

Company Number 04195187

THE COMPANIES ACTS 1985 AND 2006

COMPANY LIMITED BY SHARES

PRINT OF WRITTEN RESOLUTIONS OF THE SOLE MEMBER

of

12 YARD PRODUCTIONS (INVESTMENTS) LIMITED

(the "Company")

Passed on 11 July 2012

WEDNESDAY



A04 *A1DXL5OW* 25/07/2012 #307
COMPANIES HOUSE

Pursuant to chapter 2 of part 13 of Companies Act 2006, the following resolutions (the "**Resolutions**") which were proposed as ordinary and special resolutions as set out below, were duly passed in writing on the above date

SPECIAL RESOLUTIONS

THAT:

- 1 1 the articles of association of the Company be amended by deleting
 - 1 1 1 the statement of the Company's objects which immediately before 1 October 2009 constituted paragraph 3 of the Company's memorandum of association and is now treated as a provision of the Company's articles of association by virtue of section 28 Companies Act 2006, and
 - 1 1 2 all other provisions which immediately before 1 October 2009 were contained in the Company's memorandum of association and are now treated as provisions of the Company's articles of association by virtue of section 28 Companies Act 2006, and
- 1 2 the articles of association in the form attached to these Resolutions be adopted as the new articles of association of the Company in substitution for and to the exclusion of all existing articles of association of the Company
- 2 **THAT** the existing ordinary share in the capital of £1 00 in the capital of the Company be sub-divided and redesignated into 100,000 A ordinary shares of £0 00001 each, such shares having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution 1 above

ORDINARY RESOLUTION

3 THAT:

- 3 1 the directors of the Company be generally and unconditionally authorised for the purposes of section 551 Companies Act 2006 to exercise all the powers of the Company to allot B ordinary shares in the Company up to an aggregate nominal amount of £0.09. This authority shall, unless renewed, varied or revoked by the Company, expire on the date five years from the date of this resolution, but the Company may make an offer or agreement before this authority expires which would or might require shares to be allotted after it has expired and the directors may allot shares under any such offer or agreement notwithstanding that the authority conferred by this resolution has expired, and
- 3 2 this authority is in substitution for all previous authorities conferred on the directors in accordance with section 80 Companies Act 1985 or section 551 Companies Act 2006

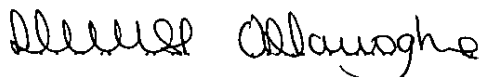
SPECIAL RESOLUTION

- 4 Subject to the passing of resolution 3 and in accordance with section 570 Companies Act 2006, the directors of the Company be generally empowered to allot equity securities (as defined in section 560 Companies Act 2006) pursuant to the authority conferred by resolution 3, as if section 561 Companies Act 2006 did not apply to any such allotments, and
- 4 1 the Company may make an offer or agreement before this power expires which would or might require equity securities (as so defined) to be allotted after it has expired and the directors may allot equity securities under any such offer or agreement notwithstanding that the power conferred by this resolution has expired

5 WRITTEN CONSENT UNDER ARTICLES

Pursuant to article 4 of the articles of association adopted pursuant to resolution 1 above, the sole member (who constitutes an A Shareholder Majority for the purpose of article 4) hereby gives its consent to the allotment of shares under resolution 3 above

SIGNED by
for and on behalf of
ITV STUDIOS LIMITED

) 
)
)

OLSWANG

Company Number 4195187

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

12 YARD PRODUCTIONS (INVESTMENTS) LIMITED

**Incorporated in England and Wales on 5 April 2001
under the Companies Act 1985**

Adopted under the Companies Act 2006 by special resolution on 11 July 2012

Olswang LLP
90 High Holborn
London WC1V 6AA

T +44 (0) 20 7067 3000
F +44 (0) 20 7067 3999
DX 37972 Kingsway

Olswang LLP is regulated by the Solicitors Regulation
www.olswang.com

Contents

Clause		Page
1	PRELIMINARY _____	2
2	LIABILITY OF MEMBERS _____	7
3	SHARES GENERAL _____	7
4	SHARES AUTHORITY TO ALLOT _____	9
5	SHARES TRANSFER _____	9
6	SHARE RIGHTS EXIT _____	9
7	SHARE RIGHTS PUT AND CALL RIGHTS FOR B SHARES _____	10
8	SHARE RIGHTS B SHARE VALUATION _____	14
9	EBITA STATEMENTS _____	16
10	SHARE RIGHTS DRAG _____	16
11	DIVIDENDS AND OTHER DISTRIBUTIONS _____	19
12	CAPITALISATION OF PROFITS _____	21
13	DECISION-MAKING BY SHAREHOLDERS GENERAL MEETINGS _____	22
15	DIRECTORS' POWERS, RESPONSIBILITIES AND DELEGATION _____	27
16	DECISION-MAKING BY DIRECTORS _____	27
17	DIRECTORS' PERMITTED INTERESTS _____	31
18	AUTHORISATION OF CONFLICTS OF INTEREST _____	34
19	DIRECTORS' INTERESTS GENERAL _____	34
21	APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS _____	37
22	DIRECTORS' REMUNERATION AND EXPENSES _____	38
24	AUTHENTICATION _____	39
26	PROVISION FOR EMPLOYEES ON THE CESSATION OF BUSINESS _____	40
27	NOTICES AND COMMUNICATIONS _____	40
28	INDEMNITIES AND FUNDING OF PROCEEDINGS _____	41
29	INSURANCE _____	42
30	OVERRIDING PROVISION _____	43

ARTICLES OF ASSOCIATION

12 YARD PRODUCTIONS (INVESTMENTS) LIMITED

("Company")

1 PRELIMINARY

1.1 The regulations in the Companies (Tables A to F) Regulations 1985 (as amended) and the model articles for private companies listed by shares set out in Schedule 1 to the Companies (Model Articles) Regulations 2008 shall not apply to the Company unless expressly included in these articles

1.2 In these articles (unless the context requires otherwise) the following words and expressions have the following meanings

"A Shareholder" means a person who is a holder of A Shares,

"A Shareholder Majority" means the holder or holders of more than 50 per cent of the A Shares from time to time,

"A Shares" means the A ordinary shares of £0.00001 in the capital of the Company,

"Appointor" has the meaning given in article 20.1,

"Asset Sale" means the sale as a going concern of the whole or a substantial part by value of the assets or business of the Company and its Subsidiaries (in one transaction or as part of a series of transactions),

"Associate" in relation to any person shall mean the ultimate parent undertaking of that person and any Subsidiary of that person or of any such parent undertaking,

"associated company" has the meaning given in article 28.1,

"B Share Call Option" means the call option granted under article 7.5,

"B Share Call Option Notice" has the meaning given to it in article 7.6,

"B Share Distribution Amount" has the meaning given to it in article 6.5,

"B Share Purchaser" means ITV or, if ITV (together with its Associates) ceases to hold a Controlling Interest in the Company, the person (together with its Associates) who holds the largest number of A Shares (other than ITV or any of its Associates) provided that, if there is more than one person (together with its Associates) who holds the largest number of A Shares, the directors shall decide (in their absolute discretion) which such person shall be the B Share Purchaser (or that they both shall be B Share Purchasers on such reasonable basis as the directors determine),

"B Share Put Option" means the put option granted under article 7 1,

"B Share Put Option Holder" has the meaning given to it in article 7 1,

"B Share Put Option Notice" has the meaning given to it in article 7 2,

"B Shareholder" means a person who is a holder of B Shares,

"B Shareholder Majority" means the holder or holders of more than 50 per cent of the B Shares from time to time, excluding any B Shares held by a Good Leaver,

"B Shares" means the B ordinary shares of £0 00001 in the capital of the Company,

"Bad Leaver" means an Employee who ceases to be an Employee and is not a Good Leaver,

"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,

"Business Day" means a day on which banks are open for business in London, other than Saturday or Sunday,

"Capital Return" means a return of capital to shareholders on a liquidation, dissolution or winding up of the Company, in each case save to the extent the same arises as a result of any group reorganisation or other reconstitution,

"capitalised sum" has the meaning given in article 12 1 2,

"Chairman" has the meaning given in article 16 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 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 3,

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

"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,

"Controlling Interest" means shares conferring in aggregate over 50 per cent of the total voting rights conferred by all shares in issue at the relevant time,

"Deferred Instalment" means any consideration on a Share Sale that is only due and payable on a date or dates after the date of completion of the Share Sale,

"Deferred Shares" mean the deferred shares of £0 00001 each in the capital of the Company,

"Determination Date" has the meaning given in article 7 8,

"director" means a director of the Company, and includes any person occupying the position of director, by whatever name called (and **"directors"** means the board of directors of the Company as constituted from time to time),

"Distribution Recipient" has the meaning given in article 11 3 2,

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

"EBITA" means, in respect of any financial year, the Company's earnings before interest, tax and amortisation calculated by reference to the Company's consolidated and audited accounts, taking into account the adjustments below

- (a) the following items will be excluded (a) Global Hit Payments, (b) management charges, (c) non-trading "one-off" gains, and (d) non-trading "one-off" losses, and
- (b) distribution income shall be recorded on an "arm's length" basis,

and provided that EBITA shall be determined in accordance with UK Generally Accepted Accounting Practice from time to time and in accordance and consistent with the accounting policies, bases, methods and practices used to prepare the Company's accounts on the date of adoption of these Articles,

"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 16 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,

"Employee" means an individual who is an employee of the Company or a director (whether executive or non-executive) or an employee or director (whether executive or non-executive) of any Subsidiary of the Company (and **"employment"** shall be construed accordingly to include such an arrangement),

"Flotation" means the effective admission of the issued ordinary share capital (within the meaning of section 989 of the Income Tax Act 2007) of a company to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange plc's market for listed securities or to trading on the AIM market of the London Stock Exchange plc or to trading on any other major securities exchange,

"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,

"Global Hit Payments" means any payments made pursuant to clause 8.4 of the sale and purchase agreement between David Young, Polly Livingston, Hat Trick Productions Limited and ITV Productions Limited dated 4 December 2007 as amended by the settlement letter from ITV Studios Limited to David Young, Polly Livingston, Hat Trick Productions Limited and Andy Culpin dated 28 February 2011,

"Good Leaver" means

- (a) an Employee who ceases to be an Employee where the cessation of employment occurs for one of the following reasons
 - (i) that person's death, or
 - (ii) physical or mental illness or disablement of that person giving rise to permanent incapacity to continue in employment or to provide his services, or
 - (iii) that person's redundancy after the expiry of the Initial Period, or
 - (iv) his employing company leaving the group of which the Company and its Subsidiaries are a part on the transfer or sale of the business in which the person works in each case in circumstances that do not constitute an Asset Sale or Share Sale, or
 - (v) constructive dismissal of that person's employment (agreed by his employing company in writing or as finally determined by a court or employment tribunal where all further rights of appeals have been exhausted or have lapsed), or
 - (vi) wrongful dismissal of that person's employment (agreed by his employing company in writing or as finally determined by a court or employment tribunal where all further rights of appeals have been exhausted or have lapsed), or
- (b) an Employee who ceases to be an Employee where the directors resolve that such person is to be treated as a Good Leaver in circumstances where such person would not, but for this provision, be a Good Leaver;

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

"Initial Period" means either

- (a) in respect of the Principal B Shareholder and any B Shareholder who was allotted B Shares on the same day as the Principal B Shareholder, the period ending on 31 December 2013, and
- (b) in respect of any other B Shareholder, a period of two years commencing on the date on which such B Shareholder first acquired any B Shares,

"instrument" means a document in hard copy form,

"Interim B Share Value" has the meaning given to it in article 8 2,

"ITV" means ITV Studios Limited, a private company limited by shares registered in England and Wales with registered number 03106525,

"Non-Participating A Shares" means any A Shares issued after the B Shares were first allotted by the Company,

"Notification Date" has the meaning given in article 7 9,

"NICs" means UK National Insurance contributions,

"Participating A Shares" means the A Shares in issue when the B Shares were first allotted by the Company,

"persons entitled" has the meaning given in article 12 1 2,

"Prescribed B Share Value" has the meaning given to it in article 8 1,

"Principal B Shareholder" means the B Shareholder who was allotted the greatest number of B Shares by reference to the number of B Shares allotted to other B Shareholders when the B Shares were first allotted by the Company,

"Proxy Notice" has the meaning given in article 14 3 1,

"qualifying person" has the meaning given in article 13 3,

"Relevant Company" has the meaning given in article 29 2,

"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),

"share" means a share in the capital of the Company,

"Share Sale" means the sale of the whole of the issued share capital of the Company to one or more connected buyers (whether in one transaction or series of transactions) to a person other than an Associate of ITV,

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

"Subsidiary" means, in respect of any company, a direct or indirect subsidiary undertaking of that company and references to **"Subsidiaries"** are to more than one Subsidiary,

"Threshold" means £14,000,000,

"United Kingdom" means Great Britain and Northern Ireland,

"Upper Threshold" means £10,000,000,

"Upper Threshold Per Share" means (i) the Upper Threshold, divided by (ii) B (as defined in article 8 1) less C (as defined in article 8 1), 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 3 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

2 **LIABILITY OF MEMBERS**

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

3 **SHARES GENERAL**

- 3 1 All shares shall be issued fully paid

- 3 2 The A Shares, B Shares and Deferred Shares shall constitute separate classes of shares but, except as expressly provided otherwise in these articles, shall rank *pari passu* in all respects. The A Shares, B Shares and Deferred Shares shall have, and be subject to, the rights and restrictions set out in these articles. Where any amount is to be paid or payable in accordance with these articles in respect of the shares of a particular class, such amount shall (unless otherwise expressly provided in these articles or by the terms of issue of the relevant shares) be divided among the shareholders holding shares of the relevant class *pro rata* according to the number of shares of that class held by them.
- 3 3 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 an A Shareholder Majority.
- 3 4 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or a relevant shareholder.
- 3 5 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.
- 3 6 The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- 3 7 Every certificate must specify
- 3 7 1 in respect of how many shares and of what class, it is issued,
 - 3 7 2 the nominal value of those shares,
 - 3 7 3 that the shares are fully paid, and
 - 3 7 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.
- 3 8 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.
- 3 9 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.

4 SHARES: AUTHORITY TO ALLOT

The directors are prohibited from exercising any power of the Company to allot shares or grant rights to subscribe for or convert any security into shares in accordance with section 551 Companies Act 2006, except with the prior written consent of an A Shareholder Majority

5 SHARES. TRANSFER

5 1 A B Shareholder shall not transfer any B Share except upon a Share Sale, in accordance with the provisions of article 7 and article 9 or with the prior consent in writing of an A Shareholder Majority

5 2 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. 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

5 3 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

5 4 Except as required by the Companies Act 2006 or otherwise by law, the directors shall not refuse to register the transfer of a share and shall register any transfer of a share 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

5 4 1 the duly stamped (or exempt) transfer, and

5 4 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

5 5 Directors shall only register a transfer of shares made in accordance with these articles

6 SHARE RIGHTS EXIT

6 1 On a Capital Return the assets of the Company available for distribution amongst its members after payment of its liabilities shall be applied in the following manner and order of priority

6 1 1 first, £1 00 in aggregate shall be divided pro rata amongst the holders of the Non-Participating A Shares,

6 1 2 second, amounts (if any) in excess of £1 00 and up to and including the Threshold shall be divided pro rata amongst the holders of the Participating A Shares, and

- 6 1 3 third, amounts (if any) in excess of the Threshold shall be divided pro rata amongst the holders of the Participating A Shares and the holders of the B Shares as if such shares constituted one class
- 6 2 Upon a Share Sale, shareholders who sell their shares in such a Share Sale will be entitled to participate in the proceeds of the Share Sale as if the same had been distributed under the provisions of article 6 1
- 6 3 Upon an Asset Sale, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent the Company is lawfully permitted to do so) in the order of priority set out in article 6 1 In the event that the Company is not lawfully permitted to distribute the surplus assets of the Company, the Company shall hold such assets on trust for its members until such time as it is lawfully able to distribute such assets pursuant to the provisions of article 6 1
- 6 4 If the proceeds of a Share Sale include Deferred Instalments the provisions of article 6 1 shall be applied on completion in respect of the consideration to be paid on completion and reapplied each time a Deferred Instalment is paid Each time the provisions of article 6 1 are reapplied, when calculating the amount due to shareholders the proceeds of such Share Sale shall include the sum of all consideration that has already been paid and the relevant Deferred Instalment, provided that account shall be taken of amounts already received by shareholders, or not received (as the case may be), in respect of previous payments of consideration
- 6 5 Where this article 6 applies, in respect of the B Shares the aggregate amount (if any) to be distributed to B Shareholders (such amount to be divided as between the B Shareholders pro rata to the number of B Shares held by each B Shareholder on the date on which amounts are to be distributed pursuant to this article 6) shall be referred to as the **"B Share Distribution Amount"**
- 6 6 On a Flotation of the Company (or, if the directors so determine, shortly prior to a Flotation), the share capital of the Company shall be reorganised or reconstructed in order that each B Shareholder shall benefit from the economic effect of the Flotation (whether by way of issue of new ordinary shares in the listed vehicle or otherwise) The implied value of each B Share for this purpose shall be equal to the B Share Distribution Amount (as if references to "assets available for distribution" in article 6 1 were to the valuation of 100 per cent of the equity value of the Company implied by the Flotation, prior to the impact of any primary offering, as determined by the A Shareholder Majority) divided by the number of B Shares in issue immediately prior to the Flotation
- 6 7 In the event that article 6 6 applies in the context of a Flotation of the Company, each B Shareholder shall cooperate with, and take all actions reasonably required to effect, such reorganisation or reconstruction of the share capital of the Company
- 7 SHARE RIGHTS: PUT AND CALL RIGHTS FOR B SHARES**
- 7 1 Any B Shareholder (each a **"B Share Put Option Holder"**) shall be entitled to put all (but not some only) of their B Shares onto the B Share Purchaser (a **"B Share Put Option"**)

at the Prescribed B Share Value for each B Share held from 23 59 (London time) on the Notification Date

- 7 2 If the B Share Put Option becomes exercisable in accordance with article 7 1, the B Share Put Option Holder may give notice in writing to the Company for the Company to serve upon the B Share Purchaser (a **"B Share Put Option Notice"**) requiring the B Share Purchaser to purchase all (but not some only) of the B Shares held by that B Share Put Option Holder, free from all encumbrances and together with all rights attaching to them. The B Share Put Option shall expire if a B Share Put Option Notice has not been served by the B Share Put Option Holder within six months of becoming exercisable in accordance with article 7 1
- 7 3 If a B Share Put Option Holder becomes a Good Leaver within the Initial Period he shall still be entitled to exercise the B Share Put Option in respect of his B Shares in accordance with articles 7 1 and 7 2
- 7 4 For the avoidance of doubt, if a B Share Put Option is exercised in accordance with article 7 1 it may still be exercised in respect of the B Shares the subject of such B Share Put Option by any subsequent holder of such B Shares until the expiry of the period referred to in article 7 2
- 7 5 The B Share Purchaser shall be entitled to call all (but not some only) of the B Shares held by any B Shareholder (each a **"B Share Call Option"**)
- 7 5 1 at the Prescribed B Share Value for each B Share held from 23 59 (London time) on the Notification Date, and
- 7 5 2 at the Interim B Share Value for each B Share held upon any such B Shareholder becoming a Good Leaver within the Initial Period
- 7 6 If a B Share Call Option becomes exercisable in accordance with article 7 5, the B Share Purchaser may serve notice in writing (a **"B Share Call Option Notice"**) on each relevant B Shareholder requiring them to sell (or procure the sale of) all (but not some only) of the B Shares held by them, free from all encumbrances and together with all rights attaching to them, to the B Share Purchaser, a person nominated by the B Share Purchaser or, so far as it is lawfully able to do so, the Company. Each B Share Call Option shall expire if a B Share Call Option Notice has not been served by the B Share Purchaser within six months of becoming exercisable in accordance with article 7 5
- 7 7 For the avoidance of doubt, if a B Share Call Option is exercised in accordance with article 7 5, it may still be exercised in respect of any B Shares the subject of a B Share Call Option by the B Share Purchaser until the expiry of the period referred to in article 7 6
- 7 8 The B Share Purchaser will (acting reasonably) determine
- 7 8 1 the Prescribed B Share Value as soon as practicable after the EBITA in respect of the financial year ending 31 December 2014 has been determined in

accordance with article 7 10 (the date on which such determination is made under this article 7 8 being referred to as the **"Determination Date"**), and

7 8 2 the Interim B Share Value as soon as practicable after a B Shareholder becomes a Good Leaver within the Initial Period

7 9 In respect of the determination of the Prescribed B Share Value, the B Share Purchaser shall notify all B Shareholders in writing within five Business Days of the Determination Date (the date on which such notification is made to the B Shareholders being referred to as the **"Notification Date"**)

7 10 For the purposes of article 8 1 or article 8 2, EBITA will be determined by the A Shareholder Majority (acting reasonably) In making such a determination the A Shareholder Majority may take such independent advice from appropriate third parties as it considers necessary or appropriate

7 11 If, on the Determination Date, the Prescribed B Share Value is equal to either zero or a negative number, then

7 11 1 for the avoidance of doubt, notification of the Prescribed B Share Value shall still be made to all B Shareholders in accordance with article 7 8,

7 11 2 the Prescribed B Share Value to be used for the purposes of article 7 1 shall be equal to £0 00001, and

7 11 3 if the B Share Call Option applicable to any B Shareholder expires on the six month anniversary of the Notification Date without being validly exercised then all of his B Shares shall automatically convert without any resolution of the Company or the directors into an equal number of Deferred Shares with effect from such anniversary

7 12 If the Interim B Share Value to be used for the purposes of article 7 5 in respect of any B Shareholder is equal to either zero or a negative number, then

7 12 1 the Interim B Share Value to be used for the purposes of article 7 5 shall be equal to £0 00001, and

7 12 2 if the B Share Call Option applicable to any B Shareholder expires on the six month anniversary of the date upon which such B Shareholder became a Good Leaver without being validly exercised then all the B Shares held by such Good Leaver shall automatically convert without any resolution of the Company or the directors into an equal number of Deferred Shares with effect from such anniversary

7 13 Subject to article 7 14, the transfer of the relevant B Shares in accordance with either the B Share Put Option or the B Share Call Option shall be completed in accordance with article 7 15 within ten Business Days of the date on which the B Share Put Option Notice

or B Share Call Option Notice (as appropriate) is served pursuant to article 7 2 or article 7 6

- 7 14 If the Company is offered the opportunity to purchase any B Shares the subject of a B Share Call Option by the B Share Purchaser then the directors shall determine a timetable and procedure for such purchase and the shareholders shall (so far as they are lawfully able) comply with any requirements of the directors (as to voting of their Shares or otherwise) to give effect to that purchase. If the Company does not receive the necessary consents and approvals under the Companies Acts it may revoke its proposal to purchase the B Shares. If the Company accepts the purchase of B Shares in accordance with this article 7 8, against payment of the purchase money, the relevant B Shareholder shall deliver a transfer of the relevant B Shares in favour of the Company
- 7 15 Where this article 7 15 applies to the transfer of any B Shares, the relevant B Shares shall be transferred free of encumbrances and with all rights attaching thereto and upon completion of any transfer of B Shares under these articles
- 7 15 1 the purchaser shall pay the amount due to be paid in respect of the relevant B Shares in sterling to the relevant B Shareholder by transfer to such UK bank account as shall have been nominated by that B Shareholder before completion of the transfer. The amount paid shall be subject to such deductions for income tax and NICs (or overseas equivalents) or otherwise as may be required by law,
- 7 15 2 any director of the purchaser shall have the power to execute on behalf of and in the name of the relevant B Shareholder all such documents as may be necessary or desirable in order to implement the transfer of any B Shares, and
- 7 15 3 if any B Shareholder fails or refuses to deliver up the share certificate or certificates held by him before completion of the transfer or fails to nominate a UK bank account for the proceeds of such transfer, the transfer monies payable to that B Shareholder may be set aside and paid into a separate interest-bearing account with the purchaser's bankers (designated for the benefit of the B Shareholder concerned) and that setting aside shall be deemed for all purposes to be a payment to that B Shareholder and all the B Shareholder's rights as the holder of the relevant B Shares shall cease and determine as from the date fixed for completion of the transfer of those B Shares. The purchaser shall not be responsible for the safe custody of the monies so placed on deposit or for interest on it except for interest that those monies may earn while on deposit less any expenses incurred by the purchaser in connection with that deposit
- 7 16 Any present and future stamp, documentary and other duties, if any, payable in respect of the creation or the exercise of a B Share Call Option or a B Share Put Option or transfer of B Shares, shall be borne by the B Share Purchaser
- 7 17 Upon a B Shareholder becoming a Bad Leaver at any time, his B Shares shall automatically convert without any resolution of the Company or the directors into an equal

number of Deferred Shares with effect from the date such B Shareholder becomes a Bad Leaver

- 7 18 The Company (upon the recommendation of the directors) may elect to purchase all or some of the Deferred Shares of any such former B Shareholder (so far as they are lawfully able to do so) or require that all or some of such Deferred Shares are sold to a person nominated by the B Share Purchaser. The price per Deferred Share shall be £0.00001. If the Company lawfully elects to purchase such Deferred Shares or require that such Deferred Shares be purchased by a nominated person, the directors shall determine a timetable and procedure for such purchase and the shareholders shall (so far as they are lawfully able) comply with any requirements of the directors (as to voting of their Shares or otherwise) to give effect to that purchase. If the Company does not receive the necessary consents and approvals under the Companies Acts it may revoke its election to purchase all or some of the Deferred Shares. If the Company (or nominated person) accepts the purchase of Deferred Shares in accordance with this article 7 18, against payment of the purchase money, the relevant former B Shareholder shall deliver a transfer of the relevant Deferred Shares in favour of the Company or nominated person, as applicable. Where this article 7 18 applies to the transfer of any Deferred Shares, the provisions of article 7 15 2 and article 7 15 3 shall apply mutatis mutandis to this article 7 18 as if references to B Shares were references to Deferred Shares.

8 SHARE RIGHTS: B SHARE VALUATION

- 8 1 Subject to article 8 5, the "Prescribed B Share Value" of each B Share shall be equal to the value of A below as determined by reference to the following formula

$$A = \frac{8\% ((X - Y) \times 10)}{(B - C)}$$

Where

- X = average EBITA for the financial years ending 31 December 2012, 31 December 2013 and 31 December 2014,
- Y = £1,400,000,
- B = 8,696, and
- C = subject to article 8 3, if any B Shareholders other than the Principal B Shareholder become Good Leavers or Bad Leavers, the aggregate number of B Shares held (or previously held) by the first two such B Shareholders, or, if there is only one such B Shareholder, then the aggregate number of B Shares held (or previously held) by that B Shareholder

- 8 2 Subject to article 8 5, the "Interim B Share Value" of each B Share shall be equal to the value of D below as determined by reference to the following formula

$$D = \frac{8\% ((Z - Y) \times 10)}{(B - C)}$$

Where

- Z = either (a) average EBITA for the two financial years to have completed prior to the date on which a B Shareholder becomes a Good Leaver, or (b) where the calculation in (a) above would necessitate reference to a financial year ending prior to 31 December 2011, EBITA for the financial year ending 31 December 2011,
- Y = has the meaning contained in article 8 1,
- B = has the meaning contained in article 8 1, and
- C = has the meaning contained in article 8 1
- 8 3 At any time, if both the A Shareholder Majority and the B Shareholder Majority are in agreement, for the purposes of article 8 1 or article 8 2 they are entitled to jointly exercise a discretion to ignore any B Shares held (or previously held) by either or both of the first and second B Shareholders who become Good Leavers (ignoring the Principal B Shareholder) in the Initial Period for the purposes of determining C
- 8 4 If the A Shareholder Majority determines that a secondary Class 1 (employer's) NICs liability may arise in respect of any payment to a B Shareholder pursuant to either a B Share Call Option or a B Share Put Option then the Prescribed B Share Value and the Interim B Share Value to be used for the purposes of article 7 1 and article 7 5 shall be reduced on the basis set out below such that A (article 8 1) and D (article 8 2) shall be equal to the value of E below as determined by reference to the following formula

$$E = MV + \frac{(F - MV)}{(1 + R)}$$

Where

- MV = the market value of a B Share the subject of either a B Share Call Option or a B Share Put Option as determined by or for the A Shareholder Majority in accordance with Part 8 of the Taxation of Chargeable Gains Act 1992,
- F = in respect of the Prescribed B Share Value, the value of A as calculated in accordance with the formula contained in article 8 1 and in respect of the Interim B Share Value, the value of D as calculated in accordance with the formula contained in article 8 2, and

R = the rate of secondary Class 1 (employer's) NICs in force at the time at which a determination is being made pursuant to article 8 4, expressed as a number (for example, where the relevant rate is 13 8%, R would be expressed as 0 138)

8 5 To the extent that either or both of A (article 8 1) or D (article 8 2) exceed the Upper Threshold Per Share then the Prescribed B Share Value and the Interim B Share Value to be used for the purposes of article 7 1 and article 7 5 respectively shall be reduced such that A (article 8 1) and D (article 8 2) shall be equal to the Upper Threshold Per Share

9 EBITA STATEMENTS

The Company shall, and the A Shareholders shall procure (so far as is possible in the exercise of their rights and powers) that the Company shall, provide the B Shareholders within 90 days of the end of each financial year with a statement setting out the EBITA calculation for the relevant financial year and provided always that such statement shall include the following separately itemised particulars (a) Global Hit Payments, (b) management charges, (c) non-trading "one-off" gains, (d) non-trading "one-off" losses, and (e) distribution income

10 SHARE RIGHTS DRAG

10 1 For the purposes of this article 9 (save as provided in articles 10 4 and 10 4 below)

10 1 1 a "Qualifying Offer" means

10 1 1 1 an offer on arm's length terms to buy the entire issued share capital, or alternatively the entire issued and to be issued share capital, of the Company, at the same consideration per share (or the same consideration per share of each class if there is more than one class of share), by any person meeting the criteria referred to in article 10 2 and accepted (whether conditionally or unconditionally) by the Accepting Shareholders, or

10 1 1 2 an agreement on arm's length terms signed (in one copy or in counterparts) by the Accepting Shareholders for the sale (whether conditional or unconditional) of their entire legal and beneficial holdings of shares in the Company (either issued or issued and to be issued) to a person meeting the criteria referred to in article 10 2 who has signed that agreement agreeing to buy those shares. For the purposes of this article 9, references to the means of acceptance or to acceptance by a Non-Accepting Shareholder of a "Qualifying Offer" falling within this article 10 1 1 2 shall be construed as references to the means by which a Non-Accepting Shareholder shall sell shares in accordance with article 10 5,

- 10 1 2 **"Qualifying Offeror"** means a person who makes an offer such as is referred to in article 10 1 1 1 or who agrees to buy the shares to be sold in accordance with an agreement such as is referred to in article 10 1 1 2 ,
- 10 1 3 **"Accepting Shareholders"** means the holder(s) of shares representing in aggregate not less than 50% of the voting rights attaching to the then issued share capital of the Company,
- 10 1 4 **"Non-Accepting Shareholder"** means any person who is not an Accepting Shareholder, but is either a shareholder of the Company or (whether or not a shareholder) has a right (whether or not contingent or then exercisable) to acquire shares in the Company
- 10 2 The criteria for being a Qualifying Offeror are that the person
- 10 2 1 is not a shareholder of the Company or entitled to become a shareholder by reason of the exercise of any option over shares in the Company or the conversion of any security convertible into shares in the Company, and
- 10 2 2 is not connected with any shareholder of the Company (within the meaning of sections 1122 and 1123 Corporation Tax Act 2010), and
- 10 2 3 has no arrangement or agreement with any shareholder relating to the offer referred to in this article, other than an arrangement or agreement regarding the acceptance of that offer
- 10 3 If a Qualifying Offer is made, the Accepting Shareholders may procure that the Qualifying Offeror gives notice to all Non-Accepting Shareholders to the effect that the Qualifying Offer is made available to them as of the date of such notice By reason of that notice the Non-Accepting Shareholders shall be required to sell or procure the sale to the Qualifying Offeror of the entire legal and beneficial ownership of the shares registered in their names (save as set out at article 10 4) for the same consideration per share of each class as the consideration that would be received by the Non-Accepting Shareholders of that class pursuant to the operation of article 6 2 if they had been Accepting Shareholders The Qualifying Offeror's notice shall
- 10 3 1 give details of the consideration to be paid per share (or per share of each class, if there is more than one class of share), including an explanation of any choice of consideration offered under the terms of the Qualifying Offer and which consideration so offered will be taken as applying in default of a Non-Accepting Shareholder indicating a choice,
- 10 3 2 have attached to it a copy of the Qualifying Offer as made to the Accepting Shareholders and any certificate such as is referred to in article 10 4,
- 10 3 3 give the identities of the Accepting Shareholders and the percentage of shares of each class held by them, and

- 10 3 4 specify the means and by when the Qualifying Offer as made to the Non-Accepting Shareholders is to be accepted, and for these purposes, more than one date may be specified in the notice to ensure that rights to acquire shares in the Company become exercisable, provided that no date may be so specified which is less than 14 days after the date of the Qualifying Offeror's notice or which is earlier than the date on which the Qualifying Offer as made to the Accepting Shareholders becomes unconditional (or would do so but for the transfer of shares (whether or not in issue on the date of the Qualifying Offeror's notice) held by the Non-Accepting Shareholders in accordance with article 10 5)
- 10 4 Save for the covenant of full title guarantee set out in article 10 5, no Non-Accepting Shareholder shall be required to give or make any warranty, representation, indemnity or covenant (including, without limitation, restrictive covenants) The requirement that the Qualifying Offer should be at the same consideration per share (or the same consideration per share of each class if there is more than one class of share) shall not be regarded as not being satisfied merely because
- 10 4 1 the dates on which the Qualifying Offer is made to persons may differ,
- 10 4 2 the dates on which the Non-Accepting Shareholders are required to transfer their shares may differ from the dates applicable to the Accepting Shareholders, or
- 10 4 3 some or all of the Accepting Shareholders give or make warranties, representations, indemnities or covenants (including, without limitation, restrictive covenants) which are not to be given or made by any other Accepting Shareholder or by all of the Non-Accepting Shareholders,
- and in determining the consideration to be paid by the Qualifying Offeror to the Non-Accepting Shareholders, the circumstances of the proposed sale to the Accepting Shareholders as a whole shall be taken into account
- 10 5 Each Non-Accepting Shareholder shall, on the receipt of a notice given by the Qualifying Offeror under article 10 3 sell to the Qualifying Offeror (or its nominee) with full title guarantee and free from all encumbrances at the consideration per share payable by the Qualifying Offeror specified in the notice all shares registered in his name on the date for acceptance of the Qualifying Offer specified in the Qualifying Offeror's notice (and/or the last such date if more than one date is so specified), and shall on that date (or each such date as the case may be) execute and deliver to the Company transfers in respect of those shares, any other documents necessary to accept the Qualifying Offer and the certificate(s) in respect of those shares (or an indemnity in lieu of those certificate(s) in a form satisfactory to the directors)

10 6 If any Non-Accepting Shareholder, whether or not a shareholder on the date of the notice given to him under article 10 3, does not cause the Company to receive on any relevant date specified by the Qualifying Offeror in accordance with article 10 3 any of the documents referred to in article 10 5, then any director shall be entitled to

10 6 1 execute the documents in question on that Non-Accepting Shareholder's behalf, and

10 6 2 against receipt by the Company on trust for that Non-Accepting Shareholder of the consideration payable for the relevant shares, deliver those documents to the Qualifying Offeror

Following receipt by the Company of the consideration payable for those shares, the Company shall (subject to the payment of any stamp duty) cause the Qualifying Offeror 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 article 10 6 2

11 DIVIDENDS AND OTHER DISTRIBUTIONS

11 1 Notwithstanding the provisions of article 11 2 to article 11 7 inclusive but subject to article 6, no dividends or other sums which are distributions shall be paid or payable to B Shareholders in respect of the B Shares held by them or to Deferred Shareholders in respect of the Deferred Shares held by them

11 2 Procedure for declaring dividends

11 2 1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends

11 2 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

11 2 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

11 3 Payment of dividends and other distributions

11 3 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

11 3 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,

11 3 1 2 sending a cheque made payable to the Distribution Recipient by post (in accordance with article 27 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,

11 3 1 3 sending a cheque made payable to such person by post (in accordance with article 27 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

11 3 1 4 any other means of payment as the directors agree with the Distribution Recipient in writing

11 3 2 In these articles, "**Distribution Recipient**" means, in respect of a share in respect of which a dividend or other sum is payable

11 3 2 1 the shareholder of the share, or

11 3 2 2 if the share has two or more joint shareholders, whichever of them is named first in the register of members, or

11 3 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 Transmittree

11 4 **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

11 5 **Unclaimed distributions**

11 5 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

11 5 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

11 6 Non-cash distributions

11 6 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)

11 6 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

11 7 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

12 CAPITALISATION OF PROFITS

12 1 Subject to these articles, the directors may, if they are so authorised by an ordinary resolution

12 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

12 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

12 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

12 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

12 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

12 5 Subject to these articles the directors may

12 5 1 apply capitalised sums in accordance with articles 12 3 and 12 4 partly in one way and partly in another,

12 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

12 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

13 DECISION-MAKING BY SHAREHOLDERS: GENERAL MEETINGS

13 1 Notwithstanding the provisions of article 13 2 to article 13 6 inclusive, B Shareholders and Deferred Shareholders shall not be entitled (in respect of only their B Shares or Deferred Shares, as appropriate) to receive notice of and to attend (either personally or by proxy) any general meeting of the Company

13 2 Attendance and speaking at general meetings

13 2 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

13 2 2 A person is able to exercise the right to vote at a general meeting when

13 2 2 1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

13 2 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

13 2 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

13 2 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

13 2 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

13 3 Quorum for general meetings

The quorum required at general meetings and adjourned meetings shall be any qualifying person or qualifying persons together holding shares representing not less than the majority of the voting rights attaching to the issued share capital of the Company 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 13 3 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 in relation to the meeting, or (iii) a person appointed as proxy of a shareholder in relation to the meeting

13 4 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

13 5 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

13 6 Adjournment

13 6 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

13 6 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

13 6 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) 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

13 6 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.

13 6 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.

14 DECISION-MAKING BY SHAREHOLDERS VOTING AT GENERAL MEETINGS

14 1 Notwithstanding the provisions of article 14 2 to article 14 4 inclusive, B Shareholders and Deferred Shareholders shall not be entitled (in respect of only their B Shares or Deferred Shares, as appropriate) to vote (either personally or by proxy) on any resolution to be proposed at a general meeting of the Company or proposed as a written resolution of the Company.

14 2 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.

14 3 Content of proxy notices

14 3 1 Proxies may only validly be appointed by a notice in writing ("**Proxy Notice**") which

14 3 1 1 states the name and address of the shareholder appointing the proxy,

14 3 1 2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed,

14 3 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,

14 3 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

14 3 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

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

14 3 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

14 3 3 Unless a Proxy Notice indicates otherwise, it must be treated as

14 3 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,

14 3 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

14 3 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

14 4 Delivery of proxy notices

14 4 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

14 4 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

14 4 1 2 in the case of a Proxy Notice sent by electronic means where an address has been given by the Company

14 4 1 2 1 in the notice calling the meeting, or

14 4 1 2 2 in any form of proxy sent out by the Company in relation to the meeting, or

14 4 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

14 4 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 14 4, "address" includes a number or address used for the purposes of sending or receiving documents or information by electronic means

14 4 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

14 4 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 14 4 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

14 4 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

14 4 5 Subject to article 14 4 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

14 4 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

15 DIRECTORS' POWERS, RESPONSIBILITIES AND DELEGATION

15 1 Subject to these articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company

15 2 The shareholders holding voting rights attaching to the issued share capital of the Company may, by special resolution, direct the directors to take, or refrain from taking, specified action No such special resolution shall invalidate anything which the directors have done before the passing of the resolution

15 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

15 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

16 DECISION-MAKING BY DIRECTORS

16 1 Directors to take decisions collectively

16 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 16 2

16 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 16 2, 16 3, 16 4 1, 16 4 2, 16 4 5, 16 4 6, 16 5 1, 16 5 2 and 16 6 relating to directors' decision-making

16 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 16 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.

16 3 Calling a directors' meeting

16 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.

16 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.

16 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.

16 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 19 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.

16 4 Participation in directors' meetings and decision making

16 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.

16 4 2 Subject to these articles, each director participating in a directors' meeting has one vote

16 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

16 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,

16 4 3 2 where necessary, any situation which could give rise to a conflict and which would otherwise be prohibited by section 175 of the Companies Act 2006 is authorised pursuant to article 17 1 or article 18, and

16 4 3 3 the terms of any authorisation given or imposed pursuant to article 17 1 or article 18 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 16 4 3 (or the terms of any authorisation) he is not entitled to vote, his vote shall not be counted

16 4 4 For the purposes of article 16 4 3

16 4 4 1 an interest of a person who is connected with a director (within the meaning of section 252 of the Companies Act 2006) shall be treated as an interest of the director,

16 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 if he is a director and has no such interest),

16 4 4 3 references to a conflict of interest include a conflict of interest and duty and a conflict of duties, and

16 4 4 4 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his

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 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

16 4 5 Subject to article 16 4 6, 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

16 4 6 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

16 5 Quorum for directors' meetings

16 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

16 5 2 Save as set out in article 16 5 3, the quorum for the transaction of business of the directors shall be two eligible directors

16 5 3 The quorum for transaction of business of the directors shall be one eligible director, if

16 5 3 1 there is a sole director, or

16 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

16 5 3 2 1 the provisions of article 16 4 3, or

16 5 3 2 2 the exercise by a director, pursuant to article 19 1, of the right not to attend and vote, or

16 5 3 2 3 section 175(6)(b) Companies Act 2006,

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

16 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 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

16 6 Chairing of directors' meetings and chairman's casting vote

16 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

16 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

16 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

16 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

17 DIRECTORS' PERMITTED INTERESTS

17 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 17 4, and (b) the directors or the shareholders have not (upon request) refused to give specific authorisation pursuant to article 18 for a particular situation or matter, and (c) the directors and shareholders have not otherwise resolved pursuant to article 18 that a particular situation or matter shall no longer be authorised, a director, notwithstanding his office, shall be authorised

17 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,

17 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 Associate of any such shareholder,

17 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 Associate 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

17 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 18 of any such situation or matter authorised by this article 17 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 17 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 17 1

17 2 The authorisations given pursuant to and the other provisions of article 17 1 shall extend to and include, without limitation, direct or indirect interests of a director which arise (or which may potentially arise) due to

17 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 Associate 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 Associate of such shareholder,

17 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 Associate of that shareholder,

17 2 3 the recommendation, declaration and payment of any dividend or other distribution by the Company,

17 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 Associate 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

17 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 Associate of that shareholder

It shall be a term and condition of the authorisation given pursuant to article 17 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

17 3 For the purposes of articles 17 1 and 17 2

17 3 1 an interest of (a) a person who is connected with a director (within the meaning of section 252 of the 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

17 3 2 any authorisation of a situation or matter pursuant to articles 17 1 and 17 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 Associate 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 Associate remains an Associate of a person who holds the majority of the voting rights in the Company

17 4 In relation to transactions or arrangements with the Company, the director shall declare the nature and extent of any interest authorised under articles 17 1 and 17 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

18 AUTHORISATION OF CONFLICTS OF INTEREST

- 18 1** The directors may not under section 175(5)(a) of the Companies Act 2006, authorise any Relevant Matter. To the extent that the directors purport to give such authorisation it shall not be valid.
- 18 2** Notwithstanding the provisions of article 18, the A Shareholder Majority shall be entitled to authorise in advance a Relevant Matter by ordinary resolution, save where any greater majority is required by the Companies Act 2006 or other applicable law. Any such authorisation shall be subject to such terms, conditions and limitations as the shareholders may specify, whether at the time of giving the authorisation or subsequently (and the director concerned must act in accordance with any such terms, conditions or limitations) but otherwise any authorisation of a matter pursuant to this article 18 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised. The A Shareholder Majority may terminate or vary (including by imposing new terms, conditions and limitations in relation to) any authorisation given under article 17 1 or this article 18 at any time, but no such termination or variation shall be of retrospective effect.
- 18 3** 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 A Shareholder Majority in accordance with this article 18. 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.

19 DIRECTORS' INTERESTS. GENERAL

- 19 1** Where this article 19 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 19 1 applies, including (without limitation) by
- 19 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,
- 19 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),

- 19 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
- 19 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
- 19 2 Article 19 1 shall apply, where a director has or could have
- 19 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 17 1 or article 18 and unless otherwise specified by the terms and conditions of such authorisation, and
- 19 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
- 19 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 19 1
- 19 4 Articles 19 1 and 19 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
- 19 5 For the purposes of articles 17 to 19 references to a conflict of interest include a conflict of interest and duty and a conflict of duties
- 20 **ALTERNATE DIRECTORS**
- 20 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

- 20 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
- 20 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
- 20 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
- 20 5 Subject to article 20 6, a person who is an alternate director, but not a director
- 20 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
- 20 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)
- 20 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, that alternate director shall (subject to article 16 4)
- 20 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 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,
- 20 6 2 may be counted more than once for the purpose of determining whether or not a quorum is present, and
- 20 6 3 shall be entitled to take part in decisions of the directors pursuant to article 16 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 (if he is a director)

20 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

20 8 An alternate director's appointment as an alternate for a particular Appointor shall terminate

20 8 1 when that Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

20 8 2 on the death of that Appointor, or

20 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

21 APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

21 1 The shareholder(s) holding a majority of the voting rights attaching to the issued share capital of the Company may from time to time appoint any person who is willing to act and who is permitted by law to do so, as a director and may remove from office any director, whether appointed under this article 21 1 or otherwise

21 2 Any appointment or removal of a director pursuant to article 21 1 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

21 3 Unless prohibited by the terms of any authorisation given under article 18, any director appointed for the time being pursuant to article 21 1 may make such disclosures in relation to the Group Companies to the shareholder(s) appointing him as he thinks appropriate in his sole discretion

21 4 The directors shall have no power to appoint any person to be a director

21 5 A person ceases to be a director as soon as

21 5 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,

21 5 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,

21 5 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,

21 5 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,

21 5 5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,

21 5 6 he is removed from office in accordance with article 21 1, or

21 5 7 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

22 DIRECTORS' REMUNERATION AND EXPENSES

22 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

22 1 1 appoint a person to the office of managing director or any other executive or salaried office, and

22 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

22 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

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

22 2 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

22 3 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, and may contribute to any fund and pay premiums for the purchase or provision of any such benefit

23 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

24 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

25 COMPANY SEALS

25 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

25 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

25 2 1 any director of the Company,

25 2 2 the Company Secretary, or

25 2 3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied

26 **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

27 **NOTICES AND COMMUNICATIONS**

27 1 Except as otherwise provided in these articles and subject to article 27 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

27 2 Except as otherwise provided in these articles and subject to article 27 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

27 3 Articles 27 1 and 27 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 27 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

27 4 Articles 27 1 and 27 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

27 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 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 at that address

27 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

27 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

27 8 In this article 27, "address" includes a number or address used for the purposes of sending or receiving documents or information by electronic means

27 9 Nothing in these articles shall affect any legal requirement that any particular notice or other document be served in any particular manner

28 INDEMNITIES AND FUNDING OF PROCEEDINGS

28 1 Subject to the provisions of and so far as may be consistent with the Companies Act 2006

28 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 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,

28 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) of the 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 in connection with that company's activities as trustee of the occupational pension scheme, to the fullest extent permitted by law, and

28 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 of the kind referred to in sections 205(1)(a) and 206(a) of the 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,

and in this article 28 1 the term "**associated company**" shall have the meaning given in section 256(b) Companies Act 2006 as amended, modified or re-enacted from time to time

29 **INSURANCE**

29 1 Without prejudice to article 28, 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

29 1 1 a director of any Relevant Company, or

29 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 28 attaching to him in relation to any Relevant Company, or any such pension fund, retirement or other scheme or employees' share scheme

29 2 In article 29 1, "**Relevant Company**" means the Company or any other undertaking which is or was at any time

29 2 1 the holding company of the Company, or

29 2 2 a Subsidiary of the Company or of such holding company, or

29 2 3 a company in which the Company has an interest (whether direct or indirect)

30. **OVERRIDING PROVISIONS**

Whenever ITV plc (hereinafter called "**the Parent Company**"), or any subsidiary undertaking of the Parent Company, shall be the holder of not less than 90 percent of the issued Ordinary Shares, the following provisions shall apply and to the extent of any inconsistency shall have overriding effect as against all other provisions of these Articles -

30 1 the Parent Company may at any time and from time to time appoint any person to be a Director or remove from office any Director howsoever appointed, but, if he holds an appointment to an executive office which thereby automatically determines, such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company,

- 30 2 no unissued shares shall be issued or agreed to be issued or put under option without the consent of the Parent Company,
- 30 3 the immediate holding company for the time being of the Company may at any time transfer all or any shares to any person and the provisions of Regulation 24 shall not apply to such transfer,
- 30 4 any or all powers of the Directors shall be restricted in such respects and to such extent as the Parent Company may by notice to the Company from time to time prescribe