceed twenty years;

**Minimum Transfer Condition:** has the meaning given in article 19.1.4;

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

**Mr Channon:** Gary Andrew Scott Channon, a director and member of the company on the date of the adoption of these Articles;

**Net Assets:** means at any particular time the net assets of the company as shown in the Audited Accounts for that the latest Accounting Period in respect of which Audited Accounts have been prepared;

**Performance Fees:** means in respect of any Accounting Period the aggregate of the performance fees received by the company during that Accounting Period to the extent that such fees are included by the company's auditors in the calculation of Profit before Tax for that Accounting Period;

**Profit before Tax:** means in respect of any Accounting Period the profit before tax as shown in the Audited Accounts for that Accounting Period;

**Proposed Sellers:** has the meaning given in article 20.1;

**Proposed Transferee:** has the meaning given in article 19.1.2;

**Purchaser:** has the meaning given in article 20.1;

**Sale Notice:** has the meaning given in article 19.8;

**Sale Price:** means as determined in accordance with article 19.10;

**Sale Price Notice:** has the meaning given in article 19.10;

**Sale Shares:** has the meaning given in article 19.1.1;

**Selling Member:** has the meaning given in article 19.1;

**Shares:** means ordinary shares of £1 each in the company;

**Short Term Employee;** means a person who has been a director and/or an employee of the company or a Group Company of the company for a period which does not exceed ten years;

**Transfer Notice:** has the meaning given in article 19.1.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles and, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:



- 1.5.1 any subordinate legislation from time to time made under it; and
- 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms **"including"**, **"include"**, **"in particular"** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 In these Articles, unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all other genders.
- 1.8 The Model Articles shall apply to the company, except in so far as they are modified or excluded by these Articles.
- 1.9 Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 52 and 53 of the Model Articles shall not apply to the company.
- 1.10 Article 7 of the Model Articles shall be amended by:
  - 1.10.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
  - 1.10.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.11 In article 18(d) of the Model Articles the words "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" shall be deleted and replaced with the words "that person shall have been absent for more than six consecutive months without permission of the directors from *meetings of the directors held during that period and the directors resolve that his office be vacated*".
- 1.12 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".
- 1.13 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.14 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.15 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person named as the transferee in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name".
- 1.16 Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide".
- 1.17 Article 35 of the Model Articles shall be amended by the insertion of the words "executed as a deed" after the words "by giving the company notice".
- 1.18 Article 41(5) of the Model Articles shall be amended by the deletion of the words "(that is, excluding the day of the adjourned meeting and the day on which the notice is given)".

## **DIRECTORS**

### **2. UNANIMOUS DECISIONS**

- 2.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 2.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies, but not necessarily the same copy, of it, or to which each eligible director has otherwise indicated agreement in writing.
- 2.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

### **3. CALLING A DIRECTORS' MEETING<sup>1</sup>**

- 3.1 Any director may call a directors' meeting by giving not less than seven days' reasonable notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.
- 3.2 Notice of a directors' meeting shall be given to each director, but need not be in writing.

### **4. QUORUM FOR DIRECTORS' MEETINGS**

- 4.1 Subject to article 4.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors.
- 4.2 For the purposes of any meeting (or a particular part of a meeting) held pursuant to article 7 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director, the quorum for such meeting (or a particular part of such meeting) shall be one eligible director.
- 4.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
  - 4.3.1 to appoint further directors; or
  - 4.3.2 to call a general meeting so as to enable the shareholders to appoint further directors.

### **5. CASTING VOTE**

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

### **6. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

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

- 6.1 may be a party to, or otherwise interested, whether directly or indirectly, in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;

- 6.2 shall be an eligible director for the purposes of any quorum or proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested;
- 6.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;
- 6.4 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 6.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested, whether directly or indirectly, in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
- 6.6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives, whether directly or indirectly, from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## 7. DIRECTORS' CONFLICTS OF INTEREST

- 7.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 7.2 Any authorisation under this article 7 will be effective only if:
  - 7.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors at a meeting of directors under the provisions of these Articles or in such other manner as the directors may determine;
  - 7.2.2 any requirement as to the quorum is met without counting the Interested Director; and
  - 7.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 7.3 Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently):
  - 7.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 7.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;

- 7.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- 7.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- 7.3.5 provide that, where the Interested Director obtains, or has obtained (*through his involvement in the Conflict and otherwise than through his position as a director of the company*) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and
- 7.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and to be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 7.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 7.5 The directors may revoke or vary such authorisation at any time, but this will *not affect anything done by the Interested Director prior to such revocation or variation*, in accordance with the terms of such authorisation.
- 7.6 In authorising a Conflict, the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:
  - 7.6.1 disclose such information to the directors or to any director or other officer or employee of the company; or
  - 7.6.2 use or apply any such information in performing his duties as a director,where to do so would amount to a breach of that confidence.
- 7.7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives, whether directly or indirectly, from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 8. **RECORDS OF DECISIONS TO BE KEPT**
- 8.1 Records of the decisions of the directors may be kept in hard copy or in electronic form.
- 8.2 Where the records are kept in electronic form, the directors shall ensure that they are capable of being reproduced in hard copy form.

**9. NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

**10. APPOINTMENT OF DIRECTORS**

- 10.1 In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the secretary or, if there is no secretary or the secretary is unable or unwilling to appoint a natural person to be a director, the transmittee of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) has the right, by notice in writing, to appoint a natural person who is willing to act and is permitted to do so, to be a director. For the avoidance of doubt, a transmittee who is a natural person may appoint himself as a director but the secretary may not appoint himself as a director.
- 10.2 For the purposes of article 10(2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

**11. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

- 11.1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:
- 11.1.1 exercise that director's powers; and
  - 11.1.2 carry out that director's responsibilities,
- in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.
- 11.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.
- 11.3 The notice must:
- 11.3.1 identify the proposed alternate; and
  - 11.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

**12. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

- 12.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.
- 12.2 Except as the Articles specify otherwise, alternate directors:
- 12.2.1 are deemed for all purposes to be directors;
  - 12.2.2 are liable for their own acts and omissions;
  - 12.2.3 are subject to the same restrictions as their appointors; and
  - 12.2.4 are not deemed to be agents of or for their appointors
- and, in particular, each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.

- 12.3 A person who is an alternate director but not a director:
- 12.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
  - 12.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
  - 12.3.3 shall not be counted as more than one director for the purposes of articles 12.3.1 and 12.3.2.
- 12.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.
- 12.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

#### **13. TERMINATION OF ALTERNATE DIRECTORSHIP**

An alternate director's appointment as an alternate terminates:

- 13.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
- 13.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- 13.3 on the death of the alternate's appointor; or
- 13.4 when the alternate's appointor's appointment as a director terminates.

#### **14. SECRETARY**

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

#### **15. FURTHER ISSUES OF SHARES: AUTHORITY**

- 15.1 Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company.
- 15.2 Subject to the remaining provisions of this article 15 and to article 16, the directors are generally and unconditionally authorised, for the purposes of section 551 of the 2006 Act, to exercise any power of the company to:
  - 15.2.1 offer or allot;
  - 15.2.2 grant rights to subscribe for or to convert any security into;
  - 15.2.3 otherwise deal in, or dispose of,

any Shares to any person, at any time and subject to any terms and conditions as the directors think proper.

15.3 The authority referred to in article 15.2:

15.3.1 shall be limited to a maximum nominal amount of £5,300;

15.3.2 shall only apply insofar as the company has not renewed, waived or revoked it by ordinary resolution; and

15.3.3 may only be exercised for a period of five years commencing on the date on which these Articles were adopted, save that the directors may make an offer or agreement which would, or might, require Shares to be allotted after the expiry of such authority (and the directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).

**16. FURTHER ISSUES OF SHARES: PRE-EMPTION RIGHTS**

16.1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the company.

16.2 Unless otherwise agreed by special resolution, if the company proposes to allot any equity securities (other than any equity securities to be held under an employees' share scheme), those equity securities shall not be allotted to any person unless the company has first offered them to all shareholders on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a pari passu and pro rata basis to the number held by those holders (as nearly as possible without involving fractions). The offer:

16.2.1 shall be in writing, shall be open for acceptance for a period of 15 business days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and

16.2.2 may stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities (**Excess Securities**) for which he wishes to subscribe.

16.3 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with article 16.2 shall be used for satisfying any requests for Excess Securities made pursuant to article 16.2. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of shares held by the applicants immediately before the offer was made to shareholders in accordance with article 16.2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders.

16.4 Subject to articles 16.2 and 16.3 and to section 551 of the Act, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.

- 16.5 No shares shall be allotted to any employee, director, prospective employee or director unless, if applicable, such person has entered into a joint election with the company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

## **17 TRANSFER OF SHARES**

- 17.1 The directors shall not have power to refuse to register any transfer of Shares made in accordance with these Articles and accordingly shall register any such transfer.
- 17.2 The directors shall refuse to register any transfer of Share made otherwise than in accordance with these Articles and accordingly shall not register any such transfer.

## **18 PERMITTED TRANSFERS**

### **18.1 CHL and Mr Channon**

CHL, Mr Channon, a Family Member of Mr Channon and the trustees of a Family Trust of Mr Channon may at any time transfer any Share held by them to any person.

### **18.2 Transfer with consent of the directors**

Any member may at any time transfer any Share to any person (whether or not such transfer would be permitted under any other provision of these Articles) with the prior written consent of a majority of the directors who shall not be required to give any reason for their decision.

### **18.3 Transfer to spouse or civil partner**

If any Shares of a member (the "Initial Member") are transferred pursuant to article 18.1, article 18.2 to that Initial Member's spouse or civil partner and that person ceases to be the spouse or civil partner of the Initial Member or the Initial Member and his spouse or civil partner are judicially separated then such spouse or civil partner shall within five business days of such cessation or judicial separation transfer any Shares held by such spouse or civil partner to the Initial Member. Failing any such transfer as is required by this article 18.4 the directors may authorise some person to execute a transfer of such Shares in the name and on behalf of the said spouse or civil partner and may give a good receipt for the purchase price of such Shares and may register the Initial Member as the holder thereof and issue certificates for the same and thereupon the Initial Member shall become indefeasibly entitled thereto and the said spouse or civil partner shall in such case be bound to deliver up his certificate for such Shares or, in the case of a lost share certificate, an indemnity in a form to the reasonable satisfaction of the directors and on delivery shall be entitled to receive the purchase price for such Shares (without interest).

## **19 PRE-EMPTION PROVISIONS**

- 19.1 Except as otherwise permitted by articles 18 and 20, a member other than CHL, Mr Channon, a Family Member of Mr Channon or trustees of a Family Trust of Mr Channon (the "**Selling Member**") shall not be entitled to sell, transfer, renounce, charge, donate or otherwise dispose of (whether by way of sale or otherwise) any Share (or any interest therein) without first giving to the company notice in writing of his wish so to do (a "**Transfer Notice**"). A Transfer Notice shall:

- 19.1.1 specify the number of Shares which the Selling Member wishes to transfer (the "**Sale Shares**");



- 19.1.2 identify the person(s) (if any) to whom the Selling Member wishes to transfer the Sale Shares (the "**Proposed Transferee**");
- 19.1.3 be deemed to constitute the company the Selling Member's agent for the sale of the Sale Shares at the Sale Price in the manner provided by these Articles; and
- 19.1.4 (if the Selling Member so specifies) provide that unless buyers are found for all or not less than a specified number of the Sale Shares, the Selling Member shall not be bound to transfer any of such Sale Shares (a "**Minimum Transfer Condition**") and any such provision shall be binding on the company and so that, notwithstanding the other provisions of this article 19, if the Transfer Notice contains a Minimum Transfer Condition the company may not make any allocation of Sale Shares unless and until it has found buyers for at least the number of shares specified in the Minimum Transfer Condition

and so that a Transfer Notice once given may not be varied or withdrawn except as provided in these Articles or with the written approval of a majority of the directors who shall not be required to give any reason for their decision.

- 19.2 The company shall, on or before the tenth business day following receipt of the Transfer Notice, give notice in writing to the other members offering for sale the Sale Shares, identifying the Proposed Transferee (if any), specifying the Offer Price, explaining that the Sale Price will be determined in accordance with article 19.10 and specifying the Minimum Transfer Condition, if any. The notice shall specify that such persons shall have a period of 15 business days from the date of such notice within which to apply in writing for some or all of the Sale Shares.
- 19.3 If the total number of Sale Shares applied for by the other members is equal to the number of Sale Shares available the directors shall allocate the Sale Shares according to and in satisfaction of the applications received.
- 19.4 If the total number of Sale Shares applied for is more than the number of Sale Shares available the directors shall allocate the Sale Shares to each of the members wishing to acquire Sale Shares in accordance with the following formula (and so that this formula shall be applied repeatedly until such time as there are no Sale Shares remaining to be allocated and so that each application of the formula is referred to as a "calculation"):

$$A = \frac{B \times D}{C}$$

where:

"A" is the number of Sale Shares to be allocated to the relevant member in the calculation

"B" is the number of Shares held by the relevant member (ignoring allocations from previous calculations)

"C" is the number of Shares held by all the members to whom the calculation is being applied (ignoring allocations from previous calculations) and

"D" is the number of Sale Shares or, after the first calculation, the number of Sale Shares remaining unallocated by previous calculations.

- 19.5 If, in any calculation, a member would be allocated all or more than all of the Sale Shares for which he applied (including allocations from previous

calculations), any excess will not be allocated to that member. That member will not take part in any further calculations and the excess Sale Shares (if any) will be available for allocation in the next calculation. In each calculation, allocations shall be rounded down to the nearest whole number of Sale Shares and the aggregate of all fractional entitlements shall be allocated in such manner as the directors consider, in their absolute discretion, to be fair and reasonable.

- 19.6 If the total number of Sale Shares applied for by the other members is less than the number of Sale Shares available the directors shall allocate the Sale Shares according to and in satisfaction of the applications received and the company shall notify the Selling Member accordingly and the provisions of article 19.11 shall apply Provided that before so notifying the Selling Member the directors may (but shall not be bound to), to the extent that the company may lawfully do so, make arrangements for the company to purchase some or all of the unallocated Sale Shares itself and may allocate Sale Shares to the company accordingly Provided further that if any Minimum Transfer Condition would not thereby be satisfied no such allocations shall be made.
- 19.7 Allocations of Sale Shares made by the company pursuant to this article 19 shall constitute the acceptance by the persons to whom they are allocated of the offer to purchase the Sale Shares on the terms offered to them, provided that no person shall be obliged to take more than the maximum number of Sale Shares for which he has applied.
- 19.8 The company shall, forthwith upon the exhaustion of the provisions of articles 19.2 to 19.6, give notice in writing (a "**Sale Notice**") to the Selling Member and to each person to whom Sale Shares have been allocated of the number of Sale Shares so allocated. Completion of the sale and purchase of the Sale Shares shall take place 10 business days after the date of the Sale Price Notice given in accordance with article 19.10 or, if the directors have made arrangements for the company to purchase some or all of the unallocated Sale Shares pursuant to Article 19.6, 10 business days after the terms of the proposed purchase have been approved by a special resolution pursuant to section 694 of the Act, whereupon the Selling Member shall be bound, upon payment of the purchase price due in respect thereof, to transfer, save in the case of an acquisition of Sale Shares by the company, the Sale Shares specified in the Sale Notice to the persons to whom they have been allocated and to deliver, including in the case of an acquisition of Sale Shares by the company, the relevant share certificates or, in the case of lost share certificates, an indemnity in a form to the satisfaction of the directors.
- 19.9 Save in the case of an acquisition of Sale Shares by the company if the Selling Member defaults in transferring any Sale Shares pursuant to article 19.8, the directors may authorise some person to execute a transfer of such Sale Shares in the name and on behalf of the Selling Member and may give a good receipt for the purchase price of such Sale Shares and may register the transferee as the holder thereof and issue certificates for the same and thereupon the transferee shall become indefeasibly entitled thereto and the Selling Member shall in such case be bound to deliver up his certificate for such Sale Shares or, in the case of a lost share certificate, an indemnity in a form to the reasonable satisfaction of the directors and on delivery shall be entitled to receive the purchase price for such Sale Shares (without interest). In the case of an acquisition of Sale Shares by the company, if the Selling Member defaults in delivering his certificate for any Sale Shares or, in the case of a lost share certificate, an indemnity in a form to the satisfaction of

the directors pursuant to article 19.8, the company shall cause such Sale Shares to be cancelled in accordance with the Act and shall hold the purchase price for such Sale Shares on trust for the Selling Member until the Selling Member delivers up his certificate for such Sale Shares or, in the case of a lost share certificate, an indemnity in a form to the satisfaction of the directors whereupon the purchase price will be paid to him (without interest).

19.10 The Sale Price shall be:

19.10.1 if the Selling Member is a Long Term Employee or the personal representatives of a Long Term Employee, an amount per Sale Share equal to the aggregate of the sum of

19.10.1.2 twelve times the Average of Effectively Taxed Management and Other Fees plus

19.10.1.2 four times the Average of Effectively Taxed Performance Fees plus

19.10.1.3 Net Assets

divided by the number of Shares in issue or such other price as a majority of the directors, who shall not be required to give any reason for their decision, shall specify; or

19.10.2 if the Selling Member is a Medium Term Employee or the personal representatives of a Medium Term Employee, an amount per Sale Share equal to the aggregate of the sum of

19.10.2.1 ten times the Average of Effectively Taxed Management and Other Fees plus

19.10.2.2 three and a half times the Average of Effectively Taxed Performance Fees plus

19.10.2.3 Net Assets

divided by the number of Shares in issue or such other price as a majority of the directors, who shall not be required to give any reason for their decision, shall specify; or

19.10.3 if the Selling Member is not an employee of the company or a Group Company of the company, a Short Term Employee or the personal representatives of a Short Term Employee, an amount per Sale Share equal to the aggregate of the sum of

19.10.3.1 eight times the Average of Effectively Taxed Management and Other Fees plus

19.10.3.2 three times the Average of Effectively Taxed Performance Fees plus

19.10.3.3 Net Assets

divided by the number of Shares in issue or such other price as a majority of the directors, who shall not be required to give any reason for their decision, shall specify;

and the company shall thereupon serve written notice on the recipients of the Sale Notice notifying them of the Sale Price as so determined (the "**Sale Price Notice**").

19.11 If all the Sale Shares are not allocated pursuant to the provisions of this article 19 (in which event the company shall notify the Selling Member accordingly forthwith following the exhaustion of such provisions) or if, through no fault of the Selling Member, the sale and purchase of any Sale Shares shall not be completed within the period of six months commencing on the date of his Sale Notice, the Selling Member shall, at any time within six months after the expiry of such period of six months be entitled to sell to any person as he may wish including the Proposed Transferee, if any, or, if *the directors have in their absolute discretion so resolved*, the company, to the extent that the company may lawfully do so any unallocated or unsold Sale Shares provided that:

19.11.1 if the Sale Notice stipulated a Minimum Transfer Condition which has not been satisfied, the Selling Member shall not be entitled to transfer any Sale Shares pursuant to this article 19.11 unless such transfer will satisfy the Minimum Transfer Condition;

19.11.2 except in the case of Sale Shares which are the subject of a Transfer Notice given or deemed to be given by the personal representatives of a deceased member and which are to be registered in the names of such personal representatives or which are to be transferred to persons becoming entitled to the Sale Shares under the will or on the intestacy of such deceased member, such sale is at a price which is not less than the Sale Price and that any such sale shall be a sale in good faith and the directors may require to be satisfied (in such manner as they reasonably require) that such Sale Shares are being sold at a price in accordance with this article without any deduction, rebate or allowance whatsoever and if not so satisfied may refuse to register the transfer; and

19.11.3 in the case of a sale to the company the directors shall have made (but there being obligation on them to make) arrangements for the company so to do and the terms of the proposed purchase have been approved by a special resolution pursuant to section 694 of the Act.

19.12 The provisions of this article 19 shall apply, mutatis mutandis, to any person becoming entitled to a Share in consequence of the death or bankruptcy of any member (Mr Channon, a Family Member of Mr Channon or trustees of a Family Trust of Mr Channon) and who wishes either to transfer such Share or himself to be registered as the holder of such Share.

19.13 The provisions of this article 19 shall not apply where the company purchases or proposes to purchase any of its own shares (including any redeemable shares) other than pursuant to articles 19.6 and 19.14.

## **20 TRANSFER CHANGING CONTROL**

### **20.1 Definitions**

In this article, unless the contrary intention appears, the following expressions shall have the meanings indicated:

**"Change of Control"** means any person (whether or not already a member of the company) together with any other person who, in relation to the first mentioned person, is deemed to be connected with that person within the meaning of section 1122 of the Corporation Tax Act 2010 or acting

	in concert (within the meaning of the City Code on Takeovers and Mergers) (together the <b>"Purchaser"</b> ) acquiring a holding of or increasing a holding to more than 50 per cent of the issued Shares;
<b>"Drag Notice"</b>	has the meaning given in article 20.3.2;
<b>"Option"</b>	has the meaning given in article 20.3.1;
<b>"Proposed Sellers"</b>	means those members wishing to make a Relevant Transfer;
<b>"Purchaser"</b>	has the meaning given in the definition of "Change of Control"
<b>"Relevant Transfer"</b>	means a transfer or sale of Shares in the company which would, if registered, result in a Change of Control;
<b>"Relevant Transfer Completion"</b>	has the meaning given in article 20.2;
<b>"Relevant Transfer Notice"</b>	has the meaning given in article 20.2;
<b>"Remaining Shareholders"</b>	means and includes all members of the company other than the Proposed Sellers and the Purchaser;
<b>"Remaining Shares"</b>	means and includes all the Shares held by the Remaining Shareholders (including all Shares issued or capable of being issued pursuant to options or rights whether as a result of a Change of Control or otherwise);
<b>"Specified Price"</b>	<p>means a price per Share equal to the higher of:</p> <ul style="list-style-type: none"> <li>(i) the highest price per Specified Share offered by the Purchaser to the Proposed Sellers for the Specified Shares; and</li> <li>(ii) the highest price paid by the Purchaser for any Share in the 12 months preceding the date of the Relevant Transfer Notice given under article 20.2;</li> </ul> <p>plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Proposed Sellers which, having regard to the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares or any share referred to at (b) above (but excluding for the avoidance of doubt any amount which may be paid or payable to a shareholder as a direct result of his continuing involvement with the company following the Change of Control) as certified by</p>

the Expert;

<b>"Specified Shares"</b>	means the Shares which the Proposed Sellers wish to transfer to the Purchaser;
<b>"Tag-Along Notice"</b>	has the meaning given in article 20.4.1;
<b>"Tag-Along Shares"</b>	has the meaning given in article 20.4.5.

## 20.2 Change of Control

No Relevant Transfer shall be made or registered if the Proposed Sellers have not complied with the provisions of article 19 (or such provisions have been waived in accordance with these Articles) and at least 15 business days before the completion of the Relevant Transfer ("**Relevant Transfer Completion**") given written notice ("**Relevant Transfer Notice**") to all the Remaining Shareholders specifying:

- 20.2.1 the names and addresses of the Proposed Sellers;
- 20.2.2 the names and addresses of the Remaining Shareholders;
- 20.2.3 the name and address of the Purchaser;
- 20.2.4 the number of the Specified Shares;
- 20.2.5 the Specified Price for the Specified Shares identifying the cash and non-cash elements of the consideration; and
- 20.2.6 a price per Specified Share equal to the higher of:
  - 20.2.6.1 the highest price per Share paid or to be paid by the Purchaser to the Proposed Sellers for the Specified Shares; and
  - 20.2.6.2 the highest price paid by the Purchaser for any Share in the six months preceding the date of the Relevant Transfer Notice;plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Proposed Sellers which, having regard to the transaction as a whole, can reasonably be regarded as in addition to the price paid or payable for the Specified Shares or any share referred to in article 20.2.6.2 (but excluding for the avoidance of doubt any amount which may be paid or payable to a shareholder as a direct result of his continuing involvement with the company following the Change of Control)

and in the event that all or part of the consideration for the Specified Shares is to be satisfied otherwise than in cash the Relevant Transfer Notice shall be accompanied by a copy, certified by a director of the company, of the certificate(s) referred to in the definition of "Specified Price" contained in article 20.1

## 20.3 Drag Along

- 20.3.1 The Proposed Sellers shall have the option (the "**Option**") to require all the Remaining Shareholders to sell all the Remaining Shares to the Purchaser (or a nominee) in accordance with this article 20.3.

20.3.2 The Proposed Sellers may exercise the Option by giving notice to that effect (a **"Drag Notice"**) to all the Remaining Shareholders at any time before the Relevant Transfer provided they have served a Relevant Transfer Notice prior to or contemporaneously with the Drag Notice or the Drag Notice includes all of the matters required to be specified in a Relevant Transfer Notice and, as the case maybe, the Drag Notice is accompanied by a copy, certified by a director of the company, of the certificate(s) referred to in the definition of "Specified Price" contained in article 20.1.

20.3.3 A Drag Notice shall specify:

20.3.3.1 that the Remaining Shareholders are required to transfer all their shares pursuant to this article 20.3;

20.3.3.2 the price per share at which the Remaining Shares are to be transferred (being not less than the Specified Price); and

20.3.3.3 the proposed date and venue of Relevant Transfer Completion.

20.3.4 A Drag Notice may not be withdrawn other than with the prior written consent of a majority in number of the directors but the Drag Notice and all obligations thereunder will lapse if, for any reason, the Relevant Transfer in relation to which it is given does not take place within 40 business days after the date of the Drag Notice.

20.3.5 Each Remaining Shareholder shall give the Purchaser only warranties as to his title to and capacity to sell the shares held by him.

20.3.6 Completion of the sale and purchase of the Remaining Shares shall take place on the same date as the date of Relevant Transfer Completion unless:

20.3.6.1 all the Remaining Shareholders and all the Proposed Sellers agree otherwise; or

20.3.6.2 the date is less than 7 business days after the date of service of the Drag Notice in which case the date for completion of the sale of the Remaining Shares shall be the seventh business day after the service of the Drag Notice,

and at completion each Remaining Shareholder shall deliver to the Purchaser or as the Purchaser shall direct in writing a duly executed stock transfer form in respect of his holding of Remaining Shares in favour of the Purchaser or as the Purchaser shall direct in writing and his certificate for his shares or, in the case of a lost share certificate, an indemnity in a form to the satisfaction of the directors, against payment to him by the Purchasers of the price payable for such shares provided that the Purchaser shall not be obliged to purchase Remaining Shares if they are subject to any encumbrance or the relevant Remaining Seller is not able to deliver full title guarantee thereto.

20.3.7 If any Remaining Shareholder shall fail to execute and deliver when required any form of transfer or other document required in order to transfer his holding of Remaining Shares in accordance with this

article 20.3 the directors may authorise in writing some other person to do so on behalf of such Remaining Shareholder and the company may give a good receipt for the purchase price for such shares and may register the Purchaser (or its nominee) as holder of such shares and issue to it (or as it may direct) certificates for the same. In any such case the Remaining Shareholder concerned shall be bound to deliver up his certificate for his shares or, in the case of a lost share certificate, an indemnity in a form to the satisfaction of the directors to the company whereupon he shall be entitled to receive the purchase price (without interest) for such shares which shall in the meantime be held by the company on trust for him.

20.3.8 Notwithstanding any other provision of these Articles the directors shall register the transfer in favour of the Purchaser (or its nominee) of any Remaining Share in respect of which a valid Drag Notice has been served and of any Specified Share pursuant to the Relevant Transfer. After the name of the Purchaser (or its nominee) has been entered into the register of members in purported exercise of these powers the validity of such proceedings shall not be questioned by any person.

#### 20.4 **Tag Along**

20.4.1 Following receipt of a Relevant Transfer Notice, the Remaining Shareholders (or any of them) shall have the right exercisable by written notice, delivered to the directors of the company, who shall receive the same on behalf of the Purchaser, given not later than 20 business days following the date of the service of the Relevant Transfer Notice ("**Tag-Along Notice**"), to require the Purchaser to purchase their Remaining Shares for a consideration per Remaining Share which is not less than the Specified Price payable to and on terms which are no more onerous than those offered to the Proposed Sellers who hold Specified Shares of the same class as the Remaining Shares.

20.4.2 A Tag-Along Notice may not be withdrawn other than with the prior written consent of a majority in number of the directors.

20.4.3 All amounts payable to the Remaining Shareholders pursuant to a Tag-Along Notice shall be satisfied in full in cash.

20.4.4 Each Remaining Shareholder shall give the Purchaser only warranties as to his title to and capacity to sell the shares held by him.

20.4.5 The purchase of Remaining Shares which are the subject of any Tag-Along Notice ("**Tag-Along Shares**") will be completed at the same time as the purchase by the Purchaser of the Specified Shares comprised in the Relevant Transfer Notice and the directors will not register any transfer of Specified Shares if the Proposed Sellers have not complied with the provisions of article 19 (to the extent they have not been waived in accordance with these Articles) and the Proposed Sellers and the Purchaser have not complied with the terms of this article provided that the Purchaser shall not be obliged to purchase Tag-Along Shares if they are subject to any encumbrance or the relevant Remaining Seller is not able to deliver full title guarantee thereto.



- 20.4.6 If any Remaining Shareholder shall fail to execute and deliver when required any form of transfer or other document required in order to transfer his holding of Remaining Shares in accordance with this article 20.4 the directors may authorise in writing some other person to do so on behalf of such Remaining Shareholder and the company may give a good receipt for the purchase price for such shares and may register the Purchaser (or its nominee) as holder of such shares and issue to it (or as it may direct) certificates for the same. In any such case the Remaining Shareholder concerned shall be bound to deliver up his certificate for his shares or, in the case of a lost share certificate, an indemnity in a form to the satisfaction of the directors to the company whereupon he shall be entitled to receive the purchase price (without interest) for such shares which shall in the meantime be held by the company on trust for him.
- 20.4.7 Notwithstanding any other provision of these Articles the directors shall register the transfer in favour of the Purchaser (or its nominee) of any Remaining Share in respect of which a valid Tag-Along Notice has been served and of any Specified Share pursuant to the Relevant Transfer. After the name of the Purchaser (or its nominee) has been entered into the register of members in purported exercise of these powers the validity of such proceedings shall not be questioned by any person.
- 20.4.8 For the avoidance of doubt, nothing in this article shall prohibit the Proposed Sellers from entering into any agreement for the sale of the Specified Shares on terms that the completion of such agreement is conditional upon compliance by the parties with the terms of this article.

## **21 DEEMED/REQUIRED TRANSFER NOTICES**

### **Liquidation etc. and Change of Control of member**

A member being a body corporate (other than CHL) shall be deemed to have given a Transfer Notice in respect of all the Shares held by it upon and in the event of the receivership, liquidation, administration or winding up of such member or in the event that there is a change of control in such member or of any holding company of such member and so that for this Article 21:

- 21.1 "change of control" means any event (including any sale, transfer or other disposal of Shares or any interest or right therein) as a consequence of which any person or group of connected persons (whether or not a member or members of such body corporate on the date of adoption of these Articles) obtains control of the body corporate; and
- 21.2 whether any person is a "connected" person shall be determined in accordance with section 1122 of the Corporation Tax Act 2010 (provided that a person shall not be deemed to be connected with another person by reason only that they are both shareholders of the body corporate in question);
- 21.3 "control" means a holding or aggregate holdings of Shares carrying more than 50 per cent of the voting rights attributable to the share capital of that body corporate which are exercisable in all circumstances at a general meeting of that body corporate.

## **22 GOOD LEAVER/BAD LEAVER**

22.1 The provisions of this article shall apply to any Leaver and to any Leaver's Shares.

22.2 In this Article, unless the contrary intention appears, the following expressions shall have the meanings indicated:

22.2.1 **"Relevant Employee"** means a person other than Mr Channon who is an employee and/or director of the company and/or any Group Company of the company;

22.2.3 **"Leaver"** means:

22.2.3.1 a person who, being a member, ceases to be a Relevant Employee of the company in circumstances where that person does not remain a Relevant Employee of any Group Company of the company;

22.2.3.2 a person who, being a member, ceases to be a Relevant Employee of any Group Company of the company in circumstances where that person does not remain a Relevant Employee of the company or any other Group Company of the company;

22.2.3.3 any member who is a Family Member of any person who ceases to be a Relevant Employee as envisaged by articles 22.2.3.1 and 22.2.3.2;

22.2.3.4 any member who is a trustee of a Family Trust of any person who ceases to be a Relevant Employee as envisaged by articles 22.2.3.1 and 22.2.3.2;

22.2.3.5 any member holding shares as a nominee for any person who ceases to be a Relevant Employee as envisaged by articles 22.2.3.1 and 22.2.3.2; and

22.2.3.6 any person who becomes entitled to any shares on the exercise of an option after ceasing to be a Relevant Employee;

and **"Leaver's Shares"** means, in relation to a Leaver, all the Shares held by that Leaver at the time of the happening of the relevant event as specified above.

22.3 A Leaver shall be deemed to have given a Transfer Notice in respect of all his Leaver's Shares on the date of the happening of the relevant event as specified in article 22.2.3 or, if later, the date upon which the company is notified of the happening of the relevant event. For this purpose, the Sale Shares shall comprise the Leaver's Shares and the Sale Price shall be:

22.3.1 in the case of a Leaver who is a Long Term Employee and who ceases to be a Relevant Employee by reason of

22.3.1.1 retirement at normal retirement age;

22.3.1.2 illness or disablement giving rise to permanent incapacity; or

22.3.1.3 death,

an amount per Sale Share equal to the aggregate of the sum of

- (i) twelve times the Average of Effectively Taxed Management and Other Fees plus
- (ii) four times the Average of Effectively Taxed Performance Fees plus
- (iii) Net Assets

divided by the number of Shares in issue or such other price as a majority of the directors, who shall not be required to give any reason for their decision, shall specify; and

22.3.2 in the case of a Leaver who is a Medium Term Employee and who ceases to be a Relevant Employee by reason of

22.3.2.1 retirement at normal retirement age;

22.3.2.2 illness or disablement giving rise to permanent incapacity; or

22.3.2.3 death

an amount per Sale Share equal to the aggregate of the sum of

- (i) ten times the Average of Effectively Taxed Management and Other Fees plus
- (ii) three and a half times the Average of Effectively Taxed Performance Fees plus
- (iii) Net Assets

divided by the number of Shares in issue or such other price as a majority of the directors, who shall not be required to give any reason for their decision, shall specify;

22.3.3 in the case of a Leaver who is a

22.3.3.1 Long Term Employee or a Medium Term Employee who ceases to be a Relevant Employee by reason of circumstances other than those specified in article 22.3.1 or, as the case may be 22.32 or

22.3.3.2 who is a Short Term Employee

an amount per Sale Share equal to the aggregate of the sum of

- (i) eight times the Average of Effectively Taxed Management and Other Fees plus
- (ii) three times the Average of Effectively Taxed Performance Fees plus
- (iii) Net Assets

divided by the number of Shares in issue or such other price as a majority of the directors, who shall not be required to give any reason for their decision, shall specify.

## **23 SUPPLEMENTARY**

- 23.1 In any case where under the provisions of these Articles the directors may require a Transfer Notice to be given or a person becomes bound to give a Transfer Notice in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 business days of demand being made, a Transfer Notice shall (except and to the extent that a transfer of any such shares in favour of a person to whom they may be transferred pursuant to article 18 shall have been lodged for registration prior to the expiry of such period) be deemed to have been given on the expiry of such period in respect of all of such Shares.
- 23.2 The provisions of article 19 shall apply mutatis mutandis to any Transfer Notice deemed to have been given under these Articles save that articles 19.1.2, 19.1.3, 19.1.5 and 19.12 shall not apply.
- 23.3 For the purpose of ensuring compliance with the share transfer provisions in these Articles, the directors may from time to time require any member or former member (or the personal representatives, trustee in bankruptcy, receiver, liquidator or administrator of any member or former member) or any person who is the proposed transferee of any Share or any person named as transferee in any instrument of transfer lodged for registration to provide to the company in writing such information and evidence as the directors may reasonably require regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being provided in writing to the reasonable satisfaction of the directors within a reasonable time after request to enable the directors to determine to their reasonable satisfaction that no breach has occurred or if, in the reasonable opinion of the directors, such information or evidence discloses that a breach of the share transfer provisions in these Articles has occurred, the directors shall immediately notify the holder of such Shares in writing of that fact whereupon:
- 23.3.1 the relevant Shares shall cease to confer on the holder of them (or any proxy) any rights:
- 23.3.1.1 to vote, whether on a show of hands on a poll, and whether exercisable at a general meeting of the company or at any separate meeting of the class in question; or
- 23.3.1.2 to receive dividends or other distributions otherwise attaching to those Shares or to any further shares in the capital of company issued in respect of those Shares or in pursuance of an offer made to the relevant holder; and
- 23.3.2 the holder may be required, at any time following receipt of the notice, to give a Transfer Notice in respect of the Shares concerned.
- 23.4 the rights referred to in article 23.3.1 may be reinstated with the written approval of a majority of the directors who shall not be required to give any reason for their decision.

## **PURCHASE OF OWN SHARES**

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

- 24.1 £15,000 and  
24.2 the value of 5% of the company's share capital.

#### **DECISION MAKING BY SHAREHOLDERS**

##### **25 GENERAL MEETINGS**

A general meeting of the company must be called by notice of at least 14 clear days.

##### **26 POLL VOTES**

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

##### **27 PROXIES**

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

#### **ADMINISTRATIVE ARRANGEMENTS**

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

- 28.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 28.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom;
  - 28.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
  - 28.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
  - 28.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

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

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

## **29 INDEMNITY**

29.1 Subject to article 29.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

29.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

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

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

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and

29.1.2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 29.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

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

29.3 In this article:

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

29.3.2 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

## **30 INSURANCE**

30.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

30.2 In this article:

30.2.1 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or

associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);

- 30.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and
- 30.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.