

No. 06419578

**THE COMPANIES ACT 2006**

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**COMPANY LIMITED BY SHARES**

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**RESOLUTIONS**

**-of-**

**METRO BANK PLC**

**(Passed 22 February 2011)**

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At a General Meeting of the above-named Company, duly convened and held at One Southampton Row, London WC1B 5HA on 22 February 2011 at 2 30 p m , the following resolutions were passed as special resolutions

**SPECIAL RESOLUTIONS**

- 1 THAT the terms of an agreement (the "**Buyback Agreement**") entered into by the Company, Vernon W Hill, II and Anthony Thomson for the purchase by the Company of an aggregate of 1,000,000 deferred A ordinary shares of 0 0001p each in the capital of the Company (the "**Shares**") for an aggregate price of £1 00 and as produced to the General Meeting and initialled by the Chairman of the General Meeting for the purposes of identification be and are hereby approved and the Company be and is hereby authorised to purchase the Shares provided that such authority shall (unless previously renewed or revoked) expire on the date falling five years after the date on which this resolution is passed
- 2 THAT, subject to completion of the Buyback Agreement referred to in Resolution 1 above, the articles of association containing the provisions described in the circular to shareholders convening this General Meeting and in the form produced to the General Meeting and initialled by the Chairman for the purpose of identification, be adopted as the articles of association of the Company in replacement of the existing articles of association of the Company



Chairman

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COMPANIES HOUSE

**COMPANY NUMBER: 6419578**

**THE COMPANIES ACTS 1985 AND 1989  
AND THE COMPANIES ACT 2006**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**- of -**

**METRO BANK PLC**

**(Adopted by Special Resolution on 22 February 2011)**

Travers Smith LLP  
10 Snow Hill London EC1A 2AL  
[www.traverssmith.com](http://www.traverssmith.com)

## CONTENTS

Heading	Article
Interpretation	1
Limited Liability, Share Rights and Registered Office	2
Issue of New Shares	3
Registration	4
Share Certificates	5
Lien	6
Calls on Shares	7
Forfeiture of Shares	8
Transfer and Transmission of Shares	9
Limitations on Shareholdings	10
General Meetings	11
Notice of General Meetings	12
Proceedings at General Meetings	13
Voting	14
Proxies	15
Incorporated Shareholders	16
Directors	17
Associate and Other Directors	18
Additional Remuneration Expenses and Pensions	19
Directors' Interests	20
Powers and Duties of the Board	21
Proceedings of the Board	22
Seals	23
Dividends and Other Payments	24
Capitalisation of Reserves	25
Record Dates	26
Accounting Records	27
Service of Notices and Other Documents	28
Winding Up	29
Indemnity and Insurance	30
Realisation Event	31
Deliberately left blank	32
Business of Company	33

**COMPANY NUMBER: 6419578**

**THE COMPANIES ACTS 1985 AND 1989  
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**PUBLIC COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**of**

**METRO BANK PLC**

**(Adopted by special resolution on 22 February 2011)**

**INTERPRETATION**

**Exclusion of other regulations**

- 1.1** No regulations set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as the regulations or Articles of the Company, unless expressly referred to herein

**Definitions**

- 1.2** In these Articles unless the context otherwise requires

**"A Ordinary Shares"** means the A Ordinary Shares of 0 0001 pence each in the capital of the Company,

**"A Shareholders"** means the holders from time to time of the A Ordinary Shares,

**"Act"** means the Companies Act 2006, including any statutory modification, replacement or re-enactment thereof from time to time in force,

**"Adoption Date"** means the date on which these Articles were adopted,

**"Articles"** means these articles of association of the Company,

**"auditors"** means the auditors for the time being of the Company or, in the case of joint auditors, any one of them,

**"B Ordinary Shares"** means the B Ordinary Shares of 0 0001 pence each in the capital of the Company,

**"B Shareholders"** means the holders from time to time of the B Ordinary Shares,

**"B Share Scheme"** means any share scheme, plan or other incentive arrangements established and approved by the Board from time to time, in order to encourage or facilitate the holding of B Ordinary Shares by, or for the benefit of, employees and office holders of, and/or consultants of any Group Company as selected by the Board in its absolute discretion,

**"Bad Leaver"** shall bear the meaning ascribed thereto in Article 9 16 3;

**"Board"** means the board of Directors from time to time of the Company acting either by the Directors present at a board meeting of the Directors (or a duly appointed committee thereof) at which a quorum is present or under the provisions of Article 22 9,

**"Business Day"** means a weekday (not including Saturday) on which banks are open for normal business in England,

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

**"company"** includes any body corporate,

**"Company"** means Metro Bank PLC (registered number 6419578),

**"communication"** shall have the meaning ascribed thereto in the Electronic Communications Act 2000,

**"Connected Person"** means, in relation to a person, any person connected with such person (as if he were a Director) within the meaning of sections 252 to 255 of the Act,

**"Deferred B Shares"** means the deferred B Ordinary Shares of 0 0001 pence each in the capital of the Company resulting from the conversion under Article 31,

**"Directors"** means the directors of the Company for the time being,

**"disclosure notice"** shall bear the meaning ascribed thereto in Article 10 1,

**"electronic communication"** shall have the meaning ascribed thereto in the Electronic Communications Act 2000,

**"Employee Trust"** means any trust established to enable or facilitate the holding of Ordinary Shares by, or for the benefit of, all or most of the bona fide employees of any Group Company,

**"forfeiture notice"** shall bear the meaning ascribed thereto in Article 8 1,

**"Family Member"** means, in relation to a Relevant Employee, his spouse and/or any one or more of his children (including step-children),

**"Family Trust"** means, in relation to a Relevant Employee, a trust or settlement set up wholly for the benefit of that person and/or his Family Members,

**"Founder"** means Vernon W Hill II or Anthony Thomson,

**"FSMA"** means the Financial Services and Markets Act 2000,

**"Garden Leave"** means any period during which the Company or other Group Company shall, in respect of an employee and pursuant to the service contract between the Company or relevant Group Company and that employee, cease or have ceased to provide that employee with work,

**"Good Leaver"** shall bear the meaning ascribed thereto in Article 9.16.3,

**"Group"** means, in relation to any company, that company and any body corporate that is a parent undertaking or subsidiary undertaking of that company or a subsidiary undertaking of any such parent undertaking (save that, for the purpose of this definition, the Company and any other Group Company shall be deemed not to be a member of the same Group as any Shareholder) and, for the purposes of this definition, an unincorporated association shall be deemed to be a body corporate,

**"Group Company"** means any of the Company and its subsidiary undertakings for the time being,

**"holder"** in relation to shares means the member whose name is entered in the register of members as the holder of the shares,

**"Hurdle Price"** means (subject to Article 31.4) an amount equal to the greater of (i) 120% of the Placing Proceeds and (ii) the Placing Proceeds plus a sum equal to interest on that amount at the rate of 8% per annum (compounded annually on 31 December each year) from the Launch Date until but excluding the Valuation Date,

**"Independent Expert"** means a partner of at least 10 years' standing at a leading UK firm of accountants (acting as an expert and not as an arbitrator) nominated by the parties concerned or, in the event of disagreement as to nomination, appointed by the President from time to time of the Institute of Chartered Accountants in England and Wales,

**"Independent Financial Adviser"** means an independent investment bank of international repute appointed by the Company (acting as an expert and not as an arbitrator),

**"Independent Non-Executive Director"** means as a director of the Company who has no executive role or employment with the Company or any Group Company and who together with his Connected Persons is interested in no more than 2 per cent of the issued equity share capital of the Company from time to time

**"Issue Price"** means the price per share at which the relevant Shares are issued, being the aggregate of the amount paid up or credited as paid up in respect of the nominal value thereof and any share premium thereon,

**"Launch Date"** means 29 July 2010,

**"Leaver"** means

- (a) any B Shareholder who ceases, or has ceased, to be a Relevant Employee and for these purposes, a B Shareholder shall be deemed to cease, or have ceased, to be a Relevant Employee upon the commencement of any period during which the relevant individual is placed on Garden Leave pursuant to their service contract with the Company or other Group Company, notwithstanding that the relevant individual remains an employee of the Company or any other Group Company provided that such B Shareholder ceases, or has ceased to be a Director or a director of any other Group Company,

- (b) any B Shareholder who is (or is the nominee of) a Family Member of any person who ceases to be a Relevant Employee,
- (c) any B Shareholder who is (or is the nominee of) the trustee of a Family Trust of any person who ceases to be a Relevant Employee in respect of the Shares held on behalf of such person or on behalf of any Family Member of such person,
- (d) any person who holds or becomes entitled to any B Ordinary Shares
  - (i) following the death of a B Shareholder who was a Relevant Employee or a Family Member or the trustee of a Family Trust of a Relevant Employee,
  - (ii) following the bankruptcy of a B Shareholder (if an individual) or the receivership, administrative receivership, administration, liquidation or other arrangement for the winding-up (whether solvent or insolvent) of a B Shareholder (if a company), or
  - (iii) following the exercise of an option after ceasing to be a Relevant Employee, or
- (e) any B Shareholder holding B Ordinary Shares as a nominee for any person who ceases, or who has ceased, to be a Relevant Employee or a Family Member or the trustee of a Family Trust of a Relevant Employee in respect of the B Ordinary Shares held on behalf of such person,

**"Leaver's Shares"** means all of the B Ordinary Shares held by a Leaver, or to which he is entitled, on the Leaving Date and any B Ordinary Shares acquired by a Leaver after the Leaving Date under a B Share Scheme, in either case excluding the Vested Portion of any such Shares where the Leaver is a Good Leaver,

**"Leaving Date"** means the date on which the relevant person becomes a Leaver,

**"lien notice"** shall bear the meaning ascribed thereto in Article 6 2,

**"Offer Price"** shall bear the meaning ascribed thereto in Article 3 1 2,

**"office"** means the registered office of the Company for the time being,

**"Ordinary Shareholder"** means an A Shareholder or a B Shareholder,

**"Ordinary Shares"** means the A Ordinary Shares and/or B Ordinary Shares,

**"paid up"** means paid up or credited as paid up,

**"Placing"** means the placing of 10,000,000 A Ordinary Shares with investors pursuant to a private placement memorandum of the Company dated 30 October 2009,

**"Placing Proceeds"** means the sum of £75,000,000, being the aggregate of (i) the actual gross proceeds of the Placing and (ii) the sums subscribed or to be subscribed for by Vernon W Hill II and his Connected Persons and the Connected Persons of his family (as defined by section

253 of the Act) in respect of A Ordinary Shares (other than in respect of the subscriber share held by him) prior to or at the same time as completion of the Placing,

**"Proposed Seller"** shall bear the meaning ascribed thereto in Article 9 17,

**"Quotation"** means the admission of the whole of any class of the issued share capital of the Company to the Official List of the Financial Services Authority and to trading on the London Stock Exchange's market for listed securities or to trading on AIM, a market operated by the London Stock Exchange or to any other stock exchange outside the United Kingdom,

**"Realisation Event"** means any one of the following events

- (a) the obtaining of a Quotation,
- (b) the entering into of an unconditional agreement for a Sale,
- (c) where an agreement for a Sale is conditional in any respect, that agreement becoming unconditional in all respects, or
- (d) a Takeover Offer becoming or being declared unconditional in all respects (in the case of a tender offer) or becoming effective (in the case of a scheme of arrangement)

**"register"** means the register of Shareholders of the Company,

**"Related Person"** means, in relation to a body corporate, any member of the same Group as such body corporate and, in relation to an individual, means

- (a) the spouse or children (including step-children) of such individual,
- (b) the trustees of any trust, the sole beneficiaries of which are such individual and/or his spouse and/or his children (including step-children), and
- (c) the trustees of any trust which the Board in its absolute discretion is satisfied is otherwise connected to such individual

**"Relevant Employee"** means (a) an employee of the Company or any other Group Company, or (b) a director of the Company or any other Group Company,

**"Sale"** means the sale of the whole of the issued Ordinary Share capital of the Company to a single buyer or to one or more buyers as part of a single transaction

**"Sale Notice"** shall bear the meaning ascribed thereto in Article 9 10,

**"Sale Price"** shall bear the meaning ascribed thereto in Article 9 3 3,

**"Sale Shares"** shall bear the meaning ascribed thereto in Article 9 3 1,

**"seal"** means the common seal of the Company or any official seal that the Company may be permitted to have under the Act,

**"secretary"** means the person appointed secretary of the Company from time to time,

**"Seller"** shall bear the meaning ascribed thereto in Article 9 3,



**"Shareholder"** in relation to any Shares means the member whose name is entered in the register as the holder of those Shares and **"Shareholders"** means the Shareholders from time to time in the Company,

**"Shareholder Communication"** means any notice, resolution, document or information which the Company wishes or is required to communicate with Shareholders or other persons,

**"Shares"** means the Ordinary Shares, the Deferred B Shares and any other class of share issued from time to time by the Company,

**"Significant Shareholders"** means each of the Shareholders who holds not less than 10 per cent of the A Ordinary Shares in issue for the time being (but excluding any such Shareholder who has served a Transfer Notice pursuant to Article 9 3 to the extent that the sale of Shares pursuant to such Transfer Notice would result in the relevant Shareholder ceasing to own at least 10 per cent of the A Ordinary Shares then in issue), and **"Significant Shareholder"** shall be construed accordingly,

**"Situational Conflict"** means a direct or indirect interest of a Director within the meaning of section 175 of the Act which conflicts or may potentially conflict with the interests of the Company (other than a Transactional Conflict or in circumstances which cannot reasonably be regarded as likely to give rise to a conflict of interest) For these purposes a conflict of interest shall include a conflict of interest and duty and a conflict of duties,

**"Statutes"** means the Act and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning companies and affecting the Company (including, without limitation, the Electronic Communications Act 2000)

**"subsidiary", "subsidiary undertaking", "parent undertaking" and "wholly owned subsidiary"** shall each have the meaning ascribed thereto by the Act,

**"Takeover Offer"** means a tender offer (including an offer governed by the UK City Code on Takeover and Mergers) or an offer effected by means of a scheme of arrangement, in relation to all of the Ordinary Shares,

**"Transactional Conflict"** means a direct or indirect conflict of interest of a Director within the meaning of section 177 of the Act which arises in relation to an existing or proposed transaction or arrangement with the Company,

**"Transfer Notice"** shall bear the meaning ascribed thereto in Article 9 3,

**"Transferee Letter"** means a letter duly executed by the proposed transferee of Shares setting out the terms and conditions under which the relevant Shares are transferred, in the form provided to Shareholders by the Company from time to time,

**"Unvested Portion"** means, unless the Board specifies otherwise at the time a person becomes a B Shareholder, such percentage as is determined in accordance with Article 9 16 3,

**"Valuation Date"** means the date on which a Realisation Event occurs, and

**"Vested Portion"** means, unless the Board specifies otherwise at the time a person becomes a B Shareholder, such percentage as is determined in accordance with Article 9 16 3,

**"Winding-Up"** means a liquidation of the Company,

references to a document being executed include references to it being executed (and, where applicable, delivered) under hand or under seal or as a deed or by any other method,

references to writing include references to any method of representing or reproducing words in a legible and non-transitory form,

words or expressions to which a particular meaning is given by the Act in force when these Articles or any part of these Articles are adopted bear (save as otherwise provided in these Articles) the same meaning in these Articles or that part (as the case may be),

references to a meeting shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person,

references to statutes, bye-laws, regulations and delegated legislation include any statute, bye-law, regulation or delegated legislation (whether made before or after the date of adoption of these Articles) modifying, re-enacting, extending, consolidating or made pursuant to the same or pursuant to which the same is made,

references to a person include a natural person, a body corporate, a partnership, an unincorporated association, a corporation, a government or state (or any department, agency or emanation thereof), in each case incorporated or based or established in any territory,

headings are included only for convenience and shall not affect meaning,

for the purpose of determining the percentage of Shares held by a corporate Shareholder, members of the same Group shall be deemed to be a single Shareholder holding all the Shares held by such members, and

words importing the masculine gender include the feminine and the neuter and vice versa

## **LIMITED LIABILITY, SHARE RIGHTS AND REGISTERED OFFICE**

### **Limited Liability**

- 2.1** The liability of the members is limited

### **Alteration of share capital**

- 2.2** Subject as provided in these Articles, the Company may from time to time by ordinary resolution alter its share capital in accordance with the Act

### **Fractions**

- 2.3** Whenever as a result of a consolidation of Shares any Shareholders would become entitled to fractions of a Share, the Board may deal with the fractions as it thinks fit

### **Reduction of capital**

- 2.4** Subject to the provisions of the Act and to any rights conferred on the holders of any class of Shares, the Company may in any way, by special resolution, reduce its share capital (provided that any reduction of a class of Shares is effected rateably between the holders of such class), any capital redemption reserve and any share premium account or other undistributable reserve

### **Purchase of own Shares**

- 2.5 Every contract for the purchase of, or under which the Company may become entitled or obliged to purchase, Shares shall be authorised by such resolution of the Company as may be required by the Act and by a special resolution or resolutions passed at a separate general meeting or meetings of the holders of each class of Shares (if any) which at the date on which the contract is authorised by the Company in general meeting entitle them, either immediately or at any time later on, to convert all or any of the Shares of that class held by them into equity share capital of the Company. Neither the Company nor the Board shall be required to select the Shares to be purchased rateably or in any other particular manner as between the holders of Shares of the same class or as between them and the holders of Shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of Shares.

#### **Registered Office**

- 2.6 The Company's registered office is to be situated in England and Wales

### **ISSUE OF NEW SHARES**

#### **Pro Rata issues**

- 3.1.1 Any A Ordinary Shares hereafter to be allotted or issued shall before allotment or issue be offered for subscription in the first instance to the holders of A Ordinary Shares in proportion (as nearly as may be without involving fractions) to the nominal amount of A Ordinary Shares then held by them respectively PROVIDED THAT no A Shareholder shall be obliged to take more than the number of A Ordinary Shares in respect of which he accepted the offer.
- 3.1.2 Any such offer as aforesaid shall be made by notice in writing specifying the number of A Ordinary Shares offered and the price at which the same are offered (the "**Offer Price**") and shall remain open for acceptance for a period of not less than 25 days. Any such offer not accepted within the period specified will be deemed to be declined. Acceptance shall be by notice in writing to the Company specifying the number of A Ordinary Shares in respect of which the A Shareholder accepts the offer accompanied by a remittance for the aggregate subscription amount based on the Offer Price.
- 3.1.3 Subject as aforesaid, the Board may, at any time up to 120 Business Days after the expiration of such offer as aforesaid, allot any A Ordinary Shares not taken up pursuant thereto at such price (not being less than the relevant Offer Price), on such terms (not being more favourable than the terms of the offer) and in such manner and to such persons as the Directors may think fit, subject to the Articles and any legal requirements applicable to such allotment.
- 3.1.4 The foregoing provisions of this Article 3.1 shall not apply
- (a) to an allotment of A Ordinary Shares that are, or are to be, wholly or partly paid up otherwise than in cash,
  - (b) to the grant of options under any share option scheme which has been approved by the Board or the allotment and issue of A Ordinary Shares pursuant to the exercise of any such options,
  - (c) to the allotment and issue of A Ordinary Shares by way of bonus issue,

- (d) where the Company is prohibited by statute from offering or allotting shares to any person, or
  - (e) any redesignation of B Ordinary Shares as A Ordinary Shares
- 3.1.5** Notwithstanding the foregoing provisions, the Board may exclude from any offer any holders of A Ordinary Shares where the Board believes that the making of the offer to them would or might reasonably be expected to involve the contravention of the laws of any territory or require registration or filing of any documents in any jurisdiction which the Board considers to be unduly burdensome. The Board may also deal with any fractional entitlements arising from such exclusion as it thinks fit.
- 3.1.6** The B Ordinary Shares shall only be allotted or issued in accordance with the rules of a B Share Scheme.
- 3.1.7** Subject, where applicable, to the provisions of this Article 3.1, the Directors are hereby generally and unconditionally authorised pursuant to and in accordance with section 551 of the Act to exercise for the period commencing on and with effect from the Adoption Date and ending on the date five years from the Adoption Date all the powers of the Company to allot A Ordinary Shares up to the aggregate nominal amount of £40.00 and B Ordinary Shares up to the aggregate nominal amount of £1.00 PROVIDED THAT the authority hereby conferred shall allow the Directors to make an offer or agreement before the expiry of such authority which would or might require Shares to be allotted after such expiry as if the power conferred hereby had not expired.
- 3.1.8** In accordance with section 570 of the Act the Directors are hereby empowered for the period commencing on and with effect from the Adoption Date and ending on the date five years from the Adoption Date to allot A Ordinary Shares pursuant to the authority granted in Article 3.1.7 and in accordance with the provisions of Articles 3.1.1 to 3.1.5 (inclusive) as if sub-section (1) of section 561 of the Act did not apply at any time or times.

#### **Rights attached to Shares**

- 3.2** Subject to the provisions of the Act and to any rights conferred on the holders of any other Shares, any Share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may decide.

#### **Redeemable Shares**

- 3.3** Subject to the provisions of the Act and to any rights conferred on the Shareholders, any Share may be issued which is to be redeemed, or is to be liable to be redeemed at the option of the Company or the Shareholder, on such terms and in such manner as may be determined by the Board (such terms to be determined before the shares are allotted).

#### **Variation of rights**

- 3.4** Subject to the provisions of the Act, all or any of the rights for the time being attached to any class of Shares for the time being issued may from time to time (whether or not the Company is being wound up) be varied with the consent in writing of the holders of not less than three-fourths in nominal value of the issued Shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of that class of Shares. All the provisions of these Articles as to general meetings of the Company shall mutatis

mutandis apply to any such separate general meeting, but so that the necessary quorum shall be a person or persons holding or representing by proxy not less than one-third in nominal value of the issued Shares of the class, that every holder of Shares of the class shall be entitled on a poll to one vote for every Share of the class held by him, that any holder of Shares of the class present in person or by proxy may demand a poll and that at any adjourned meeting of the holders one holder present in person or by proxy (whatever the number of Shares held by him) shall be a quorum

#### **Pari passu issues**

- 3.5 The rights conferred upon the holders of any Shares shall not, unless otherwise expressly provided in the rights attaching to those Shares, be deemed to be varied by the creation or issue of further Shares ranking pari passu (save as to the date from which such new Shares shall rank for dividend) with those already issued or by anything done by the Company pursuant to Article 2 5

#### **Unissued Shares**

- 3.6 Subject to the provisions of the Act and these Articles, the unissued Shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms as the Board may decide

#### **Payment of commission**

- 3.7 The Company may in connection with the issue of any Shares exercise all powers of paying commission and brokerage conferred or permitted by the Act

#### **Trusts not recognised**

- 3.8 The Company will only be bound by, or recognise, a current and absolute right to whole Shares. The fact that any Share, or any part of a Share, may not be owned outright by the registered owner, for example if a Share is held on any kind of trust, is not of any concern to the Company (even when the Company has notice of it)
- 3.9 The only exception to Article 3 8 is for any right which
- 3.9.1 is expressly given by these Articles,
  - 3.9.2 is required by the Statutes, or
  - 3.9.3 the Company otherwise has a legal duty to recognise

### **REGISTRATION**

- 4.1 Save to the extent provided by this Article 4 and save for any purported transfer which is made otherwise than in accordance with the procedures described in these Articles, the Board shall register a transfer of Shares
- 4.2 The instrument of transfer of a Share may be in any usual form or in any other form which the Board may approve

- 4.3** The instrument of transfer of a Share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee. The transferor shall be deemed to remain the Shareholder until the name of the transferee is entered in the register.
- 4.4** The Board may, in its absolute discretion, and without assigning any reason therefor, refuse to register any transfer of Shares all or any of which are not fully paid.
- 4.5** The Board may also refuse to register any transfer of Shares
- 4.5.1** unless the instrument of transfer is lodged (duly stamped if the Act so requires) at the office or at such other place as the Board may appoint, accompanied by the certificate for the Shares to which it relates and such other evidence (if any) as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so) provided that, in the case of a transfer by a recognised person where a certificate has not been issued in respect of the Share, the lodgment of share certificates shall not be necessary,
- 4.5.2** unless the instrument of transfer is in respect of only one class of Share,
- 4.5.3** in the case of a transfer to joint holders, unless they do not exceed four in number,
- 4.5.4** where the transfer might result in any one Shareholder (together with its Related Persons) having an interest in 10% or more of the Ordinary Shares or voting power in the Company,
- 4.5.5** where the transfer might result in violation of any securities laws in any applicable jurisdictions, and
- 4.5.6** prior to Quotation, unless the instrument of transfer in respect of any Ordinary Shares is accompanied by a Transferee Letter duly executed by the transferee.
- 4.6** The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Board refuses to register (except in the case of fraud) shall be returned to the person lodging it when notice of the refusal is given.
- 4.7** If the Board refuses to register a transfer, it shall within two months after the date on which the instrument of transfer was lodged with the Company send to the transferee notice of, together with the reasons for, the refusal.
- 4.8** No fee shall be payable to the Company for the registration of any transfer or any other document relating to or affecting the title to any share or for making any entry in the register affecting the title to any share.
- 4.9** Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.
- 4.10** The Board may also decline to register a transfer of Shares if those Shares represent not less than 0.25% by number of their class and there has been a failure to comply with a notice requiring disclosure of interests in the Shares (in accordance with section 793 of the Act and Article 10) unless the Shareholder has not, and proves that no other person has, failed to supply the required information. Such refusal may continue until the failure has been remedied, but the Board shall not decline to register.

- 4.10.1 a transfer in connection with a bona fide sale of the beneficial interest in any Shares to any person who is unconnected with the Shareholder and with any other person appearing to be interested in the Share,
  - 4.10.2 a transfer pursuant to the acceptance of an offer made to all of the Company's Shareholders or all the Shareholders of a particular class to acquire all or a proportion of the Shares or the Shares of a particular class, or
  - 4.10.3 a transfer in consequence of a sale made through a recognised investment exchange (as defined in section 285(1) of the FSMA) or any stock exchange outside the United Kingdom on which the Company's Shares are normally traded
- 4.11 The Board may decline to register a transfer of Shares if the Board reasonably believes the proposed transferee to be a competitor of the Group or a person connected with such a competitor (or a nominee of either)

## **SHARE CERTIFICATES**

### **Right to share certificate**

- 5.1 Every person whose name is entered in the register as a holder of any Shares shall be entitled, without payment, to receive within two months after allotment or lodgment of a transfer to him of those Shares (or within such other period as the terms of issue shall provide) one certificate for all those Shares of any one class or several certificates each for one or more of the Shares of the class in question, upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board may from time to time decide. A Shareholder who transfers some but not all of the Shares comprised in a certificate shall be entitled to a certificate for the balance without charge. The Company shall not be bound to issue more than one certificate for Shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

### **Replacement of share certificate**

- 5.2 If a share certificate is defaced, worn out, lost or destroyed, it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of any exceptional out-of-pocket expenses of the Company in investigating the evidence and preparing the indemnity as the Board may decide and, where it is defaced or worn out, after delivery of the old certificate to the Company.

### **Form of certificates**

- 5.3 Every share certificate shall be issued under a seal or executed by the Company in such manner as the Board, having regard to the Act, may authorise. Every share certificate shall specify the number of the Shares to which it relates, the nominal value and the amount or respective amounts paid up on the Shares.

## **LIEN**

### **Company's lien on Shares**

- 6.1 The Company shall have a first and paramount lien on every Share (not being a fully paid up Share) for all moneys (whether presently payable to the Company or not) in respect of that Share. The Board may at any time either generally or in any particular case waive any lien that has arisen or declare any Share to be wholly or in part exempt from the provisions of this Article.

## **Enforcing lien by sale**

- 6.2** The Company may sell, in the manner provided below, any Shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 10 Business Days after a notice in writing (a "**lien notice**") has been served on the holder of the Shares, demanding payment and stating that if the notice is not complied with, the Shares may be sold in accordance with these Articles. A person on whom a lien notice is served shall be deemed immediately to have authorised the Company to sell as soon as reasonably practicable and at the best price in cash which may reasonably be obtained (whether from other Shareholders or otherwise) the Shares in question and the Company may appoint any third party to conduct such sale on its behalf. The Board shall, upon determining that such a sale shall be effected, give notice to all Significant Shareholders (other than any Shareholder upon whom the lien notice has been served) inviting them to tender for the Shares to be sold. In the event that the highest price is offered by more than one potential purchaser, the Board shall prefer existing Significant Shareholders, but otherwise the terms of the disposal and the person to whom the Shares are sold shall be at the Board's discretion in accordance with this Article 6.2. The person upon whom a lien notice is served shall be prohibited from disposing of or otherwise dealing with any of the Shares in question from the date of service of such notice pending such sale. For the purpose of giving effect to the sale the Board may authorise some person to transfer the Shares in question and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the Shares. The purchaser shall not be bound to see to the application of the purchase moneys, nor shall his title to the Shares be affected by any irregularity or invalidity in reference to the sale. Neither the Company nor any of its officers or agents shall be liable for any shortfall or alleged shortfall in the sale proceeds.
- 6.3** The net proceeds, after payment of the costs of the sale by the Company, of any Shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as it is presently payable, and the Company shall be entitled to retain any residue (without payment of interest to the relevant holder), such residue not to exceed the subscription price of Shares which may fall to be subscribed by the relevant holder, as security for any debts or liabilities in respect of such Shares. The amount so retained may be used to pay the subscription price for the Shares as it falls due and any balance shall be paid to the holder when all such obligations have been satisfied.

## **CALLS ON SHARES**

### **Calls**

- 7.1** Subject to the terms of issue, the Board may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their Shares (whether in respect of nominal value or premium) and not payable on a date fixed by or in accordance with the terms of issue, and each Shareholder shall (subject to the Company serving upon that Shareholder at least 10 Business Days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on that Shareholder's Shares PROVIDED THAT (subject as aforesaid) no call on any Share shall be payable within one month from the date fixed for the payment of the last preceding call. A call may be revoked or postponed as the Board may decide. A person upon whom a call is made shall remain liable for all calls made upon that Shareholder notwithstanding the subsequent transfer of the Shares in respect of which the call was made.

### **Payment on calls**



- 7.2 A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed

#### **Liability of joint holders**

- 7.3 The joint holders of a Share shall be jointly and severally liable to pay all calls in respect of the Share

#### **Interest due on non-payment**

- 7.4 If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it is due and payable to the time of actual payment at such rate as the Board may reasonably decide, and shall pay all costs, charges and expenses that may have been incurred by the Company by reason of such non-payment but the Board shall be at liberty to waive payment of such interest or such costs, charges and expenses wholly or in part. No dividend or other payment or distribution in respect of any Share in relation to which the call remains unpaid shall be paid or distributed and no other rights which would otherwise normally be exercisable in accordance with these Articles may be exercised by a holder of any Share so long as any such sum or any interest or expenses payable in accordance with this Article in relation thereto remains due

#### **Sums due on allotment treated as calls**

- 7.5 Any amount which becomes payable in respect of a Share on allotment or on any other date fixed by or in accordance with the terms of issue, whether in respect of the nominal amount of the Share or by way of premium or as an instalment of a call, shall be deemed to be a call and, if it is not paid, all the provisions of these Articles shall apply as if the sum had become due and payable by virtue of a call

#### **Power to differentiate**

- 7.6 Subject to the terms of issue, the Board may on the issue of Shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment

#### **Payments in advance**

- 7.7 The Board may, if it thinks fit, receive from any Shareholder who is willing to advance them all or any part of the moneys uncalled and unpaid upon any Shares (whether on account of the nominal value of the Shares or by way of premium) held by that Shareholder and upon all or any of the moneys so advanced may (until they would, but for the advance, become presently payable) pay interest at such rate as the Board may reasonably decide. No sum paid in advance of calls shall entitle the holder of a share in respect thereof to any portion of a dividend or other payment or distribution subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable and such payment in advance of calls shall pro tanto extinguish the liability upon the Shares in respect of which it was made

### **FORFEITURE OF SHARES**

#### **Notice if call on instalment not paid**

- 8.1 If any call or instalment of a call remains unpaid on any Share after the day appointed for payment, the Board may, in its absolute discretion, at any time thereafter serve a notice on the Shareholder (a "forfeiture notice") requiring payment of so much of the call or instalment as

is unpaid, together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment

#### **Form of forfeiture notice**

- 8.2 The forfeiture notice shall name a further day (not being less than 10 Business Days from the date of the forfeiture notice) on or before which, and the place where, the payment required by the forfeiture notice is to be made and shall state that in the event of non-payment on or before the day and at the place appointed, the Shares in respect of which the call was made or instalment is payable will be liable to be forfeited. The Board may, in its absolute discretion, accept the surrender of any Share liable to be forfeited and, in that event, references in these Articles to forfeiture shall include surrender

#### **Forfeiture if non-compliance with forfeiture notice**

- 8.3 If the forfeiture notice is not complied with, any Share in respect of which it was given may, at any time before payment of all calls or instalments and interest and costs, charges and expenses due in respect of it have been made, be forfeited by a resolution of the Board to that effect and the forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited Shares and not paid before the forfeiture. Forfeiture shall be deemed to occur at the time of the said resolution of the Board

#### **Notice after forfeiture**

- 8.4 When any Share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the Share but no forfeiture shall be invalidated by any omission or neglect to give the notice

#### **Sale of forfeited Shares**

- 8.5 Until cancelled in accordance with the requirements of the Act, a forfeited Share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of in the manner provided below. If the Board resolves that a forfeited Share be sold or otherwise disposed of, the holder of such Share shall be deemed immediately to have authorised the Company to sell (as soon as reasonably practicable and at the best price in cash which may reasonably be obtained) the forfeited Share and the provisions of Article 6.2 shall apply *mutatis mutandis*

The Board may for the purposes of the disposal authorise some person to transfer the Shares in question and may enter the name of the transferee in respect of the transferred Shares in the register notwithstanding the absence of any share certificate being lodged in respect thereof and may issue a new certificate to the transferee and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of the Shares. The Company may receive the consideration (if any) given for the Share on its disposal. At any time before a sale, re-allotment or disposition the forfeiture may be cancelled by the Board on such terms as the Board may decide

#### **Arrears to be paid notwithstanding forfeiture**

- 8.6 A person whose Shares have been forfeited shall cease to be a Shareholder in respect of them and shall surrender to the Company for cancellation the certificate for the forfeited Shares but shall remain liable to pay to the Company all moneys which at the date of the forfeiture were payable by that person to the Company in respect of those Shares with interest thereon at such rate as the Board may reasonably decide from the date of forfeiture until payment PROVIDED

THAT the Company shall make allowance for any consideration received on the disposal of the Shares forfeited

#### **Statutory declaration as to forfeiture**

- 8.7 A statutory declaration that the declarant is a Director or the secretary and that a Share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share. The declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the purchase money (if any) nor shall that person's title to the Share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal

#### **TRANSFER AND TRANSMISSION OF SHARES**

- 9.1 Prior to a Quotation the A Ordinary Shares are transferable subject to the restrictions set out in these Articles. The B Ordinary Shares and Deferred B Shares are not transferable without the prior written consent of the Board. On a Quotation, the A Ordinary Shares shall be freely transferable

#### **Pre-emption Rights**

- 9.2 Subject to Articles 4 and 9.14, except in the case of a transfer to the extent required pursuant to Articles 6 or 8 or a transfer by an A Shareholder (other than a Proposed Seller) pursuant to an offer made in accordance with Article 9.17, the following provisions of this Article 9 shall apply where a holder of A Ordinary Shares wishes to transfer some or all of the A Ordinary Shares held by him
- 9.3 Every A Shareholder who wishes to transfer any A Ordinary Shares (the "**Seller**") shall first give notice in writing of such wish to the Company (the "**Transfer Notice**") Each Transfer Notice shall
- 9.3.1 specify the number of A Ordinary Shares which the Seller wishes to transfer (the "**Sale Shares**"),
  - 9.3.2 specify the identity (if any) of the person to whom the Seller wishes to transfer the Sale Shares (the "**Proposed Transferee**"),
  - 9.3.3 specify the price per A Ordinary Share (the "**Sale Price**") at which the Seller wishes to transfer the Sale Shares,
  - 9.3.4 be deemed to constitute the Company as the Seller's agent for the sale of the Sale Shares at the Sale Price in the manner prescribed by these Articles, and
  - 9.3.5 not be varied or cancelled
- 9.4 The Seller may provide in the Transfer Notice that, unless buyers are found for all or not less than a specified number of the Sale Shares, he shall not be bound to transfer any of such Sale Shares ("**Minimum Transfer Condition**") and any such provision shall be binding on the Company. Notwithstanding the other provisions of this Article, if the Transfer Notice contains a Minimum Transfer Condition the Company may not make any allocation of Sale Shares unless and until it has found buyers for the minimum number specified in the Minimum Transfer Condition

- 9.5 The Company shall within one calendar month of receipt of the Transfer Notice elect, in its sole discretion, to
- 9.5.1 buy back the Sale Shares itself (subject to compliance with the relevant provisions of the Act and these Articles) or nominate an Employee Trust to buy the Sale Shares at the Sale Price, in which event the Company and/or the Employee Trust shall have two months from the date of election in which to complete the buy back, or
  - 9.5.2 offer the Sale Shares at the Sale Price to existing A Shareholders on a pre-emptive basis in accordance with Articles 9 6 to 9 9 (inclusive) ("**Pre-emption Offer**")
- 9.6 In the event the Company elects to proceed with a Pre-emption Offer the Company shall, within 10 Business Days of making the election under Article 9 5, give notice in writing to each of the A Shareholders (other than the Seller) offering for sale the Sale Shares at the Sale Price, provided that, if the Board considers that the provisions of this Article could mean that the offer of the Sale Shares would require a prospectus in accordance with section 85(1) of FSMA, the Board shall be entitled to devise such other method of offering such Sale Shares which does not require a prospectus (including, but without limitation, offering the Sale Shares to a limited number of A Shareholders selected by such method as the Board shall determine) The notice shall specify that the A Shareholders shall have a period of at least ten Business Days from the date of such notice within which to apply for some or all of the Sale Shares
- 9.7 It shall be a further term of the offer that, if there is competition amongst the A Shareholders for the Sale Shares, such Sale Shares shall be treated as offered to the A Shareholders in proportion (as nearly as may be) to their existing holdings of A Ordinary Shares (the "**Proportionate Allocation**") However, any A Shareholder in his application for Sale Shares may, if he so desires, indicate that he would be willing to purchase a particular number of A Ordinary Shares in excess of his Proportionate Allocation ("**Extra Shares**")
- 9.8 The Company shall allocate the Sale Shares as follows
- 9.8.1 if the total number of Sale Shares applied for is equal to or less than the available number of Sale Shares, each A Shareholder shall be allocated the number applied for in accordance with his application, or
  - 9.8.2 if the total number of Sale Shares applied for is greater than the available number of Sale Shares, each A Shareholder shall be allocated his Proportionate Allocation or such lesser number of Sale Shares for which he has applied and applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those A Shareholders applying for Extra Shares in such proportions as equal (as nearly as may be) the proportions of all the A Ordinary Shares held by such A Shareholders
- 9.9 Allocations of Sale Shares made by the Company pursuant to Article 9 8 shall constitute the acceptance by the persons to whom they are allocated of the offer to purchase those Sale Shares on the terms offered to them, provided that no person shall be obliged to take more than the maximum number of Sale Shares that he has indicated to the Company he is willing to purchase
- 9.10 The Company shall forthwith upon allocating any Sale Shares give notice in writing (a "**Sale Notice**") to the Seller and to each person to whom Sale Shares have been so allocated of the number of Sale Shares so allocated and the aggregate price payable therefor Completion of the sale and purchase of those Sale Shares in accordance with the Sale Notice

shall take place within five Business Days of the date of the Sale Notice, whereupon the Seller shall, upon payment of the price due in respect thereof and receipt by the Company of a Transferee Letter duly executed by the proposed transferee, transfer those Sale Shares specified in the Sale Notice to the persons to whom they have been allocated with full title guarantee free from all liens, charges and encumbrances or interests in favour of or claims made by or which could be made by any other person and deliver the relevant share certificates

**9.11** Save in the case of an acquisition of Sale Shares by the Company, if the Seller defaults in transferring any Sale Shares pursuant to Article 9 10, the Company may receive such purchase money and may nominate some person to execute an instrument of transfer of such Sale Shares in the name and on behalf of the Seller and thereafter, when such instrument has been duly stamped (if required), the Company shall cause the name of the proposed transferee to be entered in the register of members as the holder of such Sale Shares and shall hold the purchase money on trust (without interest) for the Seller. The instrument of transfer in respect of such Sale Shares shall be accompanied by a Transferee Letter duly executed by the proposed transferee. If the proposed transferee defaults in executing the Transferee Letter, the Company may nominate some person to execute the Transferee Letter in the name and on behalf of the proposed transferee. The receipt by the Company of the purchase money shall be a good discharge to the proposed transferee (who shall not be bound to see to the application thereof) and, after his name has been so entered in the register of members, the validity of the proceedings shall not be questioned by any person. In the case of a buy back of Sale Shares by the Company, if the Seller defaults in transferring any Sale Shares, the Company may nominate some person to execute an instrument of transfer of such Sale Shares in the name and on behalf of the Seller and thereafter, when such instrument has been duly stamped (if required), the Company shall cause such share capital to be cancelled in accordance with the Act and shall hold the purchase money on trust (without interest) for the Seller.

**9.12** If all the Sale Shares are not sold under the pre-emption provisions contained in Articles 9 3 to 9 11 (inclusive), the Company shall (forthwith upon the exhaustion of such provisions) so notify the Seller and the Seller may, subject to complying with any obligation under Articles 9 17 and 9 18, at any time, within 20 Business Days (or, where Articles 9 17 and 9 18 apply, 40 Business Days) after receiving such notification, transfer to the Proposed Transferee any unsold Sale Shares at any price not less than the Sale Price, subject to compliance with Article 4, and provided that

**9.12.1** if the Seller stipulated in the Transfer Notice a Minimum Transfer Condition which has not been satisfied, the Seller shall not be entitled to sell any Sale Shares unless he complies with such Minimum Transfer Condition,

**9.12.2** any such sale shall be a sale in good faith and the Board may require to be satisfied (in such manner as it may reasonably think fit) that the Sale Shares are being sold for not less than the Sale Price without any deduction, rebate or allowance whatsoever and if not so satisfied may require the Company to refuse to register the transfer,

**9.12.3** the transfer does not result in the Proposed Transferee (together with its Related Persons) having an interest in 10% or more of the A Ordinary Shares or voting power in the Company, and

**9.12.4** the instrument of transfer in respect of such Sale Shares is accompanied by a Transferee Letter duly executed by the Proposed Transferee

**9.13** The pre-emption rights contained in Articles 9 2 to 9 11 (inclusive) may be waived by the Company by special resolution

**9.14** The pre-emption rights contained in

**9.14.1** Articles 9 2 to 9 11 (inclusive) and Article 9 12 2 shall not apply to any transfer or proposed transfer of A Ordinary Shares by any holder of A Ordinary Shares to any of his or its Related Persons, provided that the Board is satisfied that the proposed transferee qualifies as such a Related Person and for the avoidance of doubt the provisions of Articles 4 11 and 9 12 2 to 9 12 4 (inclusive) shall continue to apply to any such transfer,

**9.14.2** Articles 9 2 to 9 11 (inclusive) shall not apply to any proposed transfer of A Ordinary Shares by any holder of A Ordinary Shares if such proposed transfer is accompanied by a notice specifying that the proposed transfer is to be made under the provisions of this Article 9 14 2 and would result in an aggregate number of A Ordinary Shares already transferred under this Article 9 14 2 together with the A Ordinary Shares proposed to be transferred under this Article 9 14 2 in any period of 12 months amounting to less than two per cent of the proposed transferor's shareholding in the issued equity share capital of the Company (as at the date of the proposed transfer), and

**9.14.3** Articles 9 2 to 9 11 (inclusive) and 9 12 2 shall not apply to any transfer or proposed transfer of A Ordinary Shares at any time by any holder of A Ordinary Shares to

- (a) any person or entity that, directly or indirectly through one or more intermediaries, Controls, is controlled by or is under common control with such Shareholder, and
- (b) any investment fund or managed account that is managed on a discretionary basis by the same investment manager as such Shareholder but for the avoidance of doubt Articles 4 11 and 9 12 2 to 9 12 4 (inclusive) shall continue to apply to any such transfer For these purposes "**Control**" (including the terms "controlling", "controlled by" or "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise

**9.15** Deliberately left blank

## **Leavers**

**9.16** The provisions of this Article shall apply to any Leaver and to any Leaver's Shares

**9.16.1** Within the period commencing on the relevant Leaving Date and expiring at midnight on the first anniversary of such date, the Company may serve a notice on the Leaver notifying him that he is, with immediate effect, deemed to have offered such number and class of his Leaver's Shares than to such person(s) (including the Company and/or any Employee Trust) as may be specified in such notice (a "**Sale Notice**") On receipt of such Sale Notice, the Leaver shall be obliged forthwith to transfer, at the Sale Price determined in accordance with Article 9 16 3, such number of his Leaver's Shares to the person(s) specified in the Sale Notice with full title guarantee free from all liens, charges and encumbrances or interests in

favour of or claims made by or which could be made by any other person and the proposed transferee of such shares shall execute a Transferee Letter. Completion of the sale and purchase of the Leaver's Shares in accordance with the Sale Notice shall take place within five Business Days of the date of the Sale Notice whereupon the Leaver shall transfer the relevant Leaver's Shares to the person(s) specified in the Sale Notice and deliver the relevant Share certificates against payment of the Sale Price for such Shares.

**9.16.2** Save in the case of an acquisition of Leaver's Shares by the Company, if the Leaver defaults in transferring any Leaver's Shares pursuant to Article 9.16.1, the Company may receive the relevant purchase money and may nominate some person to execute an instrument of transfer of such Leaver's Shares in the name and on behalf of the Leaver and thereafter, when such instrument has been duly stamped (if required), the Company shall cause the name of the proposed transferee to be entered in the register of members as the holder of such Leaver's Shares and shall hold the purchase money on trust (without interest) for the Leaver. The instrument of transfer in respect of such Sale Shares shall be accompanied by a Transferee Letter duly executed by the proposed transferee. If the proposed transferee defaults in executing the Transferee Letter, the Company may nominate some person to execute the Transferee Letter in the name and on behalf of the proposed transferee. The receipt by the Company of the purchase money shall be a good discharge to the proposed transferee (who shall not be bound to see to the application thereof) and, after his name has been so entered in the register of members, the validity of the proceedings shall not be questioned by any person. In the case of an acquisition of Leaver's Shares by the Company, if the Leaver defaults in transferring any Leaver's Shares pursuant to Article 9.16.1, the Company may nominate some person to execute an instrument of transfer of such Leaver's Shares in the name and on behalf of the Leaver and thereafter, when such instrument has been duly stamped (if required), the Company shall cause such share capital to be cancelled in accordance with the Act and shall hold the purchase money on trust (without interest) for the Leaver.

**9.16.3** In these Articles

- (a) a B Shareholder shall be deemed to be a **"Good Leaver"** in circumstances where the relevant person
  - (i) dies, or
  - (ii) suffers a physical or mental deterioration which, in the opinion of the Board, is sufficiently serious to prevent the relevant person from following his normal employment or which seriously prejudices his earning capacity, or
  - (iii) if the Board designates such person to be a Good Leaver,
- (b) a B Shareholder shall be deemed to be a **"Bad Leaver"** in circumstances where the relevant person is not deemed to be a Good Leaver or designated as a Good Leaver by the Board,
- (c) the **"Sale Price"** shall be the lower of the Issue Price and the Fair Price, provided that, in the case of any Leaver's Shares which were originally acquired by that Leaver by way of transfer rather than allotment, references to the Issue Price in this Article 9.16.3(c) shall, in relation to

these B Ordinary Shares, be deemed to be references to the lower of the Issue Price and the amount paid by such Leaver on such transfer,

- (d) (unless otherwise determined by the Board on the date of acquisition of the relevant B Ordinary Shares) for the purposes of determining which B Ordinary Shares held by a Leaver are excluded from the Leaver's Shares for the purposes of Articles 9 16 1 and 19 16 2 in the case of a Good Leaver, the Vested Portion and Unvested Portion shall be determined based on the period of time elapsed between the Launch Date or, in the case of a person who is not a B Shareholder at, but becomes a B Shareholder after, the Launch Date, the date on which he first became a B Shareholder (in each case, the "**Start Date**") and the Leaving Date as indicated in column (1) of the table below

(1) Leaving Date	(2) Vested Portion (%)	(3) Unvested Portion (%)
Before the first anniversary of the Start Date	0	100
On or after the first anniversary of the Start Date but before the second anniversary thereof	20	80
On or after the second anniversary of the Start Date but before the third anniversary thereof	40	60
On or after the third anniversary of the Start Date but before the fourth anniversary thereof	60	40
On or after the fourth anniversary of the Start Date but before the fifth anniversary thereof	80	20
On or after the fifth anniversary of the Start Date	100	0

- (e) the "**Fair Price**" shall be such price as the transferor and the Company shall agree within 10 Business Days of the date of the deemed Sale Notice or, failing such agreement, such price as the auditors (or, if the auditors are unable or unwilling to act for any reason, an Independent Expert) shall determine pursuant to Article 9 16 4

**9.16.4** If the Fair Price falls to be determined by the auditors (which expression shall, for the purposes of this Article 9 16 4, be deemed to include a reference to the Independent Expert if the auditors are unable or unwilling to act)

- (a) the Company shall immediately instruct the auditors to determine the Fair Price on the basis which, in their opinion, represents a fair price for the Leaver's Shares at the Leaving Date as between a willing seller and a willing buyer and, in making such determination, the auditors shall not take account of whether the Leaver's Shares comprise a majority or minority interest in the Company and the fact that their transferability is restricted by these Articles,
- (b) the auditors shall certify the Fair Price as soon as possible after being instructed by the Company and, in so certifying, the auditors shall be deemed to be acting as experts and not as arbitrators and the Arbitration Act 1996 shall not apply,
- (c) the certificate of the auditors shall, in the absence of manifest error, be final and binding, and



- (d) the Company shall procure that any certificate required hereunder is obtained with due expedition and the cost of obtaining such certificate shall be borne by the Company unless (i) such an arrangement would not be permitted by the Act or (ii) the Fair Price as determined by the auditors is not more than 110% of that price (if any) which the Company had previously notified to the Leaver as being in its opinion the Fair Price (or, if the price which the Company had previously notified was zero, the Fair Price as determined by the auditors is not more than 10% of the Issue Price of such B Ordinary Shares), in which event the cost shall be borne by the Leaver and may be deducted from the consideration payable to the Leaver for the Leaver's Shares

### **Tag Along Rights**

- 9.17** If, having first complied with the provisions contained in Articles 9.2 to 9.11 (inclusive), any of the Founders or any of their Connected Persons to whom they transferred A Ordinary Shares prior to the Launch Date (the "**Proposed Seller**") proposes to sell to any person any A Ordinary Shares held by him in one or a series of related transactions (a "**Proposed Sale**"), the Proposed Seller shall give written notice to the other holders of A Ordinary Shares of any Proposed Sale at least 15 Business Days prior to the proposed date of completion thereof. Such notice shall set out, to the extent not described in any accompanying documents, the identity of the proposed buyer (the "**Proposed Buyer**"), the sale price and other terms and conditions of payment, the proposed date of sale, the number of A Ordinary Shares to be acquired from the Proposed Seller by the Proposed Buyer, the proportion that the number of A Ordinary Shares to be so acquired bears to the aggregate number of A Ordinary Shares held in aggregate by the relevant Founder and his Connected Persons or the Connected Persons of his Connected Persons (the "**Relevant Proportion**"). Such notice shall also enclose a copy of the sale and purchase documentation to be executed by the other holders of the A Ordinary Shares to effect any sale by them (which shall comply with Article 9.18.4). The Proposed Seller shall not complete such Proposed Sale unless he ensures that the Proposed Buyer offers to buy from the other holders of A Ordinary Shares the Relevant Proportion of the A Ordinary Shares held by each of them at the same price per A Ordinary Share as applies to the purchase of the A Ordinary Shares from the Proposed Seller and (subject to Article 9.18) on no other terms than the terms agreed with the Proposed Seller.
- 9.18** The offer from the Proposed Buyer shall
- 9.18.1** be irrevocable and unconditional (except for any conditions which apply to the proposed transfer of the A Ordinary Shares of the Proposed Seller),
  - 9.18.2** be governed by the laws of England and Wales,
  - 9.18.3** be open for acceptance during a period of not less than fifteen (15) Business Days after receipt of such offer,
  - 9.18.4** not require any other holder of A Ordinary Shares to give any representations, warranties, undertakings or covenants in connection with the sale of their A Ordinary Shares to the Proposed Buyer other than (i) representations and warranties as to title to the A Ordinary Shares to be sold by him and the authority of such holder to execute the sale and purchase documentation and (ii) a commitment to the Proposed Seller to bear such holder's Relevant Proportion of the costs of the Proposed Sale, and

- 9.18.5** specify that completion shall be effected at the office by delivery of the duly executed sale and purchase documentation and instruments of transfer in respect of the relevant A Ordinary Shares accompanied by share certificates in respect thereof against a bankers' draft in respect of any cash purchase price therefor and delivery of instruments of title in respect of any other consideration
- 9.19** If the offer referred to in Articles 9 17 and 9 18 is accepted by any other holder of A Ordinary Shares, the proposed transfer shall be conditional upon completion of the Proposed Seller's sale to the Proposed Buyer and shall be completed at the same time as that sale
- 9.20** Any transfer made by any other holder of A Ordinary Shares pursuant to the offer referred to in Articles 9 17 and 9 18 may be made notwithstanding the provisions of Articles 9 2 to 9 11 (inclusive) which shall not apply to such a transfer
- 9.21** The provisions of Articles 9 17 to 9 19 (inclusive) shall not apply to any Proposed Sale which is a transfer of A Ordinary Shares within Article 9 14 1 made by the Founders or any of their Connected Persons to whom A Ordinary Shares were transferred prior to the Launch Date

#### **Transmission on death**

- 9.22** Without prejudice to Article 9 16, if a Shareholder dies, the survivor or survivors, where he was a joint holder, and his personal representatives, where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his Shares, but nothing contained in these Articles shall release the estate of a deceased holder from any liability in respect of any Share held by him solely or jointly with other persons

#### **Entry of transmission in register**

- 9.23** Without prejudice to Article 9 16, where the entitlement of a person to a Share in consequence of the death or bankruptcy of a Shareholder or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the Board, the Board shall, within two months after proof cause the entitlement of that person to be noted in the register

#### **Rights of person entitled by transmission**

- 9.24** Subject always to Article 9 16, where a person becomes entitled by transmission to a Share, the rights of the holder in relation to that Share shall cease, but the person entitled by transmission to the Share may give a good discharge for any dividends or other moneys payable in respect of it and shall have the same rights in relation to the Share as he would have had if he were the holder of it save that, until he becomes the holder, he shall not be entitled in respect of the Share to attend or vote at any general meeting of the Company or at any separate general meeting of the holders of any class of Shares in the Company

### **LIMITATIONS ON SHAREHOLDINGS**

#### **Disclosure Notice**

- 10.1** Where, in respect of any shares of the Company, any holder or any other person appearing to be interested in such shares held by a member has been issued with a notice pursuant to section 793 of the Act (a "**disclosure notice**") and has failed in relation to any shares (the "**default shares**") to comply with the disclosure notice and to give the Company the information required by such notice within the prescribed period as defined in Article 10 7 from the date of the disclosure notice, then the Board may serve on the holder of such default

shares a notice (a "**disenfranchisement notice**") whereupon the following sanctions shall apply

**10.1.1** such holder shall not with effect from the service of the disenfranchisement notice be entitled in respect of the default shares to be present or to vote (either in person or by representative or by proxy) either at any general meeting or at any separate general meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll, and

**10.1.2** where such shares represent not less than 0.25 per cent in nominal value of the issued shares of their class

(a) any dividend or other monies payable in respect of the default shares shall be withheld by the Company which shall not be under any obligation to pay interest on it and the holder shall not be entitled under Article 24.6 to elect to receive shares instead of that dividend, and

(b) no transfer, other than an excepted transfer (as defined in Article 10.7), of any shares in certificated form held by the holder shall be registered unless

(i) the holder is not himself in default as regards supplying the information required, and

(ii) the holder proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer

(and, for the purpose of ensuring this Article 10.2.2 can apply to all shares held by the holder, the Company may, in accordance with the Regulations, issue a written notification to the Operator requiring the conversion into certificated form of any shares held by the holder in uncertificated form)

**10.2** Any new shares in the Company issued in right of default shares shall be subject to the same sanctions as apply to the default shares provided that any sanctions applying to, or to a right to, new shares by virtue of this Article shall cease to have effect when the sanctions applying to the related default shares cease to have effect (and shall be suspended or cancelled if and to the extent that the sanctions applying to the related default shares are suspended or cancelled) and provided further that Article 10 shall apply to the exclusion of this Article if the Company gives a separate notice under section 793 of the Act in relation to the new shares

**10.3** The Company may at any time withdraw a disenfranchisement notice by serving on the holder of the default shares a notice in writing to that effect (a "**withdrawal notice**"), and a disenfranchisement notice shall be deemed to have been withdrawn at the end of the period of seven days (or such shorter period as the Directors may determine) following receipt by the Company of the information required by the statutory notice in respect of all the shares to which the disenfranchisement notice related

**10.4** Unless and until a withdrawal notice is duly served in relation thereto or a disenfranchisement notice in relation thereto is deemed to have been withdrawn or the shares to which a disenfranchisement notice relates are transferred by means of an excepted transfer, the sanctions referred to in Articles 10.1 to 10.3 (inclusive) shall continue to apply

**10.5** Where, on the basis of information obtained from a holder in respect of any share held by him, the Company issues a notice pursuant to section 793 of the Act to any other person and such person fails to give the Company the information thereby required within the prescribed period and the Board serves a disenfranchisement notice upon such person, it shall at the same time send a copy of the disenfranchisement notice to the holder of such share, but the accidental omission to do so, or the non-receipt by the holder of the copy, shall not invalidate or otherwise affect the application of this Article 10

**10.6** For the purposes of these Articles

**10.6.1** a person other than the holder of a share shall be treated as appearing to be interested in that share if the holder has informed the Company that the person is or may be so interested or if (after taking into account the said notification and any other relevant notification pursuant to section 793 of the Act) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the share,

**10.6.2** "**interested**" shall be construed as it is for the purpose of section 793 of the Act,

**10.6.3** reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes

- (a) reference to his having failed or refused to give all or any part of it, and
- (b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular,

**10.6.4** the "**prescribed period**" means

- (a) in a case where the default shares represent at least 0.25 per cent of their class, 14 days, and
- (b) in any other case, 28 days, and

**10.6.5** an "**excepted transfer**" means, in relation to any share held by a holder

- (a) a transfer pursuant to acceptance of an offer made to all the holders (or all the holders other than the person making the offer and his nominees) of the shares in the Company to acquire those shares or a specified proportion of them, or to all the holders (or all the holders other than the person making the offer and his nominees) of a particular class of those shares to acquire the shares of that class or a specified proportion of them, or
- (b) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the FSMA) or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded, or
- (c) a transfer which is shown to the satisfaction of the Board to be made in consequence of a bona fide sale of the whole of the beneficial interest in the share to a person who is unconnected with the holder and with any other person appearing to be interested in the share

- 10.7 Nothing contained in these Articles shall prejudice or affect the right of the Company to apply to the court for an order under section 794 of the Act and in connection with such an application or intended application or otherwise to require information on shorter notice than the prescribed period

## **GENERAL MEETINGS**

### **Annual general meetings**

- 11.1 The Company shall hold annual general meetings which shall be convened by the Board in accordance with the Statutes

### **Calling of general meetings**

- 11.2 The Board may convene a general meeting whenever it thinks fit and, upon receipt of a requisition of Ordinary Shareholders pursuant to the provisions of the Act, it shall forthwith proceed to do so for a date not later than 28 days after the date of the notice convening the meeting. If there are not within the United Kingdom sufficient Directors to call a general meeting, any Director or, if there is no Director within the United Kingdom, any member of the Company may call a general meeting

## **NOTICE OF GENERAL MEETINGS**

### **Length of Notice**

- 12.1 An annual general meeting shall be called by not less than twenty one clear days' notice in writing. All other general meetings shall be called by not less than fourteen clear days' notice in writing. Every notice calling a general meeting shall specify the place, day and time of the meeting, and there shall appear with reasonable prominence in every such notice a statement that an Ordinary Shareholder entitled to attend and vote is entitled to appoint a proxy or proxies to attend, speak and vote instead of him and that a proxy need not also be an Ordinary Shareholder. The notice shall specify the general nature of the business to be transacted at the meeting, and if any resolution is to be proposed as a special resolution, the notice shall contain a statement to that effect. In the case of an annual general meeting, the notice shall also specify the meeting as such. Notice of every general meeting shall be given to all Ordinary Shareholders other than any who, under the provisions of these Articles or the terms of issue of the Ordinary Shares they hold, are not entitled to receive such notices from the Company, and also to the auditors or, if more than one, to each of them

Notwithstanding that a meeting of the Company is called by shorter notice than that specified in this Article 12.1, it shall be deemed to have been properly called if it is so agreed

- (a) in the case of an annual general meeting, by all the Ordinary Shareholders entitled to attend and vote at the meeting, and
- (b) in the case of any other meeting, by a majority in number of the Ordinary Shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the Ordinary Shares giving that right

### **Omission or non-receipt of notice**

- 12.2 The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send an instrument of proxy to, or the

non-receipt of either or both by, any person entitled to receive the notice shall not invalidate the proceedings at that meeting

#### **Postponement**

- 12.3 The Board may postpone a general meeting if it deems it necessary to do so. Notice of such postponement shall be given in accordance with these Articles.

### **PROCEEDINGS AT GENERAL MEETINGS**

#### **Quorum**

- 13.1 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, two Ordinary Shareholders present in person being either members or representatives (in the case of a corporate member) or proxies appointed by members in relation to the meeting and entitled to vote, shall be a quorum for all purposes.

#### **Procedure if quorum not present**

- 13.2 If within one hour after the time appointed for the commencement of the meeting a quorum is not present or if during the meeting a quorum ceases to be present, if convened on the requisition of Ordinary Shareholders, the meeting shall be dissolved. In any other case, the meeting shall stand adjourned to such time and place (being not less than 14 nor more than 28 days thereafter) as may be fixed by the chairman of the meeting. At the adjourned meeting any one holder of Ordinary Shares present in person being either a member or representative (in the case of a corporate member) or a proxy appointed by a member in relation to the meeting and entitled to vote (whatever the number of Ordinary Shares held by that Ordinary Shareholder) shall be a quorum. The Company shall give at least seven clear days' notice in writing of any meeting adjourned through lack of a quorum and such notice shall state the quorum requirement.

#### **Chairman of general meeting**

- 13.3 The chairman of the Board shall preside as chairman at every general meeting. If there is no chairman, or if at any meeting the chairman is not present within 30 minutes after the time appointed for the commencement of the meeting, or if the chairman is not willing to act as chairman, the Directors who are present shall choose one of their number to act. If one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present whether members, representatives (in the case of corporate members) or proxies appointed by members in relation to the meeting and entitled to vote, shall appoint one of their number to be chairman.

#### **Directors' right to attend and speak**

- 13.4 Each Director shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of Ordinary Shares.

#### **Adjournments**

- 13.5 The chairman of the meeting may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine

die) and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

#### **Notice of adjournment**

- 13.6** When a meeting is adjourned for three months or more or sine die (in which latter case the date, time and place of the adjourned meeting shall be fixed by the Directors), notice of the adjourned meeting shall be given as in the case of an original meeting. Otherwise, save as otherwise provided in these Articles, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **Amendments to resolutions**

- 13.7** If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may be considered or voted on.

### **VOTING**

#### **Votes of members**

- 14.1** Subject to any terms as to voting upon which any Shares may be issued or may for the time being be held and to the provisions of these Articles, the total number of votes which an Ordinary Shareholder who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, and every proxy for any Ordinary Shareholder (regardless of the number of Shareholders for whom he is a proxy), has on a show of hands shall be determined in accordance with the Act. On a poll every Ordinary Shareholder present in person or by proxy or by representative (in the case of a corporate member) shall have one vote for each Ordinary Share of which he is the holder, proxy or representative. On a poll, an Ordinary Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes in the same way.
- 14.2** Deliberately left blank
- 14.3** The Deferred B Shares shall carry no right to receive notice of general meetings of the Company nor the right to attend or vote at them.

#### **Method of voting**

- 14.4** At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is properly demanded. Subject to the Act, a poll may be demanded by
- 14.4.1** the chairman of the meeting, or
  - 14.4.2** by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting (present in person or by proxy entitled to vote)

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or not

carried by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution

#### **Procedure if poll demanded**

- 14.5** If a poll is properly demanded it shall be taken in such manner as the chairman shall direct and he may appoint scrutineers who need not be Shareholders and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded

#### **When poll to be taken**

- 14.6** A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or on such date (being not later than thirty days after the date of the demand) and at such time and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll

#### **Continuance of other business after poll demand**

- 14.7** The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded, and it may be withdrawn with the consent of the chairman at any time before the close of the meeting or the taking of the poll, whichever is the earlier, and in that event shall not invalidate the result of a show of hands declared before the demand was made

#### **Voting on a poll**

- 14.8** On a poll votes may be given either personally or by proxy or by a representative (in the case of a corporate member) and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way

#### **Casting vote of chairman**

- 14.9** In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting shall not be entitled to an additional or casting vote

#### **Votes of joint holders**

- 14.10** In the case of joint holders of a Share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding

#### **No right to vote where sums overdue on Shares**

- 14.11** No Shareholder shall, unless the Board otherwise decides, be entitled to vote, either personally or by proxy or by a representative (in the case of a corporate member), at any general meeting of the Company or at any separate general meeting of the holders of any class of Shares in respect of any of his Shares unless all calls or other sums presently payable by him in respect of such Shares have been paid



## **Objections or errors in voting**

### **14.12 If**

**14.12.1** any objection shall be raised to the qualification of any voter, or

**14.12.2** any votes have been counted which ought not to have been counted or which might have been rejected, or

**14.12.3** any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be conclusive.

## **Voting on behalf of an incapable Shareholder**

**14.13** A Shareholder in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote, whether on a show of hands or on a poll, by any person authorised in such circumstances to do so on his behalf and that person may vote on a poll by proxy PROVIDED THAT evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote has been delivered at the office (or at such other place as may be specified in accordance with these Articles for the delivery of instruments appointing a proxy) not later than the last time at which an instrument of proxy should have been delivered in order to be valid for use at that meeting or on the holding of that poll.

## **PROXIES**

### **Execution of Proxies**

**15.1** An instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney authorised in writing or, if the appointer is a corporation, either under its seal or otherwise executed by it in accordance with the Act or signed on its behalf by an officer, attorney or duly authorised signatory. A proxy need not be a Shareholder.

### **Delivery of proxies**

**15.2** The instrument appointing a proxy and (if required by the Board) any authority under which it is executed or a copy of the authority, certified notarially or in some other manner approved by the Board, must be delivered to the office (or to the extent permitted by the Act, sent using electronic communications to the Company at the address specified (or deemed to have been specified) by the Company for that purpose so as to be received by the Company)

**15.2.1** in the case of a general meeting or an adjourned meeting, not less than 48 hours before the time appointed for the holding of the meeting or to the place of the meeting at any time before the time appointed for the holding of the meeting,

**15.2.2** in the case of a proxy notice given in relation to a poll taken more than 48 hours after it was demanded, not less than 24 hours before the time appointed for the taking of the poll, and

**15.2.3** in the case of a proxy notice given in relation to a poll taken not more than 48 hours after it was demanded, before the end of the meeting at which the poll was demanded

**15.3** In calculating when a proxy notice is to be delivered, no account is to be taken of any part of a day that is not a working day. A notice revoking the appointment of a proxy must be given in accordance with the Act.

**15.4** Delivery of an instrument appointing a proxy shall not preclude a Shareholder from attending and voting in person at the meeting or poll concerned.

#### **Maximum validity of proxy**

**15.5** No instrument appointing a proxy shall be valid after twelve months have elapsed from the date named in it as the date of its execution.

#### **Form of proxy**

**15.6** Instruments of proxy shall be in any usual form or in such other form as the Board may approve and the Board may, if it thinks fit, but subject to the provisions of the Act, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

#### **Cancellation of proxy's authority**

**15.7** A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice in writing of the determination was received by the Company at the office (or such other place in the United Kingdom as was specified for the delivery of instruments of proxy in the notice convening the meeting or other accompanying document) before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

### **INCORPORATED SHAREHOLDERS**

**16.** Any corporation which is a Shareholder may, by resolution of its Directors or other governing body, authorise such person or persons as it thinks fit to act as its representative (or, as the case may be, representatives) at any general meeting of the Company or at any separate meeting of the holders of any class of Shares. A person so authorised shall be entitled to exercise the same power on behalf of the grantor of the authority (in respect of that part of the grantor's holding to which his authorisation relates, in the case of an authorisation of more than one person) as the grantor could exercise if it were an individual Shareholder, and the grantor shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at it.

## **DIRECTORS**

### **Number and appointment of Directors**

- 17.1 The Directors shall be not less than two nor more than 12 in number. A majority of the Directors shall at all times be Independent Non-Executive Directors.

### **Directors' fees**

- 17.2 Any fees payable to each of the Directors shall be determined by the Board from time to time.

### **Age of Directors**

- 17.3 No Director shall vacate or be required to vacate his office as a Director on or by reason of his attaining or having attained the age of 70 or any other age and any Director or any person may be re-appointed or appointed, as the case may be, as a Director notwithstanding that he had then attained the age of 70, and no special notice need be given of any resolution for the re-appointment or appointment or approval of the appointment of a Director at any age and it shall not be necessary to give the Shareholders notice of the age of any Director or person proposed to be so re-appointed or appointed.

### **Vacation of office by Directors**

- 17.4 Notwithstanding the other provisions of this Article 17, the office of Director shall be vacated if
- 17.4.1 the Director becomes bankrupt or insolvent or makes any arrangement or composition with his creditors generally, or
  - 17.4.2 the Director becomes prohibited from being a Director by reason of any order made under the Company Directors Disqualification Act 1986 or otherwise prohibited by law from being a Director, or
  - 17.4.3 a registered medical practitioner who is treating that Director gives a written opinion to the Company stating that that Director has become physically or mentally incapable of acting as a Director and may remain so for more than three months, or
  - 17.4.4 by reason of that Director's mental health, a court makes an order which wholly or partly prevents that Director from personally exercising any powers or rights which that Director would otherwise have, or
  - 17.4.5 the Director resigns his office by notice in writing to the Company, or
  - 17.4.6 the Director is sentenced to a term of imprisonment (whether or not suspended), or
  - 17.4.7 the Director is absent without the permission of the Board from meetings of the Board for six consecutive months and the Board resolves that his office is vacated, or
  - 17.4.8 in the case of a Director who holds any executive office, ceases to hold such office (whether because his appointment is terminated or expires) and the majority of the other Directors resolve that his office be vacated.

### **Shareholding qualification**

**17.5** No shareholding qualification for Directors shall be required

**Appointment of alternate**

**17.6** Any Director (other than an alternate Director) may appoint any other Director, or any other person willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him and the provisions of these Articles shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall act as an alternate for more than one Director, he shall not be counted more than once for the purposes of the quorum at meetings of the Board.

An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may, by notice in writing to the Company, from time to time direct.

**Functions of alternate**

**17.7** An alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence.

**Alternate's appointor ceases to be a Director**

**17.8** An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director.

**Notice of appointment or removal of alternate**

**17.9** Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Board.

**Responsibility of alternate for own acts**

**17.10** Save as otherwise provided in the Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

**ASSOCIATE AND OTHER DIRECTORS**

**18.** The Board may from time to time, and at any time, pursuant to this Article 18 appoint any other persons to any post with such descriptive title including that of director (whether as associate, executive, group, divisional, departmental, deputy, assistant, local or advisory Director or otherwise) as the Board may determine and may define, limit, vary and restrict the powers, authorities and discretions of persons so appointed and may fix and determine their remuneration and duties, and subject to any contract between him and the Company, may remove from such post any person so appointed. A person so appointed shall not be a Director for any of the purposes of these Articles or of the Act, and accordingly shall not be a member of the Board or (subject to Article 22 9) of any committee thereof, nor shall he be

entitled to be present at any meeting of the Board or of any such committee, except at the request of the Board or of such committee, and if present at such request he shall not be entitled to vote thereat

## **ADDITIONAL REMUNERATION EXPENSES AND PENSIONS**

### **Additional remuneration**

- 19.1** Any Director who, by request, goes or resides abroad for any purposes of the Company or who performs services which, in the opinion of the Board, go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine in addition to any remuneration provided for by or pursuant to any other Article

### **Expenses**

- 19.2** Each Director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board or committees of the Board or general meetings of the Company or any other meeting which as a Director he is entitled to attend and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director

### **Pensions and gratuities for Directors**

- 19.3** The Board may exercise all the powers of the Company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any Director or former Director or the relations, connections or dependants of any Director or former Director who may hold or may have held an executive or other office or place of profit under the Company or any body corporate which is or has been its subsidiary undertaking or any predecessor in business of the Company. No Director or former Director shall be accountable to the Company or the Shareholders for any benefit provided pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director

## **DIRECTORS' INTERESTS**

### **Directors' conflicts of interest – Board approval for Situational Conflicts**

- 20.1** If a situation arises or exists in which a Director has or could have a Situational Conflict, without prejudice to the provisions of Article 20.3, the Director concerned, or any other Director, may propose to the Board that such Situational Conflict be authorised, such proposal to be made in writing and delivered to the other Directors or made orally at a meeting of the Board, in each case setting out particulars of the Situational Conflict in question. Subject to the Act, the Directors may authorise such Situational Conflict and the continuing performance by the relevant Director of his duties as a Director of the Company on such terms as they may think fit
- 20.2** The relevant Director shall not be counted in the quorum at the relevant meeting of the Directors to authorise such Situational Conflict nor be entitled to vote on the resolution authorising it

### **Directors' Situational Conflicts – shareholder approval**

**20.3** Notwithstanding the provisions of Article 20 1, the holders of a majority of the issued A Ordinary Shares from time to time may, at any time, by notice in writing to the Company, authorise, on such terms as they shall think fit and shall specify in the notice

**20.3.1** any Situational Conflict which has been notified to the Board by any Director under Article 20 1, or

**20.3.2** any Situational Conflict which has been notified to the Board by the chairman of the Company (if any) under Article 20 1 and which arises by virtue of his appointment or proposed appointment as a director or other officer of, and/or his holding of shares or other securities (whether directly or indirectly) in, any company other than a Group Company (a "**Chairman's Interest**"),

(whether or not the matter has already been considered under, or deemed to fall within, Article 20 1) For the avoidance of doubt, the holders of the B Ordinary Shares or Deferred B Shares in issue at the relevant time shall not be required to give their consent for the authorisation pursuant to this Article 20 3 to be valid

**20.4** No contract entered into shall be liable to be avoided by virtue of

**20.4.1** any Director having an interest of the type referred to in Article 20 1 where the relevant Situational Conflict has been approved as provided by that Article or which is authorised pursuant to Article 20 3, or

**20.4.2** the chairman of the Company (if any) having a Chairman's Interest which has been approved by the Board under Article 20 1 or which is authorised pursuant to Article 20 3

#### **Directors' conflicts of interest – Transactional Conflicts**

**20.5** The provisions of Articles 20 1 to 20 4 shall not apply to Transactional Conflicts but the following provisions of this Article 20 5 and Article 20 6 shall so apply Any Director may be interested in an existing or proposed transaction or arrangement with the Company provided that he complies with the Act

**20.6** Without prejudice to the obligation of each Director to declare an interest in accordance with the Act, a Director may vote at a meeting of the Board or of a committee of the Board on any resolution concerning a matter in which he has an interest, whether direct or indirect, which relates to a transaction or arrangement with the Company, or in relation to which he has a duty Having so declared any such interest or duty he may have, the Director shall be counted in the quorum present when any such resolution is under consideration and if he votes on such resolution his vote shall be counted

### **POWERS AND DUTIES OF THE BOARD**

#### **General powers of the Company vested in Board**

**21.1** Subject to the provisions of the Act, these Articles and to any directions given by the Company in general meeting by special resolution, the business of the Company shall be managed by the Board which may exercise all the powers of the Company whether relating to the management of the business of the Company or not No alteration of these Articles and no special resolution shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that resolution had not been passed The powers

given by this Article 21 shall not be limited by any special power given to the Board by any other Article

#### **Powers of attorney**

- 21.2** The Board may, by power of attorney or otherwise, appoint any person or persons to be the attorney or attorneys of the Company upon such terms (including terms as to remuneration) as it may decide and may delegate to any person or persons so appointed any of its powers, authorities and discretions (with power to sub-delegate) The Board may remove any person or persons appointed under this Article 21 2 and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it

#### **Delegations to individual Directors**

- 21.3** The Board may entrust to and confer upon any Director any of its powers, authorities and discretions upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, authorities and discretions and may from time to time revoke or vary all or any of them but no person dealing in good faith and without notice of the revocation or variation shall be affected by it

#### **Official seals**

- 21.4** The Company may exercise all the powers conferred by the Act with regard to having official seals and those powers shall be vested in the Board

#### **Provisions for employees**

- 21.5** The Board may exercise any power conferred by the Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiary undertakings in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary undertaking

#### **Borrowing Powers**

- 21.6** Subject as provided in these Articles, the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital and, subject to the Statutes, to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party

### **PROCEEDINGS OF THE BOARD**

#### **Board meetings**

- 22.1** The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit A Director at any time may, and the secretary on the requisition of a Director at any time shall, summon a Board meeting

#### **Notice of Board meetings**

- 22.2** 10 days' prior notice shall be given of each meeting of the Board (except in the case of an emergency or in order to comply with any timetable laid down by these Articles) Notice of a Board meeting shall be deemed to be properly given to a Director if it is given to him personally or sent in writing to him by facsimile transmission to such number as the Director

may have notified to the Company for this purpose or, if no such number has been notified, by first class pre-paid post (or by first class pre-paid airmail if from one country to another country) at his last known address or any other address given by him to the Company for this purpose (whether or not within the United Kingdom) Such notice shall, unless the Board otherwise determines, include an agenda of the business to be considered at that meeting A Director may waive notice of any meeting either prospectively or retrospectively

### **Quorum**

- 22.3** The quorum necessary for the transaction of the business of the Board shall be not less than two Directors Subject to the provisions of these Articles, any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present If within 30 minutes of the time appointed for holding the meeting a quorum is not present, the Board meeting shall stand adjourned to such time and date as agreed by the majority of those Directors present (being not earlier than 1 nor later than 10 Business Days after the date initially appointed for such meeting) and so far as practicable notice of such adjournment and the reasons therefor shall be given to each of the members of the Board (but failure to give the reasons therefor shall not invalidate the proceedings at the adjourned meeting) and the quorum for such adjourned meeting shall be any two Directors

### **Directors below minimum through vacancies**

- 22.4** The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in their number but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director, notwithstanding that the number of Directors is below the number fixed by or in accordance with these Articles as the quorum or that there is only one continuing Director, may act for the purpose of filling vacancies or of summoning general meetings of the Company but not for any other purpose

### **Appointment of chairman**

- 22.5** The Board shall appoint one of the Directors to be the Chairman Unless he is unwilling to do so, the chairman shall act as chairman of every meeting of the Board In the case of an equality of votes at a meeting of the Board, the chairman of the meeting shall not be entitled to an additional or casting vote

### **Absence of chairman**

- 22.6** If at any meeting the chairman is not present within thirty minutes after the time appointed for holding the meeting and willing to act, the Directors present may choose another of their number who is present to be chairman of the meeting

### **Competence of meetings**

- 22.7** A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board

### **Voting**



- 22.8** Except as otherwise provided in these Articles, at any meeting of the Board, each Director shall be entitled to cast one vote on each matter put to the vote. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall not have a second or casting vote. A Director who is also an alternate Director shall be entitled, in the absence of his appointor, to a further vote in addition to his own vote and an alternate Director who is appointed by two or more Directors shall be entitled to a separate vote on behalf of each of his appointors in the appointor's absence.

#### **Delegation to committees**

- 22.9** The Board may, for such purposes as it may be required by law or as it may consider appropriate, resolve to delegate any of its powers, authorities and discretions (including, without prejudice to the generality of the foregoing, all powers and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) (with power to sub-delegate) to any committee, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.

#### **Resolution in writing**

- 22.10** A resolution in writing executed by all the Directors for the time being entitled to receive notice of a meeting of the Board (if that number is sufficient to constitute a quorum) or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of the committee properly called and constituted. The resolution may be contained in one document or in several documents in like form each executed by one or more of the Directors or the members of the committee concerned.

#### **Validity of acts of the Board or committee**

- 22.11** All acts done by the Board or by any committee or by any person acting as a Director or member of a committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or committee or person so acting or that they or any of them were disqualified or had vacated office, be as valid as if each such member or person had been properly appointed and was qualified and had continued to be a Director or member of the committee.

#### **Board meetings by telephone**

- 22.12** Any Director or alternate Director may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Act, all business transacted in such manner by the Board or a committee of the Board shall for the purpose of these Articles be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board notwithstanding that fewer than two Directors or alternate Directors are physically present at the same place. 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 meeting then is

- 22.13** All civil, criminal, arbitration, administrative, demand or other proceedings brought against any of the Directors in any jurisdiction, as a result of any act or omission by him in the course of his duties to the Company shall be monitored and pursued under the direction of the Company's Audit Committee

#### **Related Party Transactions**

- 22.14** The Company shall not enter into any transaction with a Shareholder or Director or any of their Connected Persons unless (a) it is on no worse than arm's length terms for the Company and (b) it has been approved either by the audit committee of the Board or a majority of the Independent Non-executive Directors (which, in either case, shall not include any Director who, or whose Connected Person, is interested in the transaction)

#### **SEALS**

- 23.1** Any common seal may only be used by the authority of the Directors
- 23.2** The Directors may decide by what means and in what form any common seal is to be used
- 23.3** 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
- 23.4** For the purposes of this Article, an authorised person is
- (a) any Director of the Company,
  - (b) the company secretary (if any), or
  - (c) any person authorised by the Directors for the purpose of signing documents to which the common seal is applied
- 23.5** Any instrument executed by the Company in such manner as the Board, having regard to the Act, may authorise shall have the same effect as if executed under the seal

#### **DIVIDENDS AND OTHER PAYMENTS**

##### **Declaration of dividends by the Company**

- 24.1** Subject to the provisions of the Act and of these Articles, the Company may by ordinary resolution from time to time declare dividends in accordance with the respective rights of the Ordinary Shareholders, but no dividend shall exceed the amount recommended by the Board. The A Ordinary Shares and the B Ordinary Shares shall rank *pari passu* for dividends. The Deferred B Shares shall not carry any right to receive any dividends

#### **Payment of interim dividends by the Board**

- 24.2** Subject to the provisions of the Act and of these Articles, the Board may pay such interim dividends as appear to the Board to be justified by the financial position of the Company and may also pay any dividends payable at a fixed rate at intervals settled by the Board whenever the financial position of the Company, in the opinion of the Board, justifies its payment. If the Board acts in good faith, it shall not incur any liability to the holders of Shares conferring preferred rights for any loss they may suffer in consequence of the payment of an interim dividend on any Shares having non-preferred or deferred rights.

#### **Dividends paid according to amount of, and period during which, Shares paid up**

- 24.3** Except in so far as the rights attaching to, or the terms of issue of, any Share otherwise provide
- (a) all dividends shall be declared and paid according to the amounts paid up on the Shares in respect of which the dividend is paid, but no amount paid up on a Share in advance of calls shall be treated for the purposes of this Article 24 as paid up on the Share, and
  - (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid.

#### **Payment of dividends otherwise than in cash**

- 24.4** Any general meeting declaring a dividend may, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or partly by the distribution of specific assets and in particular of fully paid shares or debentures of any other company, and the Board shall give effect to such direction. Where any difficulty arises in regard to such distribution, the Board may settle it as it thinks expedient, and in particular may ignore fractions and fix the value for distribution of such specific assets or any part thereof and may determine that cash payment shall be made to any Shareholders upon the footing of the value so fixed in order to adjust the rights of those entitled to participate in the dividend, and may vest any such specific assets in trustees, upon trust for the Shareholders entitled to the dividend, as may seem expedient to the Board.

#### **Amounts due on Shares may be deducted from dividends**

- 24.5** The Board may deduct from any dividend or other moneys payable to a Shareholder by the Company on or in respect of any Shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of Shares.

#### **No interest on dividends**

- 24.6** Save as provided in these Articles, no dividend or other moneys payable by the Company on or in respect of any Share shall bear interest against the Company. Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.

#### **Payment procedure**

- 24.7** Any dividend or other sum payable by the Company in respect of a Share may be paid by cheque or warrant sent by post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the register in

respect of the Shares at his address as appearing in the register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of the Shares, and shall be sent at his or their risk, and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means and to or through such person as the holder or joint holders may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the Shares held by them. Where a person is entitled by transmission to a Share, any dividend or other sum payable by the Company in respect of the Share may be paid as if he was a holder of the Share and his address noted in the register was his registered address.

#### **Payment may be withheld**

- 24.8** The Board may withhold dividends payable on Shares if those Shares represent not less than 0.25% by number of their class and there has been a failure to comply with a notice requiring disclosure of interests in the Shares (in accordance with Article 10) unless the Shareholder has not, and proves that no other person has, failed to supply the required information.

### **CAPITALISATION OF RESERVES**

#### **Power to capitalise reserves and funds**

- 25.1** The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that the amount to be capitalised be set free for distribution among the Shareholders or any class of Shareholders who would be entitled to it if it were distributed by way of dividend and in the same proportions, on the footing that it is applied either in or towards paying up the amounts for the time being unpaid on any Shares held by those Shareholders respectively or in paying up in full unissued Shares, debentures or other obligations of the Company to be allotted and distributed, credited as fully paid up, among those Shareholders, or partly in one way and partly in the other, but so that, for the purposes of this Article 25, a share premium account and a capital redemption reserve, and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued Shares. The Board may authorise any person to enter into an agreement with the Company on behalf of the persons entitled to participate in the distribution providing for the allotment to them respectively of any Shares, debentures or other obligations of the Company to which they are entitled on the capitalisation and the agreement shall be binding on those persons.

#### **Settlement of difficulties in distribution**

- 25.2** Where any difficulty arises in regard to any distribution of any capitalised reserve or fund the Board may settle the matter as it thinks expedient and in particular may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any Shareholders in order to adjust the rights of all parties, as may seem expedient to the Board.

## **RECORD DATES**

### **Power to choose any record date**

26. Subject to provisions of the Act, notwithstanding any other provision of these Articles, the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which the dividend, distribution, allotment or issue is declared, paid or made

## **ACCOUNTING RECORDS**

### **Records to be kept**

- 27.1 The Board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions, in accordance with the Act

### **Inspection of records**

- 27.2 The accounting records shall be kept at the office or, subject to the provisions of the Act, at such other place or places as the Board may think fit and shall always be open to inspection by the officers of the Company

## **SERVICE OF NOTICES AND OTHER DOCUMENTS**

- 28.1 Subject to the specific terms of these Articles, any notice to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of the Board or a committee thereof) shall be in writing
- 28.2 Any Shareholder Communication may be served by the Company on, or supplied by the Company to, a Shareholder or other person personally or by sending it by first-class post in a pre-paid envelope addressed to such Shareholder or other person at his postal address (as appearing in the Company's register of members in the case of Shareholders) or (except in the case of Sale Notices and share certificates) by sending or supplying it in electronic form or by website communication in accordance with Articles 28.4 or 28.5. Sale Notices shall be sent to or served upon the relevant person as required by these Articles in hard copy and delivered personally or sent by first-class post in a pre-paid envelope and shall not be sent in electronic form
- 28.3 In the case of a Shareholder Communication (including a Sale Notice) sent by post, proof that an envelope containing the communication was properly addressed, pre-paid and posted shall be conclusive evidence that it was sent and it shall be deemed to be given or received at the expiration of 48 hours after the envelope containing it was posted
- 28.4 Subject to the provisions of the Statutes, any Shareholder Communication (except a Sale Notice or a share certificate) will be validly sent or supplied by the Company to a person if sent or supplied in electronic form provided that person has agreed (generally or specifically) (or, if the person is a company and is deemed by the Statutes to have agreed) that the communication may be sent or supplied in that form and
- 28.4.1 the Shareholder Communication is sent in electronic form to such address as may for the time being be notified by the relevant person to the Company (generally or specifically) for that purpose or, if that relevant person is a company, to such address as may be deemed by a provision of the Statutes to have been so specified, and

- 28.4.2** that person has not revoked the agreement
- 28.5** Subject to the provisions of the Statutes, any Shareholder Communication (except a Sale Notice or a share certificate) will be validly sent or supplied by the Company to a person if it is made available by means of a website communication where that person has agreed, or is deemed by the Statutes to have agreed (generally or specifically) that the communication may be sent or supplied to him in that manner and
- 28.5.1** that person has not revoked the agreement,
- 28.5.2** the person is notified in a manner for the time being agreed for the purpose between the person and the Company of
- (a) the presence of the Shareholder Communication on the Company's website,
  - (b) the address of that website, and
  - (c) the place on that website where the Shareholder Communication may be accessed and how it may be accessed, and
- 28.5.3** the Shareholder Communication continues to be published on the Company's website throughout the period specified in the Act, provided that if it is published on the website for part but not all of such period, the Shareholder Communication will be treated as published throughout that period if the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid
- 28.6** When any Shareholder Communication is sent by the Company in electronic form, it shall be deemed to have been given on the same day as it was sent to the address supplied by the Shareholder, and in the case of the provision of a Shareholder Communication by website communication, it shall be deemed to have been received when it was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that it was available on the website pursuant to Article 28 5 2
- 28.7** Where in accordance with these Articles a Shareholder or other person is entitled or required to give or send to the Company a notice in writing (other than a Sale Notice), the Company may, in its absolute discretion, (or shall, if it is deemed to have so agreed by any provision of the Statutes) permit such notices (or specified classes thereof) to be sent to the Company in such electronic form and at such address as may from time to time be specified (or be deemed by the Statutes to be agreed) by the Company (generally or specifically) for the purpose, subject to any conditions or restrictions that the Board may from time to time prescribe (including as to authentication of the identity of the person giving or sending such notice to the Company),
- 28.8** A Shareholder who has not supplied to the Company either a postal or an electronic address for the service of notices shall not be entitled to receive notices from the Company If, on three consecutive occasions, a notice to a Shareholder has been returned undelivered, such Shareholder shall not thereafter be entitled to receive notices from the Company until he shall have communicated with the Company and supplied in writing to the office a new postal or electronic address for the service of notices For these purposes, a notice shall be treated as returned undelivered if the notice is sent by post and is returned to the Company (or its agents) or, if sent in electronic form, if the Company (or its agents) receive(s) notification that the notice was not delivered to the address to which it was sent

- 28.9** In the case of joint holders of a Share, all Shareholder Communications shall be sent or supplied to the joint holder who is named first in the register, and a Shareholder Communication so sent or supplied shall be deemed sent or supplied to all joint holders. Any provision of this Article 28 which refers to anything agreed, notified or specified by a member shall be deemed to have been validly agreed, notified or specified, notwithstanding any provisions of the Statutes, if agreed, notified or specified by only one and not all of the joint holders of any Shares held in joint names

**Service of notice on person entitled by transmission**

- 28.10** Where a person is entitled by transmission to a Share, any notice or other document shall be served upon or delivered to him as if he was the holder of that Share and his address noted in the register was his registered address. Otherwise, any notice or other document served on or delivered to a Shareholder pursuant to these Articles shall, notwithstanding that the Shareholder is then dead or bankrupt or that any other event giving rise to the transmission of the Share by operation of law has occurred and whether or not the Company has notice of the death, bankruptcy or other event, be deemed to have been properly served or delivered in respect of any Share registered in the name of that Shareholder as sole or joint holder unless, before the day of posting (or, if it is not sent by post, before the day of service or delivery) of the notice or document, his name has been removed from the register as the holder of the Share. Service or delivery in the foregoing manner shall be deemed for all purposes a sufficient service or delivery of the notice or document on all persons interested (whether jointly with or as claiming through or under him) in the Share

**Presumptions where documents destroyed**

- 28.11** If the Company destroys -

- (a) any share certificate which has been cancelled at any time after a period of one year has elapsed from the date of cancellation, or
- (b) any instruction concerning the payment of dividends or other moneys in respect of any Share or any notification of change of name or address at any time after a period of two years has elapsed from the date the instruction or notification was recorded by the Company, or
- (c) any instrument of transfer of Shares which has been registered at any time after a period of six years has elapsed from the date of registration, or
- (d) any other document on the basis of which any entry is made in the register at any time after a period of six years has elapsed from the date the entry was first made in the register in respect of it,

and the Company destroys the document in good faith and without express notice that its preservation was relevant to a claim, it shall be presumed irrefutably in favour of the Company that every share certificate so destroyed was a valid certificate and was properly cancelled, that every instrument of transfer so destroyed was a valid and effective instrument of transfer and was properly registered and that every other document so destroyed was a valid and effective document and that any particulars of it which are recorded in the books or records of the Company were correctly recorded. Nothing contained in this Article 28 11 shall be construed as imposing upon the Company any liability by reason only of the destruction of any document of the kind mentioned above before the relevant period mentioned in this Article 28 11 has elapsed or of the fact that any other condition precedent

to its destruction mentioned above has not been fulfilled. References in this Article to the destruction of any document include references to its disposal in any manner.

## **WINDING UP**

### **Distribution of assets otherwise than in cash**

**29.1** If the Company commences a Winding-Up, the liquidator may, with the sanction of a special resolution of the Company and subject to the Act and the Insolvency Act 1986 (as amended) -

- (a) divide among the Ordinary Shareholders in specie the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and, for that purpose, set such values as he deems fair upon any property to be divided and determine how the division shall be carried out as between the different classes of Ordinary Shareholders, or
- (b) vest the whole or any part of the assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit,

but no Ordinary Shareholder shall be compelled to accept any Shares or other assets upon which there is any liability.

### **Return of capital rights**

**29.2** On a return of capital on a Winding-Up or otherwise (except on a redemption or purchase by the Company of any Shares), the surplus assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority

- 29.2.1** first, in paying to each Ordinary Shareholder in respect of each Ordinary Share of which it is the holder, a sum equal to the Issue Price thereof,
- 29.2.2** second, the balance of such assets up to and including the Hurdle Price (if any) shall be distributed amongst the A Shareholders pro rata to the number of A Ordinary Shares held,
- 29.2.3** third, the balance of such assets in excess of the Hurdle Price (if any) shall be distributed amongst the holders of A Ordinary Shares and B Ordinary Shares (pari passu as if the same constituted one class) pro rata to the number of Ordinary Shares held, up to a maximum of £1,000,000 per Ordinary Share,
- 29.2.4** fourth, in paying to each holder of Deferred B Shares in respect of each of the Deferred B Shares of which it is the holder, a sum equal to the Issue Price thereof, and
- 29.2.5** fifth, the balance of such assets (if any) shall be distributed amongst the Ordinary Shareholders (pari passu as if the A Ordinary Shares and B Ordinary Shares constituted one class of Ordinary Shares) pro rata to the number of Ordinary Shares held.

## **INDEMNITY AND INSURANCE**

### **Indemnity of officers**



**30.1** Subject to, and on such terms as may be permitted by the Act, the Company may

**30.1.1** indemnify, out of the assets of the Company, any director of the Company or any associated company against all losses and liabilities which he may sustain or incur in the performance of the duties of his office or otherwise in relation thereto (including, in respect of any director of either the Company or any associated company, where the Company or such associated company acts as trustee of a pension scheme, against liability incurred in connection with the relevant company's activities as trustee of such scheme),

**30.1.2** provide a Director with funds to meet expenditure incurred or to be incurred by him

- (a) at any time in defending any civil or criminal proceedings brought or threatened against him, or
- (b) in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority,

in either case in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or an associated company and the Company shall be permitted to take or omit to take any action or enter into any arrangement which would otherwise be prohibited under the Act to enable a Director to avoid incurring such expenditure, and

**30.1.3** purchase and maintain insurance for any Director or former director of the Company or any director or former director of any associated company against any liability attaching to any such person in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any such associated company

**30.2** For the purpose of Article 30 1 above, a company will be "**associated**" with another if one is a subsidiary of the other or both are subsidiaries of the same body corporate as such terms are defined in the Act

## **REALISATION EVENT**

**31.1** In this Article 31, save where the context requires otherwise, the following expressions shall have the following meanings

**B Cap Value** means, on a Realisation Event, the Capitalisation Value attributable to the B Ordinary Shares calculated as follows

$$\frac{B}{(A + B)} \times (C - HP)$$

where

A = the number of A Ordinary Shares in issue at the Valuation Date,

B = the number of B Ordinary Shares in issue at the Valuation Date,

C = Capitalisation Value

HP = Hurdle Price

**Capitalisation Value** means the market value of the Company (expressed in pounds sterling to the nearest three decimal places) as determined by an Independent Financial Adviser (acting as an expert and not an arbitrator) by reference to the relevant Realisation Event and including, in the event of a Sale, the Cash Equivalent Value of any Non-Cash Consideration and excluding in the case of a Quotation any new monies received or to be received in connection with the Quotation

**Cash Equivalent Value** means, in the case of

- (a) any form of Non-Cash Consideration as described in paragraph (a) of the definition of Non-Cash Consideration, 90% of the value of such Non-Cash Consideration, or
- (b) any form of Non-Cash Consideration as described in paragraph (b) of the definition of Non-Cash Consideration, the net present value of the Non-Cash Consideration (calculated using a discount rate of 10% per annum)

in any case as shall be determined by the Board in good faith except in the case of an earn-out arrangement as described in paragraph (b) of the definition of Non-Cash Consideration in which event the Company shall appoint an Independent Financial Adviser to determine a fair and reasonable estimate of the net present value of the Non-Cash Consideration

**Non-Cash Consideration** means

- (a) any consideration which is payable otherwise than in cash, and/or
- (b) any consideration (whether in cash or otherwise) which is deferred or otherwise not payable on completion of the relevant Realisation Event or subject to any form of earn-out arrangement

**31.2** If the Capitalisation Value on the Valuation Date is less than the Hurdle Price, all of the B Ordinary Shares in issue shall automatically be converted into Deferred B Shares

**31.3** If the Capitalisation Value on the Valuation Date is equal to or greater than the Hurdle Price, the provisions of Articles 31.7 to 31.10 shall apply in accordance with the circumstances

**31.4** If, upon the happening of any of the following events

**31.4.1** consolidation, reclassification, sub division or re-designation in relation to the A Ordinary Shares, or

**31.4.2** the issue of Ordinary Shares credited as fully paid up to the A Shareholders by way of capitalisation of profits or reserves or otherwise, or

**31.4.3** any other event where the Board considers it appropriate,

the Company determines that an adjustment should be made to the Hurdle Price in order to give the intended result to the A Shareholders and the B Shareholders, the Company shall request an Independent Financial Adviser to determine as soon as practicable what adjustment to the Hurdle Price is fair and reasonable to take account thereof

**31.5** If any B Shareholder is both a Leaver and a B Shareholder immediately prior to a Realisation Event, the Unvested Portion of his B Ordinary Shares at this date shall

- automatically be converted into Deferred B Shares unless the Board determines otherwise and such conversion should occur prior to any conversion pursuant to Article 31 8
- 31.6** Any conversion of B Ordinary Shares pursuant to this Article 31 shall be made on the following terms
- 31.6.1** the conversion shall take effect immediately on a Valuation Date at no cost to the B Shareholders,
- 31.6.2** the B Shareholders shall deliver the certificates therefor to the Company for cancellation, and
- 31.6.3** the Company shall issue to the persons entitled thereto new certificates for the Deferred B Shares resulting from the conversion
- 31.7** On a Realisation Event, the price per A Ordinary Share shall be calculated by dividing the Capitalisation Value less the B Cap Value by the number of A Ordinary Shares in issue
- 31.8** On a Realisation Event, a number of the B Ordinary Shares shall be converted into Deferred B Shares which number shall be calculated by dividing the B Cap Value by the price per A Ordinary Share (calculated pursuant to Article 31 7) and deducting the result from the number of B Ordinary Shares then in issue The number of B Ordinary Shares to be converted into Deferred B Shares shall be apportioned between those holders of B Ordinary Shares then in issue pro rata according to the number of B Ordinary Shares held by them respectively at the date of conversion Whenever pursuant to this Article 31 any Shareholders would become entitled to fractions of a Share, the Board may deal with the fractions as it thinks fit
- 31.9** On a Sale or a Takeover Offer
- 31.9.1** each A Shareholder shall, for each A Ordinary Share held, and
- 31.9.2** each B Shareholder shall, for each B Ordinary Share held, following the conversion of B Ordinary Shares pursuant to Article 31 8 (if applicable),
- be entitled to receive the price per A Ordinary Share calculated in accordance with Article 31 7
- 31.10** On a Quotation, the Ordinary Shareholders shall be entitled in aggregate to such number of the shares for which a Quotation is obtained (excluding any new shares which are to be or have been newly subscribed in order to raise additional capital for the Group as part of the Quotation) as is equal in value to the Capitalisation Value, to be distributed amongst them according to the number of Ordinary Shares held by each such holder (being, in the case of the B Shareholders, the number of B Ordinary Shares held following the conversion of B Ordinary Shares pursuant to Article 31 8 (if applicable))
- 31.11** Following any conversion of B Ordinary Shares into Deferred B Shares pursuant to this Article 31, any such Deferred B Shares may either be transferred to a person nominated by the Board or (subject to the Act) purchased by the Company in each case for an aggregate amount of £1 for all Deferred B Shares then in issue
- 32.** Deliberately left blank

## **BUSINESS OF COMPANY**

The Company shall

- 33.1** keep in force for so long as the relevant person is a director or employee of the Company the policies referred to below and will not take or omit to take any action or permit any action to be taken which might vitiate or invalidate any such policy
  - 33.1.1** such life and permanent incapacity insurance policies as may be specified in any Director's contract of employment or service or terms of appointment from time to time, and
  - 33.1.2** full and proper directors' and officers' liability insurance in respect of the Directors and such other officers of the Company as the Board may from time to time determine,
- 33.2** maintain at all times full and proper insurance against such business risks and liabilities with an appropriate insurance company, on such terms and in such amounts as shall accord with good commercial practice and the Company shall procure that such insurances are reviewed by a reputable insurance broker at least once in each calendar year,
- 33.3** prepare and maintain proper accounting records,
- 33.4** conduct the Company's business in accordance with all applicable laws,
- 33.5** take all reasonable steps to procure entry into appropriate non-competition covenants, confidentiality agreements and employment contracts with key employees, and
- 33.6** unless required by law, not disclose details of the investors subscribing for A Ordinary Shares pursuant to the Placing, or their respective investment advisers, in any press release or other public manner without the prior written consent of the relevant investor which consent shall not be unreasonably withheld or delayed

### **Matters requiring member approval**

- 33.7** Subject to the provisions of the Act and these Articles, the following matters will require approval by holders of not less than 75 per cent of the A Ordinary Shares voting (in person or by proxy) on such matter
  - 33.7.1** significant changes in the nature of the Company's business,
  - 33.7.2** major business acquisitions and disposals outside the ordinary course of business where the consideration is in excess of £20 million, and
  - 33.7.3** a merger of the Company with another entity or a sale of substantially all of the Company's assets

### **Provision of information**

- 33.8** Prior to a Quotation, the A Ordinary Shareholders shall enjoy the following information rights
  - 33.8.1** the right to inspect and take copies of (subject to any overriding duties of confidentiality of the Company) the accounting records of the Company,

- 33.8.2 the right to receive the audited financial statements within 60 days of the Company's year end (together with the notes thereto and the directors' report and auditors' report thereon),
- 33.8.3 the right to receive the unaudited financial statements within 45 days of the relevant quarter end,
- 33.8.4 the right to receive copies of the business plan or annual budgets (including a cash flow and expenditure forecast) for the Company in respect of its next financial year, not later than three months before the end of each financial year, and
- 33.8.5 forthwith upon the Company or any member of the Board becoming aware of them, written details of any material business developments (subject to any overriding duties of confidentiality of the Company) which will or might cause any actual or prospective material adverse change in the financial position, prospects, assets or business of the Company,

save that the Company shall be entitled to suspend the rights afforded by this Article to any Shareholder at any time and in any manner in the event that the Board responsibly believes the relevant Shareholder to be a competitor of the Group or a person connected with such a competitor (or a nominee of either)