

**Company number 06529067**

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTION**

**of**

**COGNISCO GROUP LIMITED (Company)**

FRIDAY



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COMPANIES HOUSE

**Dated 25 November 2016**

**Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the resolution below was passed as a special resolution (Resolution)**

**SPECIAL RESOLUTION**

**1 "THAT**

- a the draft articles of association (a summary of which is attached to this resolution) be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association, and
- b the Directors be generally empowered to allot equity securities (as defined in section 560 of the Companies Act 2006) pursuant to the authority conferred by the new articles of association, as if article 77 1 of the new articles of association did not apply to any such allotment, provided that this power shall
  - i be limited to the allotment of equity securities up to an aggregate nominal amount of £84,423 50 for the purposes of granting options to employees of the Company and its subsidiaries,
  - ii be limited to the allotment of equity securities up to an aggregate nominal amount of £83,333 33 for the purposes of issuing shares to the shareholders under a rights issue to subscribe for ordinary shares in the capital of the Company
  - iii be limited to the allotment of equity securities up to an aggregate nominal amount of £166,666 67 for the purposes of issuing shares under warrants to subscribe for ordinary shares in the capital of the Company to Britania Limited on the terms of a warrant instrument approved by the directors of the Company, and
  - iv expire on the fifth anniversary of the date of the passing of this resolution (unless renewed, varied or revoked by the Company

prior to or on that date), save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired

A handwritten signature in black ink, consisting of a large, stylized capital 'R' followed by a horizontal line and a small flourish.

Company Secretary

**THE COMPANIES ACTS 1985 AND 2006  
PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION  
of  
COGNISCO GROUP LIMITED**

**ADOPTED BY SPECIAL RESOLUTION ON 25 NOVEMBER 2016**

## CONTENTS

1.....	DEFINED TERMS .....	4
2.....	DIRECTORS' GENERAL AUTHORITY .....	7
3.....	MEMBERS' RESERVE POWER.....	7
4.....	DIRECTORS MAY DELEGATE .....	7
5.....	COMMITTEES .....	8
6.....	DIRECTORS TO TAKE DECISIONS COLLECTIVELY .....	8
7.....	CALLING A DIRECTORS' MEETING .....	8
8.....	PARTICIPATION IN DIRECTORS' MEETINGS .....	9
9.....	QUORUM FOR DIRECTORS' MEETINGS .....	9
10.....	MEETINGS WHERE TOTAL NUMBER OF DIRECTORS LESS THAN QUORUM .....	10
11.....	CHAIRING OF DIRECTORS' MEETINGS.....	10
12.....	VOTING AT DIRECTORS' MEETINGS: GENERAL RULES .....	11
13.....	CHAIRMAN'S CASTING VOTE AT DIRECTORS' MEETINGS .....	11
14.....	ALTERNATES VOTING AT DIRECTORS' MEETINGS .....	11
15.....	CONFLICTS OF INTEREST.....	11
16.....	PROPOSING DIRECTORS' WRITTEN RESOLUTIONS.....	15
17.....	ADOPTION OF DIRECTORS' WRITTEN RESOLUTIONS.....	15
18.....	DIRECTORS' DISCRETION TO MAKE FURTHER RULES .....	16
19.....	NUMBER OF DIRECTORS .....	16
20.....	METHODS OF APPOINTING DIRECTORS.....	16
21.....	RETIREMENT OF DIRECTORS BY ROTATION .....	16
22.....	TERMINATION OF DIRECTOR'S APPOINTMENT.....	17
23.....	DIRECTORS' REMUNERATION.....	17
24.....	DIRECTORS' EXPENSES .....	18
25.....	APPOINTMENT AND REMOVAL OF ALTERNATES .....	18
26.....	RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS .....	19
27.....	TERMINATION OF ALTERNATE DIRECTORSHIP.....	19
28.....	MEMBERS CAN CALL GENERAL MEETING IF NOT ENOUGH DIRECTORS	20
29.....	ATTENDANCE AND SPEAKING AT GENERAL MEETINGS.....	20
30.....	QUORUM FOR GENERAL MEETINGS .....	21
31.....	CHAIRING OF GENERAL MEETINGS .....	21
32.....	ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-MEMBERS....	22
33.....	ADJOURNMENT .....	22

34.....	VOTING: GENERAL .....	23
35.....	ERRORS AND DISPUTES.....	23
36.....	DEMANDING A POLL .....	23
37.....	PROCEDURE ON A POLL .....	24
38.....	CONTENT OF PROXY NOTICES .....	24
39.....	DELIVERY OF PROXY NOTICES .....	25
40.....	AMENDMENTS TO RESOLUTIONS.....	26
41.....	NO VOTING OF SHARES ON WHICH MONEY OWED TO COMPANY.....	27
42.....	CLASS MEETINGS .....	27
43.....	POWERS TO ISSUE DIFFERENT CLASSES OF SHARE.....	27
44.....	[NOT USED].....	27
45.....	[NOT USED].....	27
46.....	PAYMENT OF COMMISSIONS ON SUBSCRIPTION FOR SHARES .....	27
47.....	COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS .....	28
48.....	CERTIFICATES TO BE ISSUED EXCEPT IN CERTAIN CASES .....	28
49.....	CONTENTS AND EXECUTION OF SHARE CERTIFICATES .....	28
50.....	CONSOLIDATED SHARE CERTIFICATES .....	29
51.....	REPLACEMENT SHARE CERTIFICATES.....	30
52.....	UNCERTIFICATED SHARES .....	30
53.....	[NOT USED].....	32
54.....	COMPANY'S LIEN OVER PARTLY PAID SHARES.....	32
55.....	ENFORCEMENT OF THE COMPANY'S LIEN .....	32
56.....	A LIEN ENFORCEMENT NOTICE:.....	32
57.....	CALL NOTICES .....	33
58.....	LIABILITY TO PAY CALLS .....	34
59.....	WHEN CALL NOTICE NEED NOT BE ISSUED .....	34
60.....	FAILURE TO COMPLY WITH CALL NOTICE: AUTOMATIC CONSEQUENCES .....	35
61.....	NOTICE OF INTENDED FORFEITURE .....	35
62.....	DIRECTORS' POWER TO FORFEIT SHARES .....	36
63.....	EFFECT OF FORFEITURE .....	36
64.....	PROCEDURE FOLLOWING FORFEITURE .....	37
65.....	SURRENDER OF SHARES .....	38
66.....	TRANSFERS OF CERTIFICATED SHARES.....	38
67.....	TRANSFER OF UNCERTIFICATED SHARES .....	39

68.....	TRANSMISSION OF SHARES .....	39
69.....	TRANSMITTEES' RIGHTS .....	39
70.....	EXERCISE OF TRANSMITTEES' RIGHTS.....	40
71.....	TRANSMITTEES BOUND BY PRIOR NOTICES.....	40
72.....	PROCEDURE FOR DISPOSING OF FRACTIONS OF SHARES .....	40
73.....	COMPULSORY PURCHASE FOLLOWING TAKEOVER.....	41
74.....	MANDATORY OFFER ON CHANGE OF CONTROL .....	42
75.....	PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES .....	44
76.....	FURTHER ISSUES OF SHARES: AUTHORITY .....	48
77.....	FURTHER ISSUES OF SHARES: PRE-EMPTION RIGHTS .....	49
78.....	PROCEDURE FOR DECLARING DIVIDENDS.....	50
79.....	CALCULATION OF DIVIDENDS.....	51
80.....	PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS.....	51
81.....	DEDUCTIONS FROM DISTRIBUTIONS IN RESPECT OF SUMS OWED TO THE COMPANY .....	52
82.....	NO INTEREST ON DISTRIBUTIONS.....	52
83.....	UNCLAIMED DISTRIBUTIONS .....	53
84.....	NON-CASH DISTRIBUTIONS .....	53
85.....	WAIVER OF DISTRIBUTIONS .....	54
86.....	AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS .	54
87.....	MEANS OF COMMUNICATION TO BE USED .....	55
88.....	ADDRESSES AND OTHER CONTACT DETAILS .....	56
89.....	FAILURE TO NOTIFY CONTACT DETAILS .....	56
90.....	COMPANY SEALS.....	57
91.....	DESTRUCTION OF DOCUMENTS .....	57
92.....	NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS .....	58
93.....	PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS.....	58
94.....	INDEMNITY .....	59
95.....	INSURANCE .....	60

## **PART 1**

### **DEFINITIONS AND INTERPRETATION**

#### **1 DEFINED TERMS**

1 1 In the articles , unless the context requires otherwise:

**"alternate" or "alternate director"** has the meaning given in article 25;

**"appointor"** has the meaning given in article 25;

**"articles"** means the company's articles of association, as varied from time to time;

**"bankruptcy"** includes individual insolvency proceedings in a jurisdiction other than England and Wales and Northern Ireland which have an effect similar to that of bankruptcy;

**"call"** has the meaning given in article 57;

**"call notice"** has the meaning given in article 57;

**"certificate"** means a paper certificate (other than a share warrant) evidencing a person's title to specified shares or other securities,

**"certificated"** in relation to a share, means that it is not an uncertificated share or a share in respect of which a share warrant has been issued and is current;

**"chairman"** has the meaning given in article 11,

**"chairman of the meeting"** has the meaning given in article 31;

**"Companies Acts"** means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

**"company's lien"** has the meaning given in article 54;

**"Connected Member"** means a member who is a person connected (as defined in section 254 of the Companies Act) with the Lender for the purposes of the Lender appointing a director pursuant to article 20.2 by virtue of that person being connected with the Lender

**"Controlling Interest"** means an interest in shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

**“director”** means a director of the company, and includes any person occupying the position of director, by whatever name called;

**“distribution recipient”** has the meaning given in article 80;

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

**“electronic form”** has the meaning given in section 1168 of the Companies Act 2006;

**“fully paid”** in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company,

**“Group Undertaking”** means in relation to the Company a subsidiary or holding company of the Company or any subsidiary of such holding company;

**“hard copy form”** has the meaning given in section 1168 of the Companies Act 2006,

**“holder”** in relation to shares means the person whose name is entered in the register of members as the holder of the shares, or, in the case of a share in respect of which a share warrant has been issued (and not cancelled), the person in possession of that warrant;

**“instrument”** means a document in hard copy form;

**“Lender”** shall mean Britania Limited, a company registered in England and Wales with company number 02255021,

**“Lender Director”** shall mean the Director of the Company appointed by the Lender pursuant to article 20 2;

**“lien enforcement notice”** has the meaning given in article 56,

**“member”** shall mean a member of the Company as defined in section 112 of the Companies Act 2006;

**“ordinary resolution”** has the meaning given in section 282 of the Companies Act 2006;

**“paid”** means paid or credited as paid;

**“participate”** in relation to a directors’ meeting has the meaning given in article 8,

**“partly paid”** in relation to a share means that part of that share’s nominal value or any premium at which it was issued has not been paid to the company;

**“Permitted Transfer”** means a transfer of shares pursuant to article 75.14 or article 75 15.



**“proxy notice”** has the meaning given in article 38;

**“Recipient Associate”** has the meaning given to it in article 75.15

**“Relevant Securities”** means any Shares or other securities convertible into, or carrying the right to subscribe for those Shares (including for the avoidance of doubt warrants to subscribe for shares), issued by the Company after the date on which these Articles are adopted;

**“securities seal”** has the meaning given in article 49;

**“shares”** means shares in the company (of any class);

**“special resolution”** has the meaning given in section 283 of the Companies Act 2006;

**“subsidiary”** has the meaning given in section 1159 of the Companies Act 2006,

**“transmittee”** means a person entitled to a share by reason of the death or bankruptcy of the shareholder or otherwise by operation of law;

**“uncertificated”** in relation to a share means that, by virtue of legislation (other than section 778 of the Companies Act 2006) permitting title to shares to be evidenced and transferred without a certificate, title to that share is evidenced and may be transferred without a certificate; and

**“writing”** means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006. Definitions in the Companies Act 2006 apply as if all provisions of that Act were in force on the date but, where any relevant provision of the Companies Act 2006 is not yet in force, these articles shall be construed consistently with and as if referring to the relevant provisions of the Companies Act 1985 until it ceases to have effect. To the extent that any provision of the articles is inconsistent with any rule of law or is otherwise ineffective until a relevant provision of the Companies Act 2006 comes into force, that provision of the articles shall take effect when that provision of the Companies Act 2006 comes into force.

## **PART 2**

### **DIRECTORS**

#### **DIRECTORS' POWERS AND RESPONSIBILITIES**

##### **2 DIRECTORS' GENERAL AUTHORITY**

- 2.1 Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

##### **3 MEMBERS' RESERVE POWER**

- 3.1 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action
- 3.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

##### **4 DIRECTORS MAY DELEGATE**

- 4.1 Subject to the articles, the directors may delegate any of the powers, authorities and discretions which are conferred on them under the articles—

- 4.1.1 to such person or committee;
- 4.1.2 by such means (including by power of attorney),
- 4.1.3 to such an extent,
- 4.1.4 in relation to such matters or territories; and
- 4.1.5 on such terms and conditions;

as they think fit provided the members of any committee shall include the directors required to form a quorum under articles 9.2 and 9.3.

- 4.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 4.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

## **5 COMMITTEES**

- 5.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles (including the requirement for a quorum under articles 9.2 and 9.3) which govern the taking of decisions by directors
- 5.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

## **DECISION-MAKING BY DIRECTORS**

### **6 DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

- 6.1 Subject to the articles, decisions of the directors must be taken:
- 6.1.1 at a directors' meeting, or
- 6.1.2 in the form of a directors' written resolution.

### **7 CALLING A DIRECTORS' MEETING**

- 7.1 Any director may call a directors' meeting
- 7.2 The company secretary must call a directors' meeting if a director so requests
- 7.3 A directors' meeting is called by giving notice of the meeting to the directors.
- 7.4 Notice of any directors' meeting must indicate:
- 7.4.1 its proposed date, time and subject matter;
- 7.4.2 where it is to take place; and
- 7.4.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting
- 7.5 Notice of a directors' meeting must be given to each director, but need not be in writing.
- 7.6 In fixing the date and time of any directors' meeting, the person calling it must try to ensure, subject to the urgency of any matter to be decided by the directors, that as many directors as practicable are likely to be available to participate in it.
- 7.7 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company 7 days before or

after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

- 7 8 Directors are to be treated as having waived their entitlement to notice of a meeting if they have not supplied the company with the information necessary to ensure that they receive the notice before the meeting takes place

## **8 PARTICIPATION IN DIRECTORS' MEETINGS**

- 8 1 Subject to the articles, directors participate in a directors' meeting, or part of a director's meeting, when:

8 1 1 the meeting has been called and takes place in accordance with the articles, and

8 1 2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting

- 8.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other

- 8.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is

## **9 QUORUM FOR DIRECTORS' MEETINGS**

- 9 1 At a directors' meeting, unless a quorum is participating, no proposal shall be voted on, except a proposal to call another meeting

- 9.2 Subject to article 9 3, the quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two

- 9 3 If the Lender or a Connected Member has nominated and appointed a director pursuant to article 20 2, then the following directors (or their alternate) must be present for a quorum for a directors' meeting to conduct business:

9 3 1 such director as is appointed by the Lender or a Connected Members pursuant to article 20.2 (or their alternate), and

9 3 2 each of the directors appointed by any other member other than a Connected Member (or their alternate).

- 9.4 If the number of directors for the time being in office is less than any number fixed or in accordance with these articles, the continuing director or directors may act only for the purposes of appointing directors or of calling a general meeting in accordance with articles 9.2 and 9.3

## **10 MEETINGS WHERE TOTAL NUMBER OF DIRECTORS LESS THAN QUORUM**

- 10.1 This article applies where the total number of directors for the time being is less than the quorum for directors' meetings

- 10.2 If there is only one director, that director may appoint sufficient directors to make up a quorum or call a general meeting to do so

- 10.3 If there is more than one director:

10.3.1 a directors' meeting may take place, if it is called in accordance with the articles (including article 9.2) and at least two directors participate in it, with a view to appointing sufficient directors to make up a quorum in accordance with article 9.3 or calling a general meeting to do so, and

10.3.2 if a directors' meeting is called but only one director attends at the appointed date and time to participate in it, that director may appoint sufficient directors to make up a quorum (in accordance with article 9.2 and 9.3) or call a general meeting to do so

## **11 CHAIRING OF DIRECTORS' MEETINGS**

- 11.1 The directors may appoint a director to chair their meetings.

- 11.2 The person so appointed for the time being is known as the chairman

- 11.3 The directors may appoint other directors as deputy or assistant chairmen to chair directors' meetings in the chairman's absence

- 11.4 The directors may terminate the chairman's appointment at any time

- 11.5 If neither the chairman nor any director appointed generally to chair directors' meetings in the chairman's absence is participating in a meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

**12 VOTING AT DIRECTORS' MEETINGS: GENERAL RULES**

12.1 Subject to the articles, a decision is taken at a directors' meeting when a majority of the participating directors vote in favour of a proposal

12.2 Subject to the articles, each director participating in a directors' meeting has one vote.

**13 CHAIRMAN'S CASTING VOTE AT DIRECTORS' MEETINGS**

13.1 If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting shall not have a casting vote and instead the Chairman shall put the matter to the members of the Company to decide by ordinary resolution, whether at a general meeting or by a written resolution

**14 ALTERNATES VOTING AT DIRECTORS' MEETINGS**

14.1 A director who is also an alternate director has an additional vote on behalf of each appointor who is:

14.1.1 not participating in a directors' meeting, and

14.1.2 would have been entitled to vote if they were participating in it

**15 CONFLICTS OF INTEREST**

15.1 Subject to the provisions of CA 2006, and provided that he has disclosed to the Directors the nature and extent of any interest of his (unless the circumstances referred to in sections 177(5), 177(6), 182(5) or 182(6) CA 2006 apply, in which case no disclosure is required), a Director notwithstanding his office:

15.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested,

15.1.2 may be a Director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;

15.1.3 may, or any firm or company of which he is a member or Director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;

15.1.4 shall not, by reason of his office, be accountable to the Company for any remuneration or benefit which he derives from any office, service or employment or from any transaction or arrangement or from any interest in any

body corporate which he is permitted to hold or enter into by virtue of Articles 15.1.1, 15.1.2, 15.1.3 and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit nor shall the receipt of any such remuneration or benefit constitute a breach of section 176 CA 2006; and

15.1.5 shall, subject to Articles 15.3 and 15.6, be entitled to vote on any resolution and (whether or not he shall vote) be counted in the quorum on any matter referred to in any of Articles 15.1.1 to 15.1.4 (inclusive) or on any resolution which in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever and if he shall vote on any resolution as aforesaid his vote shall be counted.

15.2 For the purposes of Article 15.1:

15.2.1 a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified;

15.2.2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and

15.2.3 an interest of a person who is for any purpose of CA 2006 (excluding any statutory modification not in force when these Articles were adopted) connected with a Director shall be treated as an interest of the Director and in relation to an alternate Director an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.

15.3 The Directors may, in accordance with the requirements set out in this Article, authorise any matter proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 CA 2006 to avoid conflicts of interest ("Conflict Situation"). For the purposes of these Articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests. Any authorisation under this Article will be effective only if

15.3.1 the matter in question shall have been proposed by any Director for consideration at a meeting of Directors in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine, and

15.3.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question; and

15.3.3 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.

15.4 Any authorisation of a Conflict Situation under Article 15.3 may (whether at the time of giving the authorisation or subsequently):

15.4.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict Situation so authorised; and/or

15.4.2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine; and/or

15.4.3 be terminated or varied by the Directors at any time

This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation.

15.5 In authorising a Conflict Situation the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict Situation otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person the director is under no obligation to:

15.5.1 disclose such information to the Directors or to any Director or other officer or employee of the Company, and/or

15.5.2 use or apply any such information in performing his duties as a Director

where to do so would amount to a breach of that confidence.

15.6 Where the Directors authorise a Conflict Situation they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that the Director

15.6.1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict Situation; and/or

15.6.2 is not given any documents or other information relating to the Conflict Situation; and/or



- 15.6.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict Situation
- 15.7 Where the Directors authorise a Conflict Situation:
- 15.7.1 the Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict Situation, and
- 15.7.2 the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 CA 2006 provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation.
- 15.8 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict Situation which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 15.9 For the purposes of sections 175 and 180(4) CA 2006 and for all other purposes, it is acknowledged that a Lender Director may be or become subject to a Conflict Situation or Conflict Situations as a result of his also being or having been party to an agreement or arrangement or understanding or circumstance under which he may become an employee, director, trustee, member, partner, officer, nominee, attorney or representative of, or a consultant to, or a direct or indirect investor in and/or otherwise commercially involved with or economically interested in the Lender
- 15.10 A Lender Director's duties to the Company arising from him holding office as director shall not be breached or infringed as a result of any Conflict Situation envisaged by Article 15.9 having arisen or existing in relation to him and he shall not be held accountable to the Company for any benefit he directly or indirectly derives from his involvement with the Lender irrespective of whether the activities of such person or entity are or may become competitive with those of the Company and/or any of its subsidiaries.
- 15.11 Any Director enabled to participate in the proceedings of a meeting by means of a communication device (including a telephone and a video conferencing device) which allows all the other Directors present at such meeting (whether by means of such type of communication device) to hear at all times all other Directors present at such meeting (whether by means of such type of communication device) shall be deemed to be present

at such meeting and shall be entitled to vote and be counted when reckoning a quorum. 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.

- 15.12 Any business which may be lawfully transacted at a meeting of the Directors may be effected by a resolution in writing signed by all the Directors of the Company at the relevant time or by unanimous decision.

## **16 PROPOSING DIRECTORS' WRITTEN RESOLUTIONS**

- 16.1 Any director may propose a directors' written resolution

- 16.2 The company secretary must propose a directors' written resolution if a director so requests.

- 16.3 A directors' written resolution is proposed by giving notice of the proposed resolution to the directors.

- 16.4 Notice of a proposed directors' written resolution must indicate

16.4.1 the proposed resolution, and

16.4.2 the time by which it is proposed that the directors should adopt it.

- 16.5 Notice of a proposed directors' written resolution must be given in writing to each director.

- 16.6 Any decision which a person giving notice of a proposed directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith

## **17 ADOPTION OF DIRECTORS' WRITTEN RESOLUTIONS**

- 17.1 A proposed directors' written resolution is adopted when all the directors have signed or otherwise approved in writing one or more copies of it.

- 17.2 It is immaterial whether any director signs the resolution before or after the time by which the notice proposed that it should be adopted

- 17.3 Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the articles.

- 17.4 The company secretary must ensure that the company keeps a record, in writing, of all directors' written resolutions for at least ten years from the date of their adoption.

**18 DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

- 18 1 Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

**APPOINTMENT OF DIRECTORS**

**19 NUMBER OF DIRECTORS**

- 19 1 Unless otherwise determined by resolution, the minimum number of directors shall be three.

**20 METHODS OF APPOINTING DIRECTORS**

- 20.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:

20 1 1 by ordinary resolution, or

20.1.2 by a decision of the directors;

20.1.3 by the Lender or any Unconnected Member in accordance with article 20.2 below.

- 20.2 Each of (i) the Lender and any Connected Member who holds 15% or more of the issued shares (in number) and (ii) any other member who holds 15% or more of the issued shares (in number), shall be entitled to nominate one person to act as a Director of the Company from time to time. Each of the Lender, the Connected Member or member shall be entitled to remove their nominated Director from office and appoint another person to act in his place.

- 20 3 For the avoidance of doubt the Lender and a Connected Member shall not be entitled to appoint more than a total of one director.

- 20 4 Any appointment or removal of a nominated director pursuant to article 20 2 shall take effect at the time that the notice in writing is received at the Company's registered office or produced to a meeting of the Directors.

**21 RETIREMENT OF DIRECTORS BY ROTATION**

- 21 1 The directors shall not be required to retire by rotation.

- 21 2 A director appointed by a decision of the directors shall not be required to retire at the next general meeting.

## **22        TERMINATION OF DIRECTOR'S APPOINTMENT**

**22.1     A person ceases to be a director as soon as.**

**22 1.1    that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law,**

**22.1.2    a bankruptcy order is made against that person,**

**22 1.3    a composition is made with that person's creditors generally in satisfaction of that person's debts;**

**22.1 4    a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,**

**22 1.5    by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;**

**22 1.6    notification is received by the company from the director that the director is resigning or retiring from office as director, and such resignation or retirement has taken effect in accordance with its terms;**

**22.1 7    that person receives notice signed by all the other directors stating that that person should cease to be a director.**

## **23        DIRECTORS' REMUNERATION**

**23.1     Directors may undertake any services for the company that the directors decide.**

**23 2     Directors are entitled to such remuneration as the directors determine or such other amount as the Company may from time to time by resolution determine:**

**23.2 1    for their services to the company as directors, and**

**23 2 2    for any other service which they undertake for the company**

**23 2.3    Subject to the articles, a director's remuneration may.—**

**23.2.4    take any form, and**

23.2 5 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director

23 3 Unless the directors decide otherwise, directors' remuneration accrues from day to day.

23 4 Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

## **24 DIRECTORS' EXPENSES**

24 1 The company may pay any reasonable expenses which the directors properly incur in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company

## **ALTERNATE DIRECTORS**

### **25 APPOINTMENT AND REMOVAL OF ALTERNATES**

25.1 Any director (the "appointor") may appoint as his alternate any other director, or any other person approved by resolution of the directors, to.

25 1.1 exercise that director's powers, and

25.1 2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors in the absence of the alternate's appointor

25.2 Any appointment or removal of an alternate must be effected by notice to the company signed by the appointor, or in any other manner approved by the directors.

25 3 The notice must:

25 3.1 identify the proposed alternate, and

25 3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

## **26 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

**26.1** An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor.

**26.2** Except as the articles specify otherwise, alternate directors—

**26.2.1** are deemed for all purposes to be directors (but no directors' meeting shall be invalid by reason that notice of the meeting or any business to be transacted at the meeting was not given to any alternate director if that person's appointor is present);

**26.2.2** are liable for their own acts and omissions;

**26.2.3** are subject to the same restrictions as their appointors, and

**26.2.4** are not deemed to be agents of or for their appointors.

**26.3** A person who is an alternate director but not a director:

**26.3.1** must be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating),

**26.3.2** may sign a written resolution (but only if it is not signed or to be signed by that person's appointor), and

**26.3.3** may vote upon the resolution to approve his appointment as alternate director (but only if that person's appointor is not present).

No alternate may be counted as more than one director for such purposes.

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

## **27 TERMINATION OF ALTERNATE DIRECTORSHIP**

**27.1** An alternate director's appointment as an alternate terminates:

**27.1.1** when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate,

**27.1.2** on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,

27.1 3 on the death of the alternate's appointor; or

27.1 4 when the alternate's appointor's appointment as a director terminates, except that an alternate's appointment as an alternate does not terminate when the appointor retires by rotation at a general meeting and is then reappointed as a director at the same general meeting

### **PART 3**

#### **DECISION- MAKING BY MEMBERS**

##### **ORGANISATION OF GENERAL MEETINGS**

#### **28 MEMBERS CAN CALL GENERAL MEETING IF NOT ENOUGH DIRECTORS**

28.1 If:

28.1 1 the company has fewer than three directors, and

28.1.2 the director or directors (if any) are unable or unwilling to appoint sufficient directors to make up a quorum or to call a general meeting to do so,

then two or more members may call a general meeting (or instruct the company secretary to do so) for the purpose of appointing one or more directors.

#### **29 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

29.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting

29.2 A person is able to exercise the right to vote at a general meeting when—

29.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

29.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting

29.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it

29.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other

29 5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

### 30 QUORUM FOR GENERAL MEETINGS

30.1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum

30 2 The quorum for a meeting of the members shall be the greater of.

30 2 1 two members; and

30 2 2 such number of members who hold at least 15% of the issued shares (in number),

where each of the members (or their proxy) who holds at least 15% of the issued shares (in number) must be present in order to form a valid quorum.

30 3 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors determine. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved.

### 31 CHAIRING OF GENERAL MEETINGS

31.1 The chairman (if any) of the board of directors shall chair general meetings at which he is present

31.2 If the chairman is not present within ten minutes of the time at which a meeting was due to start—

31.2.1 the directors present, or

31 2 2 (if no directors are present), the meeting,

must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

31.3 The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.



**32 ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-MEMBERS**

**32 1** Directors may attend and speak at general meetings, whether or not they are members.

**32.2** The chairman of the meeting may permit other persons who are not—

**32.2.1** members of the company, or

**32 2 2** otherwise entitled to exercise the rights of members in relation to general meetings,

to attend and speak at a general meeting.

**33 ADJOURNMENT**

**33 1** If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

**33.2** The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

**33.2.1** the meeting consents to an adjournment, or

**33 2.2** it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner

**33 3** The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting

**33 4** When adjourning a general meeting, the chairman of the meeting must—

**33.4.1** either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and

**33.4.2** have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

**33.5** If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—

**33 5 1** to the same persons to whom notice of the company's general meetings is required to be given, and

33.5 2 containing the same information which such notice is required to contain.

- 33 6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

## **VOTING AT GENERAL MEETINGS**

### **34 VOTING: GENERAL**

- 34 1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is taken on it in accordance with the articles.

- 34 2 If equal numbers of votes are cast for and against a resolution, whether on a show of hands or on a poll, the chairman of the meeting has a casting vote in addition to any other votes he is otherwise entitled to cast on that resolution

### **35 ERRORS AND DISPUTES**

- 35.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

- 35.2 (2) Any such objection must be referred to the chairman of the meeting whose decision shall be final

### **36 DEMANDING A POLL**

- 36.1 A poll on a resolution may be demanded—

36 1 1 in advance of the general meeting where it is to be put to the vote, or

36.1 2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

- 36.2 A poll may be demanded by

36 2 1 the chairman of the meeting;

36 2 2 the directors;

36 2 3 two or more persons having the right to vote on the resolution; or

36 2 4 a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.

- 36.3 A demand for a poll may be withdrawn if:

36.3 1 the poll has not yet been taken, and

36 3.2 the chairman of the meeting consents to the withdrawal.

### **37 PROCEDURE ON A POLL**

37 1 Subject to the articles, polls at general meetings must be taken as and when the chairman of the meeting directs

37.2 The chairman of the meeting may appoint scrutineers (who need not be members) and decide how and when the result of the poll is to be declared.

37 3 The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.

37 4 A poll on:

37.4 1 the election of the chairman of the meeting, or

37 4 2 a question of adjournment,

must be taken immediately.

37 5 Other polls must be taken within 30 days of their being demanded

37 6 A demand for a poll does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded.

37 7 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded

37 8 In any other case, at least 7 days' notice must be given specifying the time and place at which the poll is to be taken

### **38 CONTENT OF PROXY NOTICES**

38 1 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which—

38 1.1 states the name and address of the member appointing the proxy,

38 1.2 identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;

38.1.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine, and

38.1 4 is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

38 1 5 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

38 2 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

38 3 Unless a proxy notice indicates otherwise, it must be treated as:

38 3 1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

38 3 2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself

## **39 DELIVERY OF PROXY NOTICES**

39 1 Any notice of a general meeting must specify the address or addresses ("proxy notification address") at which the company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.

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

39 3 Subject to paragraphs 39.4 and 39 5, a proxy notice must be delivered to a proxy notification address not less than 48 hours before the general meeting or adjourned meeting at which the person named in the proxy notice proposes to vote.

39 4 In the case of a poll taken more than 48 hours after it is demanded, the notice may be delivered to a proxy notification address not less than 24 hours before the time appointed for the taking of the poll.

39.5 In the case of a poll not taken immediately but taken not more than 48 hours after it was demanded, the proxy notice may be delivered at the meeting at which the poll was demanded to the chairman, secretary or any director or be delivered at any time before the commencement of the proceedings to any director or to the secretary at the place appointed for the holding of the meeting or adjourned meeting or the taking of the poll.

39 6 An appointment under a proxy notice may be revoked by delivering a notice given by or on behalf of the person by whom or on whose behalf the proxy notice was given to a proxy notification address.

39 7 A notice revoking a proxy appointment only takes effect if it is delivered before—

39.7.1 the start of the meeting or adjourned meeting to which it relates, or

39.7.2 (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll to which it relates.

39 8 If a proxy notice is not signed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf

## 40 AMENDMENTS TO RESOLUTIONS

40 1 An ordinary resolution to be proposed at a general meeting may be amended if—

40 1 1 notice of the proposed amendment is given to the company secretary in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and

40.1 2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

40 2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if.

40.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

40.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non substantive error in the resolution.

40 3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution

## **RESTRICTIONS ON MEMBERS' RIGHTS**

### **41 NO VOTING OF SHARES ON WHICH MONEY OWED TO COMPANY**

- 41.1 No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, unless all amounts payable to the company in respect of that share have been paid.

## **APPLICATION OF RULES TO CLASS MEETINGS**

### **42 CLASS MEETINGS**

- 42.1 The provisions of the articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of shares

## **PART 4**

## **SHARES AND DISTRIBUTIONS**

### **ISSUE OF SHARES**

### **43 POWERS TO ISSUE DIFFERENT CLASSES OF SHARE**

- 43.1 Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- 43.2 The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares

### **44 [NOT USED]**

### **45 [NOT USED]**

### **46 PAYMENT OF COMMISSIONS ON SUBSCRIPTION FOR SHARES**

- 46.1 The company may pay any person a commission in consideration for that person:

46.1.1 subscribing, or agreeing to subscribe, for shares, or

46.1.2 procuring, or agreeing to procure, subscriptions for shares

- 46.2 Any such commission may be paid:

46.2.1 in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other, and

46.2.2 in respect of a conditional or an absolute subscription.

## **INTERESTS IN SHARES**

### **47 COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

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

## **SHARE CERTIFICATES**

### **48 CERTIFICATES TO BE ISSUED EXCEPT IN CERTAIN CASES**

48.1 The company must issue each member with one or more certificates in respect of the shares which that member holds

48.2 This article does not apply to:

48.2.1 uncertificated shares,

48.2.2 shares in respect of which a share warrant has been issued; or

48.2.3 shares in respect of which the Companies Acts permit the company not to issue a certificate

48.3 Except as otherwise specified in the articles, all certificates must be issued free of charge

48.4 No certificate may be issued in respect of shares of more than one class.

48.5 If more than one person holds a share, only one certificate may be issued in respect of it.

### **49 CONTENTS AND EXECUTION OF SHARE CERTIFICATES**

49.1 Every certificate must specify:

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

49.1.2 the nominal value of those shares,

49.1.3 the amount paid up on them; and

49.1.4 any distinguishing numbers assigned to them.

49.2 Certificates must:

49 2.1 have affixed to them the company's common seal or an official seal which is a facsimile of the company's common seal with the addition on its face of the word "Securities" (a "securities seal"), or

49 2.2 be otherwise executed in accordance with the Companies Acts.

## 50 CONSOLIDATED SHARE CERTIFICATES

50.1 When a member's holding of shares of a particular class increases, the company may issue that member with:

50 1.1 a single, consolidated certificate in respect of all the shares of a particular class which that member holds, or

50.1 2 a separate certificate in respect of only those shares by which that member's holding has increased.

50.2 When a member's holding of shares of a particular class is reduced, the company must ensure that the member is issued with one or more certificates in respect of the number of shares held by the member after that reduction. But the company need not (in the absence of a request from the member) issue any new certificate if:

50 2.1 all the shares which the member no longer holds as a result of the reduction, and

50 2 2 none of the shares which the member retains following the reduction, were, immediately before the reduction, represented by the same certificate.

50.3 A member may request the company, in writing, to replace:

50.3 1 the member's separate certificates with a consolidated certificate, or

50.3.2 the member's consolidated certificate with two or more separate certificates representing such proportion of the shares as he may specify.

50 4 When the company complies with such a request it may charge such reasonable fee as the directors may decide for doing so.

50.5 A consolidated certificate must not be issued unless any certificates which it is to replace have first been returned to the company for cancellation.



## **51 REPLACEMENT SHARE CERTIFICATES**

**51 1** If a certificate issued in respect of a member's shares is:

**51 1.1** damaged or defaced, or

**51 1 2** said to be lost, stolen or destroyed,

that member is entitled to be issued with a replacement certificate in respect of the same shares

**51.2** A member exercising the right to be issued with such a replacement certificate:

**51.2 1** may at the same time exercise the right to be issued with a single certificate or separate certificates,

**51.2.2** must return the certificate which is to be replaced to the company if it is damaged or defaced; and

**51.2 3** must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

### **SHARES NOT HELD IN CERTIFICATED FORM**

## **52 UNCERTIFICATED SHARES**

**52 1** In this article, "the relevant rules" means:

**52 1 1** any applicable provision of the Companies Acts about the holding, evidencing of title to, or transfer of shares other than in certificated form, and

**52 1 2** any applicable legislation, rules or other arrangements made under or by virtue of such provision.

**52.2** The provisions of this article have effect subject to the relevant rules.

**52.3** Any provision of the articles which is inconsistent with the relevant rules must be disregarded, to the extent that it is inconsistent, whenever the relevant rules apply.

**52 4** Any share or class of shares of the company may be issued or held on such terms, or in a such a way, that:

**52 4.1** title to it or them is not, or must not be, evidenced by a certificate, or

**52 4 2** it or they may or must be transferred wholly or partly without a certificate

- 52 5 The directors have power to take such steps as they think fit in relation to—
- 52 5 1 the evidencing of and transfer of title to uncertificated shares (including in connection with the issue of such shares);
  - 52.5 2 any records relating to the holding of uncertificated shares;
  - 52.5.3 the conversion of certificated shares into uncertificated shares; or
  - 52 5 4 the conversion of uncertificated shares into certificated shares
- 52 6 The company may by notice to the holder of a share require that share—
- 52 6.1 if it is uncertificated, to be converted into certificated form, and
  - 52.6.2 if it is certificated, to be converted into uncertificated form,
- to enable it to be dealt with in accordance with the articles.
- 52.7 If
- 52.7 1 the articles give the directors power to take action, or require other persons to take action, in order to sell, transfer or otherwise dispose of shares, and
  - 52 7.2 uncertificated shares are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument,
- the directors may take such action as is necessary or expedient to achieve the same results when exercising that power in relation to uncertificated shares.
- 52.8 In particular, the directors may take such action as they consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it.
- 52 9 Unless the directors otherwise determine, shares which a member holds in uncertificated form must be treated as separate holdings from any shares which that member holds in certificated form
- 52 10 A class of shares must not be treated as two classes simply because some shares of that class are held in certificated form and others are held in uncertificated form

53 [NOT USED]

## **PARTLY PAID SHARES**

### **54 COMPANY'S LIEN OVER PARTLY PAID SHARES**

54 1 The company has a lien ("the company's lien") over every share which is partly paid for any part of:

54 1.1 that share's nominal value, and

54 1.2 any premium at which it was issued,

which has not been paid to the company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it

54.2 The company's lien over a share.

54 2.1 takes priority over any third party's interest in that share, and

54.2.2 extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.

54 3 The directors may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part.

### **55 ENFORCEMENT OF THE COMPANY'S LIEN**

55 1 Subject to the provisions of this article, if:

55 1 1 a lien enforcement notice has been given in respect of a share, and

55.1 2 the person to whom the notice was given has failed to comply with it,

the company may sell that share in such manner as the directors decide.

### **56 A LIEN ENFORCEMENT NOTICE:**

56.1 1 may only be given in respect of a share which is subject to the company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;

56 1.2 must specify the share concerned;

56.1.3 must require payment of the sum payable within fourteen days of the notice,

56 1 4 must be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death or bankruptcy; and

56 1.5 must state the company's intention to sell the share if the notice is not complied with

56.2 Where shares are sold under this article·

56.2.1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and

56 2.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale

56 3 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied.

56 3.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice,

56.3 2 second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice.

56 3 3 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been sold to satisfy the company's lien on a specified date:

56.3 4 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and

56.3.5 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

## 57 CALL NOTICES

57 1 Subject to the articles and the terms on which shares are allotted, the directors may send a notice (a "call notice") to a member requiring the member to pay the company a specified sum of money (a "call") which is payable in respect of shares which that member holds at the date when the directors decide to send the call notice.

**57.2 A call notice**

**57.2.1** may not require a member to pay a call which exceeds the total sum unpaid on that member's shares (whether as to the share's nominal value or any amount payable to the company by way of premium),

**57.2.2** must state when and how any call to which it relates it is to be paid; and

**57.2.3** may permit or require the call to be paid by instalments.

**57.3** A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 14 days have passed since the notice was sent

**57.4** Before the company has received any call due under a call notice the directors may—

**57.4.1** revoke it wholly or in part, or

**57.4.2** specify a later time for payment than is specified in the notice,

by a further notice in writing to the member in respect of whose shares the call is made.

**58 LIABILITY TO PAY CALLS**

**58.1** Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.

**58.2** Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.

**58.3** Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them—

**58.3.1** to pay calls which are not the same, or

**58.3.2** to pay calls at different times.

**59 WHEN CALL NOTICE NEED NOT BE ISSUED**

**59.1** A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the company in respect of that share (whether in respect of nominal value or premium):

**59.1.1** on allotment;

**59.1.2** on the occurrence of a particular event; or

59 1.3 on a date fixed by or in accordance with the terms of issue.

59 2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

## 60 FAILURE TO COMPLY WITH CALL NOTICE: AUTOMATIC CONSEQUENCES

60 1 If a person is liable to pay a call and fails to do so by the call payment date.

60.1.1 the directors may issue a notice of intended forfeiture to that person, and

60.1 2 until the call is paid, that person must pay the company interest on the call from the call payment date at the relevant rate.

60.2 For the purposes of this article:

60.2 1 the “call payment date” is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the “call payment date” is that later date;

60.2.2 the “relevant rate” is:

60.2.3 the rate fixed by the terms on which the share in respect of which the call is due was allotted;

60 2.4 such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or

60.2 5 if no rate is fixed in either of these ways, 5 per cent per annum

60.3 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

60 4 The directors may waive any obligation to pay interest on a call wholly or in part.

## 61 NOTICE OF INTENDED FORFEITURE

61.1 A notice of intended forfeiture.

61 1.1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;

- 61.1.2 must be sent to the holder of that share;
- 61 1 3 must require payment of the call and any accrued interest by a date which is not less than fourteen days after the date of the notice;
- 61.1.4 must state how the payment is to be made; and
- 61 1 5 must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited

## **62 DIRECTORS' POWER TO FORFEIT SHARES**

- 62 1 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture

## **63 EFFECT OF FORFEITURE**

- 63 1 Subject to the articles, the forfeiture of a share extinguishes:
  - 63.1 1 all interests in that share, and all claims and demands against the company in respect of it, and
  - 63 1 2 all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company.
- 63 2 Any share which is forfeited in accordance with the articles—
  - 63 2 1 is deemed to have been forfeited when the directors decide that it is forfeited;
  - 63 2.2 is deemed to be the property of the company; andmay be sold, reallocated or otherwise disposed of as the directors think fit
- 63 3 If a person's shares have been forfeited.
  - 63.3.1 the company must send that person notice that forfeiture has occurred and record it in the register of members;
  - 63.3 2 that person ceases to be a member in respect of those shares;
  - 63.3 3 that person must surrender the certificate for the shares forfeited to the company for cancellation;

63.3 4 that person remains liable to the company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture), and

63 3 5 the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal

63 4 At any time before the company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.

#### 64 PROCEDURE FOLLOWING FORFEITURE

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

64 2 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date:

64.2.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and

64.2.2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

64 3 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share

64 4 If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the company the proceeds of such sale, net of any commission, and excluding any amount which

64 4 1 was, or would have become, payable, and

64 4 2 had not, when that share was forfeited, been paid by that person in respect of that share,

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



## **65 SURRENDER OF SHARES**

### **65.1 A member may surrender any share:**

65.1.1 in respect of which the directors may issue a notice of intended forfeiture;

65.1.2 which the directors may forfeit; or

65.1.3 which has been forfeited

65.2 The directors may accept the surrender of any such share.

65.3 The effect of surrender on a share is the same as the effect of forfeiture on that share.

65.4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited

## **TRANSFER AND TRANSMISSION OF SHARES**

### **66 TRANSFERS OF CERTIFICATED SHARES**

66.1 Certificated shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of:

66.1.1 the transferor, and

66.1.2 (if any of the shares is partly paid) the transferee.

66.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

66.3 The company may retain any instrument of transfer which is registered

66.4 The transferor remains the holder of a certificated share until the transferee's name is entered in the register of members as holder of it

66.5 The directors may refuse to register the transfer of a certificated share if:

66.5.1 the share is not fully paid;

66.5.2 the transfer is not lodged at the company's registered office or such other place as the directors have appointed,

66.5.3 the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require to show

the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;

66.5 4 the transfer is in respect of more than one class of share; or

66.5 5 the transfer is in favour of more than four transferees.

66 6 If the directors refuse to register the transfer of a share, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

## **67 TRANSFER OF UNCERTIFICATED SHARES**

67.1 A transfer of an uncertificated share must not be registered if it is in favour of more than four transferees.

## **68 TRANSMISSION OF SHARES**

68 1 If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share

68.2 Nothing in these articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member.

## **69 TRANSMITTEES' RIGHTS**

69.1 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:

69 1.1 may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and

69 1.2 subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had

69.2 But transmittees do not have the right to attend or vote at a general meeting in respect of shares to which they are entitled by reason of the holder's death or bankruptcy unless they become the holders of those shares

69.3 The directors may at any time give notice requiring a transmittee to elect to be registered as holder of the share and if the notice is not complied with within 90 days the directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been satisfied A transmittee shall not before being registered as the holder of the share, be entitled in

respect of it to receive notice on any meeting of the Company or of any separate meeting of the holders of any class of shares in the company

## **70 EXERCISE OF TRANSMITTEES' RIGHTS**

70.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.

70.2 If the share is a certificated share and a transmittee wishes to have it transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

70.3 If the share is an uncertificated share and the transmittee wishes to have it transferred to another person, the transmittee must.

70.3.1 procure that all appropriate instructions are given to effect the transfer, or

70.3.2 procure that the uncertificated share is changed into certificated form and then execute an instrument of transfer in respect of it.

70.4 Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred

## **71 TRANSMITTEES BOUND BY PRIOR NOTICES**

71.1 If a notice is given to a member in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the member before the transmittee's name has been entered in the register of members.

## **CONSOLIDATION OF SHARES**

## **72 PROCEDURE FOR DISPOSING OF FRACTIONS OF SHARES**

72.1 This article applies where:

72.1.1 there has been a consolidation or division of shares, and

72.1.2 as a result, members are entitled to fractions of shares.

72.2 The directors may

72.2.1 sell the shares representing the fractions to any person including the company for the best price reasonably obtainable;

- 72.2.2 in the case of a certificated share, authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and
- 72.2.3 distribute the net proceeds of sale in due proportion among the holders of the shares
- 72.3 Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that member's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland
- 72.4 The person to whom the shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.
- 72.5 The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale.

## **TAKE OVER OFFERS**

### **73 COMPULSORY PURCHASE FOLLOWING TAKEOVER**

- 73.1 This article applies if a person (the "**Offeror**") acting in good faith intends to offer (whether by means of an offer document, purchase by private treaty, unwritten offer or otherwise) to purchase all of the issued shares (save for any shares already owned by or contracted to be acquired by the Offeror) for an arm's length price (a "**Take Over Offer**")
- 73.2 If a member or members together holding 75% or more of the shares (save for any such shares already owned by or contracted to be acquired by the Offeror) ("**Majority Shareholders**") propose to accept the Take Over Offer, those Majority Shareholders may give notice of that fact (a "**Take Over Notice**"), signed by or on behalf of each of them, to the other member or members holding shares other than the Offeror ("**Minority Shareholders**"), specifying the price per share which the Offeror proposes to offer to the Majority Holders ("**Offer Price**") and the proposed date for completion of the purchase.
- 73.3 A Take Over Offer duly made at the specified price within 30 days after the date of the Take Over Notice may then be communicated in writing to the Majority Shareholders and to the Company as the agent of the Minority Shareholders and need not be communicated to the Minority Shareholders individually.
- 73.4 The Take Over Offer shall be on the same terms (including price) to all shareholders. If the Take Over Offer is to be settled in whole or in part by (i) the issue or transfer of shares or other interests in the capital of any corporate entity or (ii) loan notes issued by any

corporate entity or (iii) any other similar financial instrument, then the Take Over Offer may at the Offeror's absolute discretion include or comprise (as the case may be) the same such shares, interests, notes or instrument plus cash (to the extent required in order for the value of the shares, interests, notes or instrument plus cash to equal the required Offer Price as at the date of the offer), but in all other instances the Take Over Offer must be solely a cash price.

- 73 5 If the Take Over Offer is accepted by the Majority Shareholders and the purchase of their shares by the Offeror is duly completed in accordance with its terms before or within 14 days after the proposed date for completion of the purchase specified in the Take Over Notice, then the Minority Shareholders shall be bound upon payment of the price due in respect of all the shares of that class held by them to transfer those shares to the Offeror. The Minority Shareholders shall sell those shares free from all liens, charges and encumbrances and together with all the rights attaching to them and all dividends and distributions declared made or paid on them on or after the date of completion of the purchase
- 73 6 If any of the Minority Shareholders does not transfer his shares the directors may appoint any person nominated by them to be the agent and/or attorney of the minority shareholder with power to complete, execute and deliver, in the name of and on behalf of the Minority Shareholder, transfers to the Offeror against payment or transfer of the purchase price to the Company. The Company may receive the purchase price on behalf of the Minority Shareholder and give a valid discharge to the purchaser for it. The purchase cash shall be paid into a separate bank account in the Company's name and the purchase price shall be held on trust for the Minority Shareholder pending delivery to the Company of the share certificates for the shares and any interest on it shall belong to the Company.
- 73.7 The Company shall notify the Minority Shareholders as soon as practicable after any of the events contemplated by this article but for the avoidance of doubt all such events may take place on the same day without any prior notification to the Minority Shareholders other than the Take Over Notice.
- 73.8 This article shall not apply if the Offeror is a person connected (within the meaning of section 1122 of the Corporation Tax Act 2010) with any of the Majority Shareholders giving the Take Over Notice.

#### **74 MANDATORY OFFER ON CHANGE OF CONTROL**

- 74.1 In the event that a proposed transfer of shares (other than a transfer of shares made pursuant to article 73 but after the operation of the pre-emption procedure set out in article 75), whether made as one or as a series of transactions would, if completed, result

in any person (the **"Buyer"**), together with any person acting in concert (as defined in the City Code on Takeovers and Mergers) with the Buyer, acquiring an interest in shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010 (a **"Proposed Transfer"**), the remaining provisions of this article 74 shall apply

74 2 The transferor in respect of a Proposed Transfer (a **"Seller"**) shall procure that, prior to the completion of the Proposed Transfer, the Buyer (or if there is more than one Buyer, any one of them) shall make an offer (the **"Offer"**) to each shareholder of the Company (a **"Shareholder"**) whose name appears on the register of members of the Company on the day immediately prior to the date of the Offer (other than the Buyer), to buy all of the shares held by such shareholders for a consideration per share (the **"Offer Price"**) which is equal in value to the highest price per share offered, or to be paid in relation to the Proposed Transfer or paid (such price to be calculated as at the time of the relevant transaction with regard to any non-cash consideration) by the Buyer, or any person acting in concert with the Buyer, for any shares during the 12 months prior to the date of the Offer (each a Relevant Transaction) If the consideration for the Proposed Transfer or a Relevant Transaction was or is to be settled in whole or in part by (i) the issue or transfer of shares or other interests in the capital of any corporate entity or (ii) loan notes issued by any corporate entity or (iii) any other similar financial instrument, then the Offer Price may at the Buyer's absolute discretion include or comprise (as the case may be) the same such shares, interests, notes or instrument plus cash (to the extent required in order for the value of the shares, interests, notes or instrument plus cash to equal the required Offer Price as at the date of the Offer), but in all other instances the Offer Price must be solely a cash price.

74 3 The Offer shall be made by notice in writing (an **"Offer Notice"**) addressed to each shareholder on the date of the Offer at least 15 Business Days (the **"Offer Period"**) before the date fixed for completion of the Proposed Transfer (the **"Sale Date"**) To the extent not described in any accompanying documents, the Offer Notice shall specify

74 3 1 the identity of the Buyer (and any person(s) acting in concert with the Buyer);

74 3 2 the Offer Price and any other terms and conditions of the Offer;

74 3.3 the Sale Date;

74.3 4 the number of Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer, and

74.3 5 how the Offer may be accepted and by when this must happen.

74 4 The completion of the Proposed Transfer shall be conditional in all respects on:

74 4 1 the making of an Offer in accordance with this article 74; and

74 4 2 the completion of the purchase by the Buyer of all the shares to be sold by the Shareholders pursuant to the terms of the Offer (each an Accepting Shareholder),

and the Directors shall refuse to register any Proposed Transfer made in breach of this article 74.

74.5 The Proposed Transfer and the purchase of Shares from Accepting Shareholders pursuant to an Offer made under this article 74 shall in each case be subject to the pre-emption provisions of article 75. The pre-emption process may in each case either be completed prior to any offer period in respect of a Proposed Transfer or an Offer (as appropriate) or proceed at the same time as any such offer period(s)

## 75 PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

75 1 Except where the provisions of articles 73 or 74 or the exception to this article 75 apply, this article 75 shall apply to any proposed transfer of shares by a Shareholder ("Sale Shares") that when aggregated with any other shares transferred by that Shareholder within the previous 12 months would result in the Shareholder transferring in aggregate 20,000 or more shares during such 12 month period.

75 2 A Shareholder who wishes to transfer Sale Shares (a "Seller") shall, before transferring or agreeing to transfer any shares, give notice in writing (a "Transfer Notice") to the Company specifying:

75 2 1 the number of Shares he wishes to transfer and if not so specified all of them;

75.2.2 the name of the proposed transferee,

75.2.3 the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the "Proposed Sale Price"); and

75.2.4 whether the transfer of any of the Sale Shares is conditional on all or a specific number of the Sale Shares being sold (a "Minimum Transfer Condition")

75 3 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Proposed Sale Price

75.4 As soon as practicable following the receipt of a Transfer Notice the Directors shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 75

at the Proposed Sale Price (the **"Pre-Emption Offer"**) Each offer shall be in writing and shall give details of the number and Proposed Sale Price of the Sale Shares offered.

75 5 The Directors shall offer the Sale Shares to the shareholders (other than the Seller), inviting them to apply to the Company in writing no later than the date falling 15 Business Days after the date of the Pre-Emption Offer (the **"Offer Period"**) for the maximum number of Sale Shares they wish to buy

75 6 If:

75 6.1 at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each shareholder who has applied for Sale Shares (the **"First Offer Shareholders"**) in the proportion in which his existing holding of Ordinary Shares bears to the total number of Ordinary Shares held by all shareholders (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where solely as a result of such rounding some of the Sale Shares are not allocated to a First Offer Shareholder, in which case, the allocation of any such fractional entitlements shall be determined by the Directors in their absolute discretion) No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy. The remaining Sale Shares that are not allocated to the First Offer Shareholders under this part of article 75 6 (the **"First Surplus Shares"**) shall be dealt with in accordance with article 75.7, and

75 6 2 at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the First Offer Shareholders in accordance with their applications The remaining Sale Shares that are not allocated to the First Offer Shareholders under this part of article 75 6 (the **"Final Surplus Shares"**) shall be dealt with in accordance with article 75 12

75 7 If following the allocation of Sale Shares referred to in article 75.6 there are any First Surplus Shares, the First Surplus Shares shall be allocated to the First Offer Shareholders in the proportion in which his existing holding of Ordinary Shares bears to the total number of Ordinary Shares held by all First Offer Shareholders. Fractional entitlements shall be rounded down to the nearest whole number. No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy under 75.6 above. The remaining First Surplus Shares that are not allocated to the First Offer Shareholders under this article 75.7 shall be deemed to be the Second Surplus Shares and this article shall apply to the Second Surplus Shares as if all references



to First Surplus Shares were a reference to Second Surplus Shares, and any remaining Sale Shares after the allocation of the Second Surplus Shares has been completed shall be the Third Surplus Shares and so on and this article shall be applied mutatis mutandis to such shares until all the Sale Shares have been allocated to the First Offer Shareholders

75.8 Where the Transfer Notice contains a Minimum Transfer Condition.

75.8.1 any allocation made under article 75.6 shall be conditional on the fulfilment of the Minimum Transfer Condition; and

75.8.2 if the total number of Sale Shares applied for by the First Offer Shareholders is less than the Minimum Transfer Condition, the Board shall notify the Seller and the First Offer Shareholders that the condition has not been met, no Sale Shares shall be transferred to the First Offer Shareholders and that the relevant Transfer Notice has lapsed with immediate effect.

75.9 Where either:

75.9.1 the Transfer Notice does not contain a Minimum Transfer Condition; or

75.9.2 allocations have been made in respect of all the Sale Shares,

the Directors shall, when no further offers or allocations are required to be made under article 75.6, give notice in writing as soon as reasonably practicable of the allocations of Sale Shares (an "Allocation Notice") to the Seller and each Shareholder to whom Sale Shares have been allocated (each an "Applicant"). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days, but not more than 20 Business Days, after the date of the Allocation Notice) and that completion shall take place at the registered office of the Company.

75.10 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any reasonable requirements specified in the Allocation Notice.

75.11 If the Seller fails to comply with article 75.10:

75.11.1 the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent on behalf of the Seller:

75.11.2 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

- 75.11.3 receive the sale price due in respect of the relevant Sale Shares and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the sale price); and
- 75.11.4 (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and
- 75 11.5 the Company shall pay the Proposed Sale Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company
- 75 12 Where a Transfer Notice lapses pursuant to article 75 8 or an Allocation Notice does not relate to all the Sale Shares, then, subject to article 75.13, the Seller may, at any time during the 30 Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice (as the case may be), transfer the Sale Shares (in the case of a lapsed offer) or the Final Surplus Shares (as the case may be) to any person at a price at least equal to the Proposed Sale Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 75 12 shall continue to be subject to any Minimum Transfer Condition.
- 75 13 The Seller's right to transfer Shares under article 75 12 does not apply if the Directors reasonably consider that:
- 75.13 1 the transferee is a person (or a nominee for a person or acting in concert with a person) whom the Directors determine to be a competitor (or a member of the same group as a competitor) of the business of any group company;
- 75 13 2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or
- 75.13 3 the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable the Directors to form the opinion referred to above in this article 75.13
- 75.14 The provisions of article 75.1 to 75 13 shall not apply to any transfer of shares by a member (the **Original Shareholder**) to an Associate of that member and the directors shall be required to register any transfer of shares to an Associate of the transferor For the purposes of this article 75 14 and article 75 15 an "Associate" means:

- 75.14 1 the husband, wife, civil partner, mother, father, grandmother, grandfather, brother, sister, child (including adopted child) or other lineal descendant of the relevant person,
- 75 14 2 the trustees of any settlement (whether or not set up by the relevant person) under which the relevant person and/or his spouse, civil partner or children is or is capable of being a beneficiary;
- 75 14.3 any nominee or bare trustee for the relevant person or for any other Associate of the relevant person;
- 75.14 4 if the relevant person is a company, any subsidiary or holding company of the relevant person and any other subsidiary of any such holding company; and
- 75 14.5 any person (including without limitation any company) with whom the relevant person or any Associate of the relevant person is connected, the question of whether any such person is so connected falling to be determined for this purpose in accordance with the provisions of section 1122 of the Corporation Tax Act 2010

- 75 15 If a Permitted Transfer has been made in accordance with article 75.14 or this article 75.15, the Associate receiving the shares (**Recipient Associate**) shall within 5 Business Days of ceasing to be an Associate of the Original Shareholder, transfer the shares it holds to the Original Shareholder (or an Associate of the Original Shareholder) without any price or other restriction. If the Recipient Associate fails to make a transfer in accordance with this article 75 15, a deemed Transfer Notice shall be given in respect of such shares

## 76 **FURTHER ISSUES OF SHARES: AUTHORITY**

- 76.1 Subject to the remaining provisions of this article 76, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Companies Acts to exercise any power of the Company to:

- 76 1 1 offer, allot or grant rights to subscribe for (including for the avoidance of doubt warrants to subscribe for shares); or

- 76.1.2 convert securities into; or

- 76 1 3 otherwise deal in, or dispose of,

any shares (or any other Relevant Securities in the Company) to any person, at any time and subject to any terms and conditions as the directors think proper.

- 76.2 The authority referred to in article 76 1:

- 76.2.1 shall be limited to a maximum nominal amount of £ [450,000],
- 76.2.2 shall only apply insofar as the Company in general meeting has not renewed, waived or revoked it; and
- 76.2.3 may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the directors may make an offer or agreement which would, or might, require relevant securities to be allotted after the expiry of such authority (and the directors may allot relevant securities in pursuance of an offer or agreement as if such authority had not expired)

## **77 FURTHER ISSUES OF SHARES: PRE-EMPTION RIGHTS**

- 77.1 Unless otherwise agreed by special resolution, if the Company proposes to allot any equity securities (including for the avoidance of doubt on the exercise of any options or warrants to subscribe for shares), those equity securities shall not be allotted to any person unless the company has first offered them to all shareholders on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a pari passu and pro rata basis to the number of shares held by those holders (as nearly as possible without involving fractions). The offer:
  - 77.1.1 shall be in writing, shall be open for acceptance for a period of 30 days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and
  - 77.1.2 shall stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled may, in his acceptance, state the number of excess equity securities (Excess Securities) for which he wishes to subscribe
- 77.2 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with Article 77.1 shall be used for satisfying any requests for Excess Securities made pursuant to Article 77.1. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of shares held by the applicants before the offer was made to shareholders in accordance with Article 77.1 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him) For the avoidance of doubt, the reference to applicants in the preceding sentence shall include the applicants for any remaining Excess Securities after the Excess Securities applied for by an original applicant have been satisfied in full and there are requests for Excess Securities remaining to be satisfied (whereupon the shares held by an original applicant whose request has been satisfied in full will be excluded from the calculation of

the number of shares held by the applicants for satisfying any requests for Excess Securities that have not been satisfied in full). After that allotment, any Excess Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders provided that the directors must allot any Excess Securities under this sentence within 60 days of the date on which the offer was made to shareholders under article 77.1 (and after such 60 day period the directors must first offer any equity securities to the shareholders in accordance with article 77.1).

- 77.3 Subject to Articles 77.1 and 77.2 and to section 551 of the Act, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper
- 77.4 For the avoidance of doubt, all references to equity securities in this article 77 shall also include reference to warrants to subscribe for shares.
- 77.5 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities made by the Company

## **DISTRIBUTIONS**

### **78 PROCEDURE FOR DECLARING DIVIDENDS**

- 78.1 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 78.2 A dividend must not be declared by ordinary resolution unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors
- 78.3 No dividend may be declared or paid unless it is in accordance with members' respective rights
- 78.4 Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it
- 78.5 If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.

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

78 7 If the directors act in good faith they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

## 79 **CALCULATION OF DIVIDENDS**

79 1 Except as otherwise provided by the articles or the rights attached to shares, all dividends must be:

79.1.1 declared and paid according to the amounts paid up on the shares on which the dividend is paid, and

79 1 2 apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

79.2 If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.

79 3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

## 80 **PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

80 1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—

80 1 1 transfer to a bank or building society account specified by the distribution recipient in writing or by such other means as the directors decide;

80.1.2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient in writing or by such other means as the directors decide,

80 1.3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified in writing or by such other means as the directors decide; or

80.1.4 any other means of payment (including by the allotment or transfer of further shares in accordance with the articles) as the directors agree with the distribution recipient in writing or by such other means as the directors decide.

80 2 In the articles, “the distribution recipient” means, in respect of a share in respect of which a dividend or other sum is payable:

80 2 1 the holder of the share; or

80 2.2 the share has two or more joint holders, whichever of them is named first in the register of members (the “senior holder”); or

80.2.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

## **81 DEDUCTIONS FROM DISTRIBUTIONS IN RESPECT OF SUMS OWED TO THE COMPANY**

81 1 If:

81.1.1 a share is subject to the company’s lien, and

81 1 2 the directors are entitled to issue a lien enforcement notice in respect of it,

they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the company in respect of that share to the extent that they are entitled to require payment under a lien enforcement notice

81 2 Money so deducted must be used to pay any of the sums payable in respect of that share.

81.3 The company must notify the distribution recipient in writing of:

81.3.1 the fact and amount of any such deduction;

81.3 2 any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction; and

81 3 3 how the money deducted has been applied.

## **82 NO INTEREST ON DISTRIBUTIONS**

82 1 The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:

82.1.1 the terms on which the share was issued, or

82.1 2 the provisions of another agreement between the holder of that share and the company.

### **83 UNCLAIMED DISTRIBUTIONS**

83 1 All dividends or other sums which are:

83 1.1 payable in respect of shares, and

83 1.2 unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the company until claimed

83 2 The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it

83 3 If:

83 3 1 twelve years have passed from the date on which a dividend or other sum became due for payment, and

83 3 2 the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company

### **84 NON-CASH DISTRIBUTIONS**

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

84 2 If the shares in respect of which such a non-cash distribution is paid are uncertificated, any shares in the company which are issued as a non-cash distribution in respect of them must be uncertificated.

84 3 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:

84 3 1 fixing the value of any assets,



84 3 2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

84 3 3 vesting any assets in trustees.

## **85 WAIVER OF DISTRIBUTIONS**

85 1 Distribution recipients may waive their entitlement to a dividend or other sum payable in respect of a share by giving the company notice in writing to that effect, but if

85 1 1 the share has more than one holder, or

85.1 2 more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share

## **CAPITALISATION OF PROFITS**

## **86 AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS**

86 1 Subject to the articles, the directors may, if they are so authorised by an ordinary resolution:

86.1 1 decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and

86 1 2 appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

86 2 Capitalised sums must be applied

86.2 1 on behalf of the persons entitled, and

86 2 2 in the same proportions as a dividend would have been distributed to them

86 3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

- 86 4 A capitalised sum which was appropriated from profits available for distribution may be applied—
- 86.4.1 in or towards paying up any amounts unpaid on existing shares held by the persons entitled, or
- 86 4.2 in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 86 5 Subject to the articles the directors may:
- 86.5 1 apply capitalised sums in accordance with paragraphs 86 3 and 86.4 partly in one way and partly in another;
- 86 5 2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments), and
- 86.5.3 authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## **PART 5**

### **MISCELLANEOUS PROVISIONS**

#### **COMMUNICATIONS**

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

- 87 1 Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.
- 87 2 Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 87.3 A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

**88 ADDRESSES AND OTHER CONTACT DETAILS**

**88 1** Anything sent to a member under the articles may be sent to that member's address as registered in the register of members, unless

**88.1 1** the member and the company have agreed that another means of communication is to be used, and

**88 1 2** the member has supplied the company with the information it needs in order to be able to use that other means of communication

**88 2** A member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be given to that member shall be entitled to have notices given to that member at that address.

**88 3** Any notice or document sent to a director may be sent to that director's address as registered in the register of directors, unless:

**88 3 1** the director and the company have agreed that another means of communication is to be used, and

**88.3 2** the director has supplied the company with the information it needs in order to be able to use that other means of communication.

**89 FAILURE TO NOTIFY CONTACT DETAILS**

**89 1** If:

**89 1 1** the company sends two consecutive documents to a member over a period of at least 12 months, and

**89.1.2** each of those documents is returned undelivered, or the company receives notification that it has not been delivered,

that member ceases to be entitled to receive notices from the company.

**89 2** A member who has ceased to be entitled to receive notices from the company shall become entitled to receive such notices again by sending the company—

**89 2.1** a new address to be recorded in the register of members, or

**89.2.2** if the member has agreed that the company should use a means of communication other than sending things to such an address, the information that the company needs to use that means of communication effectively.

## **ADMINISTRATIVE ARRANGEMENTS**

### **90 COMPANY SEALS**

- 90 1 Any common seal may only be used by the authority of the directors.
- 90 2 The directors may decide by what means and in what form any common seal or securities seal is to be used.
- 90 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 one authorised person in the presence of a witness who attests the signature
- 90 4 For the purposes of this article, an authorised person is:
- 90.4.1 any director of the company; or
- 90.4.2 any person authorised by the directors for the purpose of signing documents to which the common seal is applied
- 90.5 If the company has an official seal for use abroad, it may only be affixed to a document if its use on that document, or documents of a class to which it belongs, has been authorised by a decision of the directors.
- 90 6 If the company has a securities seal, it may only be affixed to securities by the company secretary or a person authorised to apply it to securities by the company secretary.
- 90 7 For the purposes of the articles, references to the securities seal being affixed to any document include the reproduction of the image of that seal on or in a document by any mechanical or electronic means which has been approved by the directors in relation to that document or documents of a class to which it belongs

### **91 DESTRUCTION OF DOCUMENTS**

- 91 1 The company is entitled to destroy
- 91 1 1 all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entries are made in the register of members, from six or more years after the date of registration;
- 91.1.2 all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address, from two years after they have been recorded;

- 91.1.3 all share certificates which have been cancelled from one year after the date of the cancellation,
  - 91 1 4 all paid dividend warrants and cheques from one year after the date of actual payment; and
  - 91.1 5 all proxy appointments from one year after the end of the meeting to which the proxy appointment relates.
- 91 2 If the company destroys a document in good faith, in accordance with the articles, and without notice of any claim to which that document may be relevant, it is conclusively presumed in favour of the company that.
- 91 2 1 entries in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed were duly and properly made;
  - 91 2 2 any instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
  - 91.2.3 any share certificate so destroyed was a valid and effective certificate duly and properly cancelled; and
  - 91 2 4 any other document so destroyed was a valid and effective document in accordance with its recorded particulars in the books or records of the company.
- 91 3 This article does not impose on the company any liability which it would not otherwise have if it destroys any document before the time at which this article permits it to do so.
- 91 4 In this article, references to the destruction of any document include a reference to its being disposed of in any manner.
- 92 NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**
- 92 1 Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a member.
- 93 PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS**
- 93 1 The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary

## **DIRECTORS' INDEMNITY AND INSURANCE**

### **94 INDEMNITY**

**94 1** A relevant director may be indemnified out of the company's assets against any liability (other than a liability to the company or an associated company) which that director incurs in connection with:

**94.1.1** civil proceedings in relation to the company or an associated company (other than a liability incurred in defending proceedings brought by the company or an associated company in which final judgment is given against the directors),

**94.1.2** criminal proceedings in relation to the company or an associated company (other than a fine imposed in such proceedings, or a liability incurred in defending proceedings in which the director is convicted and the conviction is final),

**94.1.3** regulatory action taken by or a regulatory investigation by a regulatory authority in relation to the company or an associated company (unless a sum is payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising)),

**94 1.4** any application for relief:

**94 1.5** under section 661(3) or (4) of the Companies Act 2006 (power of court to grant relief in case of acquisition of shares by innocent nominee), or

**94 1.6** section 1157 of that Act (general power of court to grant relief in case of honest and reasonable conduct),

unless the court refuses to grant the director relief, and the refusal of relief is final, or

**94.1.7** civil proceedings in relation to an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006) of which the company is a trustee in respect of liability incurred in connection with the company's activities as a trustee of the scheme (other than a fine imposed in criminal proceedings, a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising) or a liability incurred in defending proceedings in which the director is convicted and the conviction is final).

**94 2** A judgment, conviction or refusal of relief becomes final:

**94.2.1** if not appealed against, at the end of the period for bringing an appeal, or

94 2 2 if appealed against, at the time when the appeal (or any further appeal) is disposed of

94 3 An appeal is disposed of

94 3 1 if it is determined and the period for bringing any further appeal has ended, or

94 3.2 if it is abandoned or otherwise ceases to have effect.

94 4 In this article:

94.4 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

94 4 2 a “relevant director” means any director or former director of the company

## 95 **INSURANCE**

95 1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss

95 2 In this article:

95.2.1 a “relevant officer” means any director or former director of the company, any other officer or employee or former officer or employee of the company (but not its auditors) or any trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act) for the purposes of an employees’ share scheme of the company, and

95.2 2 a “relevant loss” means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer’s duties or powers in relation to the company, any associated company (within the meaning of article 94.4.1 above) or any pension fund or employees’ share scheme of the company