

COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF

BCS ALTERNATIVES LIMITED (the "Company")

As adopted by Special Resolution on 10th February 2016

THURSDAY



1 INTERPRETATION

1 1 In these Articles, unless context otherwise requires, the following definitions apply

"Act"	The Companies Act 2006
"business days"	any day (other than a Saturday, Sunday or a bank or public holiday in the United Kingdom) on which clearing banks in the city of London are generally open for business
"Company"	BCS Alternatives Limited
"Conflict Situation"	any situation or matter in which any director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company
"eligible director"	a director who would be entitled to vote on the matter at a meeting of the directors (but excluding any director whose vote is not to be counted in respect of the particular matter)
"Model Articles"	the Model Articles for Private Companies Limited by Shares contained in Schedule 1 of The Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of the date of adoption of these Articles

1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles

1 3 Headings in the Articles are used for convenience only and shall not affect the construction or interpretation of these Articles

1 4 A reference in these Articles to an "Article" is a reference to the relevant article of these Articles unless expressly provided otherwise

1 5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of

1 5 1 any subordinate legislation from time to time made under it, and

1 5 2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts

1 6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms

2 LIABILITY OF MEMBERS

2 1 The liability of the members is limited to the amount, if any, unpaid on the shares held by them

3 MODEL ARTICLES

- 3 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles. If any provisions of these Articles shall conflict with any provisions of the Model Articles, these Articles shall prevail.

4 DIRECTORS – DIRECTORS TO TAKE DECISIONS COLLECTIVELY

- 4 1 The general rule about decision making is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with Article 5 1.
- 4 2 If the Company has only one director for the time being the general rule does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of these Articles relating to directors' decision making.
- 4 3 Paragraph 7 of the Model Articles shall not apply to the Company.

5 DIRECTORS – UNANIMOUS DECISIONS

- 5 1 A decision of the directors is taken in accordance with this Article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 5 2 Such a decision may take the form of a resolution in writing where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 5 3 A decision may not be taken in accordance with this Article if the eligible directors would not have formed a quorum for such a meeting.
- 5 4 Paragraph 8 of the Model Articles shall not apply to the Company.

6 DIRECTORS – QUORUM

- 6 1 Subject to Article 4 2, the quorum for the transaction of business at a meeting of directors may be fixed from time to time by a decision of the directors but unless otherwise so fixed, it is three eligible directors provided that where only three directors are present, the only business which may be transacted shall be the business set out in the notice of that meeting.
- 6 3 Paragraph 11(2) of the Model Articles shall not apply to the Company.

7 DIRECTORS – CASTING VOTE

- 7 1 If the number of votes for and against a proposal at a meeting of directors is equal, the chairman or other director chairing the meeting shall not have a casting vote.
- 7 2 Paragraph 13 of the Model Articles shall not apply to the Company.

8 DIRECTORS – POWER TO AUTHORISE CONFLICTS OF INTEREST

- 8 1 The directors may authorise, to the fullest extent permitted by law, any matter which would otherwise result in a director infringing his duty to avoid a Conflict Situation provided that, for this purpose, the director in question and any other interested director are not counted in the quorum at any board meeting at which such matter is authorised and it is agreed to without their voting or would have been agreed to if their votes had not been counted.
- 8 2 Any authorisation given under Article 8 1 may (whether at the time of giving the authorisation or subsequently) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the conflict so authorised.
- 8 3 Where the directors give authority under Article 8 1
- 8 3 1 they may (whether at the time of giving the authority or subsequently) require that the relevant director is excluded from the receipt of information, participation in discussion and/or the making of decisions (whether at directors' meetings or otherwise) related to the matter that is the subject of the authorisation and impose upon the relevant director such other terms for the purpose of the authorisation as they think fit and

- (a) the relevant director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the authorisation, and
 - (b) the relevant director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the act provided he acts in accordance with such terms,
- 8 3 2 they may provide that where the relevant director obtained (otherwise than through his position as director of the Company) information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use or apply the information in relating to the Company's affairs, where to do so would amount to a breach of that confidence,
- 8 3 3 the directors may revoke or vary the authority at any time but this will not affect anything done by the relevant director prior to such revocation or variation in accordance with the terms of such authority
- 8 4 A director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter which has been authorised by the directors pursuant to article 8 1 (subject in any case to any limits or conditions to which such approval was subject)

9 DIRECTORS – TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 9 1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company
 - 9 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,
 - 9 1 2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of the directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested,
 - 9 1 3 shall be entitled to vote at a meeting of directors or of a committee of the directors, or participate in any unanimous decision, in respect of such transaction or arrangement or such proposed transaction or arrangement
- 9 2 If a question arises at a meeting as to the materiality of a director's interest (other than the interest of the chairman of the meeting) or as to the entitlement of a director other than the chairman to vote or be counted in a quorum and the question is not resolved by his or her voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be referred to the chairman and his or her ruling in relation to the director concerned is conclusive and binding on all concerned
- 9 3 If a question arises at a meeting as to the materiality of the interest of the chairman of the meeting or as to the entitlement of the chairman to vote or be counted in a quorum and the question is not resolved by his or her voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be decided by resolution of the directors present at the meeting (excluding the chairman) whose majority vote is conclusive and binding on all concerned
- 9 4 For the purposes of this Article 9, in relation to a proxy director, the interest of his or her appointor is treated as the interest of the proxy director in addition to any interest which the proxy director otherwise has This Article 9 applies to a proxy director as if he or she were a director otherwise appointed
- 9 5 For the purposes of this Article 9, references to a proposed decision includes any directors' meeting or part of a directors' meeting
- 9 6 Paragraph 14 of the Model Articles shall not apply to the Company

10 DIRECTORS – APPOINTMENT AND REMUNERATION

- 10 1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director by a Special Resolution of the Members Paragraph 11(3)(a) and (17(1) of the Model Articles shall not apply to the Company

- 10.2 The Company may, at the discretion of the directors, pay any reasonable expenses which the directors properly incur in connection with their attendance at
- (a) meetings of directors or committees of directors,
 - (b) general meetings, or
 - (c) separate meeting of the holders on any class of shares or of debentures of the Company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company

Paragraph 20 of the Model Articles shall not apply to the Company

11 PROXY DIRECTORS

- 11.1 Any director (the "appointor") may appoint as a proxy director any other director, or any other person approved by resolution of the directors
- 11.2 A proxy director has the same rights, in relation to any directors' meeting or directors' written resolution, as the proxy's appointor. Article 9 above refers to the treatment of a proxy director's interest and the interest of his or her appointor
- 11.3 A proxy director's appointment will be effective for a specified meeting(s) or a specific purpose(s) in accordance with the appointor's instructions and as approved by resolution of the directors
- 11.4 A proxy director shall not be entitled as such to receive any remuneration from the Company

12 CHANGE OF COMPANY NAME

- 12.1 The Company may change its name by Special Resolution of the Members

13 SHARE CAPITAL

- 13.1 The Ordinary Shares carry full rights in respect of voting, dividends and distributions (including on winding up)
- 13.2 All shares are to be fully paid. No share shall be issued at a discount
- 13.3 The Company shall not have power to issue share warrants to bearer
- 13.4 Any invitation to the public to subscribe for any shares or debentures of the Company is prohibited
- 13.5 Subject to the provisions of the Act, the Company may purchase any of its own shares, provided that the terms of any contract under which the Company will or may become entitled or obliged to purchase its own shares shall be authorised unanimously by the Members in General Meeting before the Company enters into the contract
- 13.6 The Company shall, subject to the provisions of the Act, be authorised, in respect of the redemption or purchase of any of its own shares, to give such financial assistance, or to make such payments out of capital as may be permissible in accordance with the Act, provided that any such assistance or payment shall first be approved by unanimous authorisation of the Members in General Meeting
- 13.7 The Company may, subject to the provisions of the Act, by unanimous authorisation of the Members in General Meeting reduce its share capital and any capital redemption reserve or share premium account in any manner authorised by law
- 13.8 The directors may, in their absolute discretion, decline to register the transfer of a share whether or not it be a fully paid share, and no reason for the refusal to register the aforementioned transfer need be given by the directors

14 SHAREHOLDER RESOLUTIONS

- 14.1 The references to "ordinary resolution" within the Model Articles at the following paragraphs shall be amended and shall require authorisation by Special Resolution of the Company in General Meeting

- 30(1) – procedure for declaring dividends,
- 34(1) – non-cash distributions, and
- 36(1) – authority to capitalise and appropriation of capitalised sums

- 14 2 The references to "ordinary resolution" within the Model Articles at the following paragraphs shall be amended and shall require unanimous authorisation by the Members in General Meeting

22(1) – powers to issue different classes of share, and
50 – no right to inspect accounts and other records

15 QUORUM AT GENERAL MEETINGS

- 15 1 No business shall be transacted at any General Meeting of the Company unless a quorum is present
Three members entitled to attend and vote at General Meetings shall be a quorum If and for so long as the Company has one member, that member present in person or by proxy shall be a quorum
Paragraph 38 of the Model Articles shall not apply to the Company

16 INDEMNITY OF OFFICERS, FUNDING DIRECTORS' DEFENCE COSTS AND POWER TO PURCHASE INSURANCE

- 16 1 (A) To the extent permitted by the Act and without prejudice to any indemnity to which he may otherwise be entitled, every person who is or was a director or other officer of the Company (other than any person, whether or not an officer of the Company or an associated company, engaged by the Company or an associated company as auditor) shall be and shall be kept indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him (whether in connection with any negligence, default, breach of duty or breach of trust by him or otherwise) as a director or such other officer of the Company or an associated company in relation to the Company, an associated company or their affairs provided that such indemnity shall not apply in respect of any liability incurred by him

- (i) to the Company or to any associated company,
- (ii) to pay a fine imposed in criminal proceedings,
- (iii) to pay a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (howsoever arising),
- (iv) in defending criminal proceedings in which he is convicted,
- (v) in defending any civil proceedings brought by the Company, or an associated company, in which judgment is given against him,
- (vi) in connection with any application under any of the following provisions in which the court refuses to grant him relief, namely
 - (a) section 661(3) or (4) of the Act (acquisition of shares by innocent nominee)
 - (b) section 1157 of the Act (general power to grant relief in case of honest and reasonable conduct)

(B) In Article 16 1(A)(iv), 16 1(A)(v) or 16 1(A)(vi) the reference to a conviction, judgment or refusal to relief is a reference to once that has become final, conviction, judgment or refusal to relief becomes final

- (i) if not appealed against, at the end of the period for bringing an appeal, or
- (ii) if appealed against, at the time when the appeal (or any further appeal) is disposed of,

an appeal is disposed of

- (iii) if it is determined and the period for bringing any further appeal has ended, or
- (iv) if it is abandoned or otherwise ceases to have effect

(C) To the extent permitted by the Act and without prejudice to any indemnity to which he may otherwise be entitled, every person who is or was a director of the Company acting in its capacity as a trustee of an occupations pension scheme shall be and shall be kept indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in connection with the Company's activities as trustee of the scheme provided that such indemnity shall not apply in respect of any liability incurred by him

- (i) to pay a fine imposed in criminal proceedings,

- (ii) to pay a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (howsoever arising), or
- (iii) in defending criminal proceedings in which he is convicted

For the purposes of this Article, a reference to a conviction is to the final decision in the proceedings. The provisions of Article 16 1(B) shall apply in determining when a conviction becomes final.

(D) Without prejudice to Article 16 1(A) to any indemnity to which a director may otherwise be entitled, and to the extent permitted by the Act and otherwise upon such terms and subject to such conditions as the board may in its absolute discretion think fit, the board shall have the power to make arrangements to provide a director with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings or in connection with an Application under section 661(3) or (4) or section 727 of the Act (acquisition of shares by innocent nominee) or section 1157 of the Act (general power to grant relief in case of honest and reasonable conduct) or in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority or to enable a director to avoid incurring any such expenditure.

(E) Where at any meeting of the board or a committee of the board any arrangement falling within Article 16 1(D) above is to be considered, a director shall be entitled to vote and be counted in the quorum at such meeting unless the terms of such arrangement confers upon such director in such arrangement shall be deemed to be a material interest for the purposes of Article 9 and he shall not be so entitled to vote or be counted in the quorum.

(F) To the extent permitted by the Act, the board may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is or was

(i) a director, alternate director or secretary of the Company or of a company which is or was a subsidiary undertaking of the Company or in which the Company has or had an interest (whether director or indirect), or

(ii) trustee of a retirement benefits scheme or other trust in which a person referred to in Article 16 1(F)(i) above is or has been interested,

indemnifying him and keeping him indemnified against liability for negligence, default, breach of duty or breach of trust or other liability which may lawfully be insured against by the Company.

16 2 Paragraphs 52 and 53 of the Model Articles shall not apply to the Company.

17 CONTINUITY OF PRACTICE

17 1 In accordance with the relevant practising regulations of the Association of Chartered Certified Accountants (ACCA), the Company has made provision to ensure that continuity of practice requirements are in place.