

**DATED**

12 November

**2021**

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**THE COMPANIES ACT 2006**

Private Company Limited by Shares

**Articles of Association**

**of**

**CURRENCY INDEX LIMITED**

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**COMPANY NO. 06586857**  
**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**CURRENCY INDEX LIMITED**

**(Adopted by special resolution passed on 12 November 2021)**

Introduction

**1. Interpretation**

1.1 In these Articles, the following words have the following meanings:

<b>A Director</b>	means any director appointed to the Company by holders of the A Shares;
<b>A Share</b>	means an ordinary share of £1 in the capital of the Company designated as an A Share;
<b>A Shareholder</b>	means the holder(s) of A Shares from time to time;
<b>Allocation Notice</b>	has the meaning given in article 15.7;
<b>Applicant</b>	has the meaning given in article 15.7;
<b>Appointor</b>	has the meaning given in article 12.1;
<b>Articles</b>	means the Company's articles of association for the time being in force;
<b>Bad Leaver</b>	means a Shareholder who: (a) becomes a Departing Employee in circumstances where he is dismissed due to: (i) fraud; (ii) dishonesty; or (iii) gross misconduct; or (b) ceases to be an Employee as a consequence of such person's resignation as an Employee except: (i) in circumstances which constitute a constructive, wrongful and/or unfair dismissal save in the case that unfair

dismissal is as a result of a procedural defect; or

- (ii) where such resignation is due to permanent incapacity, long-term illness or disablement (which gives rise to permanent incapacity) which prevents that Employee continuing in employment (other than as result of drink and/or drug dependency) as determined by the Board acting reasonably;

provided always that:

- (i) he then complies in all material respects with his duties and obligations as an employee during his notice period following such resignation and thereafter with the restrictive and other covenants in his service agreement and his restrictive covenants in any shareholders' agreement, in either case that are expressed to come into effect after, or to continue in effect notwithstanding, the end of his employment; and
- (ii) at the date of service of the relevant resignation no circumstances had arisen, and during his notice period no circumstances arise that entitle or would (but for his resignation) have entitled his employer to dismiss him summarily without notice;

<b>B Director</b>	means any director appointed to the Company by holders of the B Shares;
<b>B Share</b>	means an ordinary share of £1 in the capital of the Company designated as a B Share;
<b>B Shareholder</b>	means the holder(s) of B Shares from time to time;
<b>Board</b>	means the board of directors of the Company from time to time;
<b>Business Day</b>	means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;
<b>Buyer</b>	has the meaning given in article 18.1;
<b>CA 2006</b>	means the Companies Act 2006;
<b>Called Shareholder</b>	has the meaning given in article 19.1;
<b>Called Shares</b>	has the meaning given in article 19.1;
<b>Company</b>	means Currency Index Limited, a private limited company incorporated in England and Wales under company number 06586857;
<b>Conflict</b>	means a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company;
<b>Continuing Shareholders</b>	has the meaning given in article 15.4;
<b>Control</b>	has the meaning given in section 1124 of the Corporation Tax Act 2010;
<b>Controlling Interest</b>	means an interest in shares giving to the holder or holders Control of a company;
<b>C Share</b>	means an ordinary share of £1 in the capital of the Company designated as a C Share;
<b>C Shareholder</b>	means the holder(s) of C Shares from time to time;
<b>Deemed Transfer Notice</b>	means a Transfer Notice that is deemed to have been served under any provisions of these Articles;
<b>Departing Employee</b>	means an Employee who ceases to be an employee of the Company and does not continue as an employee of any Group Company;
<b>Drag Along Notice</b>	has the meaning given in article 19.2;

<b>Drag Along Option</b>	has the meaning given in article 19.1;
<b>EBITDA</b>	means, in respect of the Company, its earnings before interest, taxation, depreciation and amortisation;
<b>Eligible Director</b>	means any Eligible A Director or Eligible B Director (as the case may be);
<b>Eligible A Director</b>	means an A Director who would be entitled to vote on the matter at a meeting of directors (but excluding any A Director whose vote is not to be counted in respect of the particular matter);
<b>Eligible B Director</b>	means a B Director who would be entitled to vote on the matter at a meeting of directors (but excluding any B Director whose vote is not to be counted in respect of the particular matter);
<b>Employee</b>	means an individual who is, or has been, a director and/or an employee of, or who does provide or has provided consultancy services to, any Group Company;
<b>Fair Value</b>	means in relation to shares, as determined in accordance with article 17;
<b>Good Leaver</b>	means a Shareholder who becomes a Departing Employee and who at the Termination Date is not a Bad Leaver and shall include, without limitation, when the Board determine in their absolute discretion that a person is not a Bad Leaver;
<b>Group</b>	means in relation to a company, that company, any subsidiary or holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company. Each company in a Group is a <b>member of the Group</b> ;
<b>holding company</b>	has the meaning given in article 1.5;
<b>Interested Director</b>	has the meaning given in article 9.1;
<b>Managers</b>	means Robin Haynes, Thomas Arnold, Elaine Atkins and Simon Eastman;
<b>Model Articles</b>	means the model articles for private companies limited by shares contained in Schedule 1 of the

	Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and set out in the Schedule to these Articles. Any reference to a numbered Model Article is a reference to that article of the Model Articles;
<b>Offer</b>	has the meaning given in article 18.2;
<b>Offer Notice</b>	has the meaning given in article 18.3;
<b>Offer Shares</b>	has the meaning given in article 18.3;
<b>Persistent Breach</b>	<p>means a breach by the Company, an A Shareholder, C Shareholder or an A Director (as the case may be) of a term of the Shareholder Agreement or these Articles (as the case may be), which in the opinion of a B Shareholder (acting reasonably):</p> <ul style="list-style-type: none"> <li>(a) is not a material breach;</li> <li>(b) has occurred more than once;</li> <li>(c) has been notified to the relevant party in writing by a B Shareholder as being a non-material breach; and</li> <li>(d) which occurs again after the notice specified in (c) above has been served on the relevant party;</li> </ul>
<b>Proposed Buyer</b>	has the meaning given in article 19.1;
<b>Proposed Transfer</b>	has the meaning given in article 18.1;
<b>Purchase Notice</b>	has the meaning given in article 15.5;
<b>Relevant Shares</b>	means in relation to an Employee means all Shares held by the Employee in question.
<b>Quarter Days</b>	means 25 March, 24 June, 29 September and 25 December of each year;
<b>Sale Shares</b>	has the meaning given in article 15.1.1;
<b>Seller</b>	has the meaning given in article 15.1;
<b>Shareholder Agreement</b>	means the shareholder agreement entered into on or about the date of adoption of these Articles, made between, amongst others, the Company, APITS Limited and the Managers, as the same may be amended, varied or supplemented from time to time;
<b>Specified Price</b>	has the meaning given in article 18.2;

<b>subsidiary</b>	has the meaning given in article 1.5;
<b>Surplus Shares</b>	has the meaning given in article 15.6;
<b>Termination Date</b>	means: <ul style="list-style-type: none"> <li>(a) where employment ceases by virtue of notice given by the employer to the employee, the date on which notice of termination was served;</li> <li>(b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;</li> <li>(c) where the Employee concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the relevant Group Company is terminated; or</li> </ul> in any other case, the date on which the employment or holding of office is terminated;
<b>Transfer Date</b>	has the meaning given in article 18.3;
<b>Transfer Notice</b>	means an irrevocable notice in writing given by a shareholder to the other shareholder(s) where the first shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any shares;
<b>Transfer Price</b>	has the meaning given in article 15.3;
<b>Valuers</b>	means an independent firm of accountants jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of the expert within 10 Business Days of a shareholder serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator); and

**Writing or written**

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.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the CA 2006 shall have those meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an article is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the CA 2006.
- 1.6 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.7 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.8 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

**2. Adoption of the Model Articles**

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22, 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2) and 50 to 53 (inclusive) shall not apply to the Company.
- 2.3 Model Article 20 shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".



- 2.4 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.5 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(1)(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

## Directors

### **3. Directors' meetings**

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 Meetings of the directors shall take place at least four times each year, with a period of not more than 13 weeks between any two meetings.
- 3.4 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall be decided by a majority of votes.
- 3.5 If at any time before or at any meeting of the directors or of any committee of the directors all A Directors participating or all B Directors participating should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of directors may be adjourned pursuant to this article more than once.
- 3.6 A committee of the directors must include at least one A Director and one B Director. The provisions of article 7 shall apply equally to meetings of any committee of the directors as to meetings of the directors.

### **4. Unanimous decisions of directors**

- 4.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

- 4.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter in accordance with article 7.

## **5. Number of directors**

The number of directors shall not be less than two, made up of one A Director and one B Director. No shareholding qualification for directors shall be required.

## **6. Calling a directors' meeting**

- 6.1 Any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by at least one A Director and one B Director) to each director or by authorising the Company secretary (if any) to give such notice.
- 6.2 Notice of any directors' meeting must be accompanied by:
  - 6.2.1 an agenda specifying in reasonable detail the matters to be raised at the meeting;  
and
  - 6.2.2 copies of any papers to be discussed at the meeting.
- 6.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing.

## **7. Quorum for directors' meetings**

- 7.1 Subject to article 7.3, the quorum at any meeting of the directors (including adjourned meetings) shall be two directors, of whom one at least shall be an Eligible A Director (or his alternate) and one at least an Eligible B Director (or his alternate).
- 7.2 No business shall be conducted at any meeting of the directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.
- 7.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for 5 Business Days at the same time and place. If a quorum is not present at any such adjourned meeting within 30 minutes of the time specified, then those Eligible Directors present will constitute a quorum.

- 7.4 If an A Director does not attend three consecutive meetings of the directors, this shall constitute a deadlock and a meeting of directors shall be permitted to proceed with such number of B Directors present being the quorum required for such meeting.

## **8. Chairing of directors' meetings**

The post of chair of the board of directors will be held by a B Director. The chairperson shall have a casting vote. If the chairperson for the time being is unable to attend any meeting of the board of directors, the shareholder who appointed him or her shall be entitled to appoint another of its nominated directors to act as chair at the meeting.

## **9. Directors' interests**

- 9.1 The directors may, in accordance with the requirements set out in this article, authorise any Conflict proposed to them by any director which would, if not so authorised, involve a director (the **Interested Director**) breaching their duty under section 175 of the CA 2006 to avoid conflicts of interest.
- 9.2 Any authorisation under this article will be effective only if:
- 9.2.1 the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles;
  - 9.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
  - 9.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 9.3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):
- 9.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 9.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
  - 9.3.3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;

- 9.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
  - 9.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
  - 9.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 9.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
  - 9.5 The directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
  - 9.6 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the shareholder who appointed him as a director of the Company, or any other member of such shareholder's Permitted Group, and no authorisation under article 9.1 shall be necessary in respect of any such interest.
  - 9.7 Any A Director or B Director shall be entitled from time to time to disclose to the holders of the A Shares or C Shares (in the case of any A Director) or the holders of the B Shares (in the case of any B Director) such information concerning the business and affairs of the Company as he shall at his discretion see fit, subject only to the condition that if there be more than one A Shareholder, C Shareholder or (as the case may be) B Shareholder, the director concerned shall ensure that each of the shareholders of the same class receives the same information on an equal footing.
  - 9.8 A director shall report to the Company any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict notwithstanding such Conflict has been authorised by the directors in accordance with these Articles or by the Company in general meeting.

- 9.9 Subject to sections 177(5) and 177(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the CA 2006.
- 9.10 Subject to sections 182(5) and 182(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the CA 2006, unless the interest has already been declared under article 9.9.
- 9.11 Subject, where applicable, to any terms and conditions imposed by the directors in accordance with article 9.3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the CA 2006, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 9.11.1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
- 9.11.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- 9.11.3 shall be entitled to vote at a meeting of directors (or of a committee of directors) or to participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- 9.11.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 9.11.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 9.11.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the CA 2006)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such

remuneration or other benefit constitute a breach of his duty under section 176 of the CA 2006.

**10. Records of decisions to be kept**

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the Company to retain a copy of such decisions.

**11. Appointment and removal of directors**

- 11.1 The holder of a majority of the A Shares for the time being shall be entitled to appoint two persons to be A Directors of the Company and the holder of a majority of the B Shares for the time being shall be entitled to appoint four persons to be B Directors of the Company.
- 11.2 Any A Director may at any time be removed from office by the holder of a majority of the A Shares and any B Director may at any time be removed from office by the holder of a majority of the B Shares. Any director who is an employee of the Company and who ceases to be an employee shall be removed from office from the date his or her employment ceases.
- 11.3 If any A Director or any B Director shall die or be removed from or vacate office for any cause, the holder of a majority of the A Shares (in the case of an A Director) or the holder of a majority of the B Shares (in the case of a B Director) shall appoint in his or her place another person to be an A Director or a B Director (as the case may be).
- 11.4 Any appointment or removal of a director pursuant to this article shall be in writing and signed by or on behalf of the holder of a majority of the A Shares or B Shares (as the case may be) and served on each of the other shareholders and the Company at its registered office and on the director, in the case of his or her removal. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice.
- 11.5 The right to appoint and to remove A Directors or B Directors under this article shall be a class right attaching to the A Shares and the B Shares respectively.
- 11.6 If no A Shares or B Shares remain in issue following a redesignation under these Articles, any director appointed by shareholders of that class shall be deemed to have been removed as from the redesignation.
- 11.7 No A Director or B Director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law.

## **12. Alternate directors**

- 12.1 Any Director (other than an alternate director) (the **Appointor**) may appoint any person (whether or not a director) other than an existing director representing the other class of shares, to be an alternate director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the directors, in the absence of the Appointor. In these Articles, where the context so permits, the term "A Director" or "B Director" shall include an alternate director appointed by an A Director or a B Director (as the case may be). A person may be appointed an alternate director by more than one director provided that each of his Appointors represents the same class of shares but not otherwise.
- 12.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the directors.
- 12.3 The notice must:
- 12.3.1 identify the proposed alternate; and
  - 12.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.
- 12.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's Appointor.
- 12.5 Except as the Articles specify otherwise, alternate directors:
- 12.5.1 are deemed for all purposes to be directors;
  - 12.5.2 are liable for their own acts and omissions;
  - 12.5.3 are subject to the same restrictions as their Appointors; and
  - 12.5.4 are not deemed to be agents of or for their Appointors,
- and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his Appointor is a member.
- 12.6 A person who is an alternate director but not a director may, subject to him being an Eligible Director:
- 12.6.1 be counted as participating for the purposes of determining whether a quorum is present at a meeting of directors (but only if that person's Appointor is an Eligible Director and is not participating); and
  - 12.6.2 participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, and does not himself participate).

- 12.7 A director who is also an alternate director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor (provided that an Appointor is an Eligible Director in relation to that decision), in addition to his own vote on any decision of the directors.
- 12.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.
- 12.9 An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:
- 12.9.1 when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or
  - 12.9.2 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; or
  - 12.9.3 when the alternate director's Appointor ceases to be a director for whatever reason.

## Shares

### **13. Share capital and share rights**

- 13.1 Except as otherwise provided in these Articles, the A Shares, B Shares and C Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
- 13.2 No share of any class nor any right to subscribe for or to convert any security into a share of any class shall be allotted or granted otherwise than to the holder of a share of that same class.
- 13.3 On the transfer of any share as permitted by these Articles:
- 13.3.1 a share transferred to a non-shareholder shall remain of the same class as before the transfer; and
  - 13.3.2 a share transferred to a shareholder shall automatically be redesignated on transfer as a share of the same class as those shares already held by the shareholder.
- 13.4 If no shares of a class remain in issue following a redesignation under this article, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or directors appointed by that class.



- 13.5 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.
- 13.6 Each of the following shall be deemed to constitute a variation of the rights attached to each class of shares:
- 13.6.1 any alteration in the Articles; and
  - 13.6.2 any reduction, subdivision, consolidation, redenomination, or purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital.
- 13.7 The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the CA 2006.
- 13.8 The holders of A Ordinary Shares and B Ordinary Shares shall be entitled to receive notice of, to be present and vote, either in person or by proxy, at any general meeting of the Company or by way of written resolution and the A Ordinary Shares and B Ordinary Shares shall rank equally and carry one vote per share for the purposes of any poll vote.
- 13.9 The holders of C Ordinary Shares shall not be entitled to receive notice of, attend, speak at or vote at any general meeting of the Company or by way of written resolution.

#### **14. Share transfers: general**

- 14.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.
- 14.2 No share shall be transferred unless the transfer is made in accordance with these Articles or with the prior written consent of all shareholders for the time being.
- 14.3 Subject to article 14.4, the directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.

- 14.4 The directors may, as a condition to the registration of any transfer of shares in the Company require the transferee to provide the Company with the required particulars under section 790K of the CA 2006 if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006 and to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of the Shareholder Agreement in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 14.4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee and the Company has received all of the required particulars under section 790K of the CA 2006 if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006.
- 14.5 To enable the directors to determine whether or not there has been a transfer of shares in the Company in breach of these Articles the directors of any class may from time to time require any shareholder to provide the Company with such information and evidence as they may reasonably require relevant to that purpose. If a shareholder fails to provide any such information or evidence to the reasonable satisfaction of such directors within 14 days of their request, such directors may serve a notice on the shareholder stating that the shareholder shall not in relation to all shares held by that shareholder be entitled to be present or to vote in person or by proxy at any general meeting of the Company or any meeting of the holders of shares of that class, or to vote on a written resolution of the shareholders or to receive dividends on the shares until such evidence or information has been provided to the directors' satisfaction. The directors may reinstate these rights at any time.
- 14.6 If a shareholder fails to provide any information or evidence requested pursuant to article 14.5 to the reasonable satisfaction of the directors within 28 days of request, the directors may by notice in writing served on the A Shareholder or C Shareholder notify the A Shareholder or C Shareholder that the relevant A Shareholder or C Shareholder is, with immediate effect, deemed to have served a Transfer Notice under article 15.1 in respect of all of the A Shares held by that A Shareholder and in respect of all of the C Shares held by that C Shareholder.
- 14.7 Any transfer of shares by way of a sale that is required to be made under article 15, article 16 or article 19 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

## 15. Pre-emption rights on the transfer of shares

- 15.1 Except where the provisions of articles 16, 18 or 19 apply, an A Shareholder or C Shareholder (**Seller**) wishing to transfer any of their shares must give a Transfer Notice to the Company giving details of the proposed transfer including:
- 15.1.1 the number of shares he wishes to transfer (**Sale Shares**);
  - 15.1.2 the identity of the proposed buyer; and
  - 15.1.3 subject to article 15.3 and article 16.2, the price (in cash) at which it proposes to sell the Sale Shares (and where such price includes equity in a company listed on a recognised stock exchange (as defined in section 285 of the Financial Services and Markets Act 2000) then the cash equivalent of such equity shall be its market price on the day falling two days prior to the Transfer Notice).
- 15.2 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 15.3 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the B Director(s) and the Seller or, in default of agreement within 15 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date such notice is deemed to be served), the Fair Value of each Sale Share.
- 15.4 As soon as practicable following the later of:
- 15.4.1 receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
  - 15.4.2 the determination of the Transfer Price,
- the directors shall offer the Sale Shares for sale to the shareholders of the Company (other than the Seller) (**Continuing Shareholders**) at the Transfer Price. The offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered.
- 15.5 Within 20 Business Days of receipt (or deemed receipt) of a Transfer Notice (**Offer Period**), the Continuing Shareholders shall be entitled (but not obliged) to give notice in writing to the directors setting out the maximum number of Sale Shares they wish to purchase at the Transfer Price (**Purchase Notice**).
- 15.6 If:
- 15.6.1 at the end of the Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to the Continuing Shareholders who have applied for Sale Shares in the proportion which their existing holding of Shares bears to the total number of

Shares (excluding those held by the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements among the Continuing Shareholders shall be determined by the directors). 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; and

15.6.2 not all Sale Shares are allocated following allocations in accordance with articles 15.6.1, but there are applications for Sale Shares that have not been satisfied, the directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 15.6.1. The procedure set out in this article 15.6.2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; or

15.6.3 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 Continuing Shareholders in accordance with their applications. The balance (the **Surplus Shares**) shall be dealt with in accordance with article 15.9.

15.7 The directors shall, when no further offers or allocations are required to be made under article 15.6, give notice in writing 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 and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days, but not more than 30 Business Days, after the date of the Allocation Notice unless the Seller and the relevant purchasers of the Sale Shares shall otherwise agree to in writing and notify to the Board within 5 Business Days of receipt of the Allocation Notice). If the Allocation Notice does not specify a time and place for completion, it shall not be valid.

15.8 On the date specified for completion in the Allocation Notice (or as otherwise notified to the company in accordance with article 15.7), the Seller shall, against payment from an Applicant, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Applicant may reasonably require to show good title to the Sale Shares, or to enable the Applicant to be registered as the holder of the Sale Shares.

- 15.9 If, at the expiry of the period specified in article 15.5, the Continuing Shareholders have not given a Purchase Notice or the Allocation Notice does not relate to all of the Sale Shares, the Seller may transfer all its Sale Shares to the buyer identified in the Transfer Notice at a price not less than the Transfer Price provided that it does so within two months of the expiry of the period specified in article 15.5.

## **16. Compulsory transfers**

- 16.1 An A Shareholder or C Shareholder is deemed to have served a Transfer Notice under article 15.1 immediately before any of the following events:
- 16.1.1 a bankruptcy petition being presented for the shareholder's bankruptcy, or an arrangement or composition being proposed with any of his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors; and
  - 16.1.2 the shareholder committing a material or Persistent Breach of the Shareholder Agreement to which it is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 20 Business Days of the other shareholder requiring such remedy.
- 16.2 Unless the Board and the B Shareholder determine that this Article 16.2 shall not apply, if a Manager becomes a Departing Employee a Transfer Notice shall be deemed to have been given on the relevant Termination Date and the provisions (other than those as to price which are set out in this Article 16.2) of Articles 15.2 to 15.9 (inclusive) shall apply in respect of all of the shares held by the Departing Employee (**Relevant Shares**). In such circumstances, the Transfer Price shall be as follows:
- 16.2.1 where the Departing Employee is a Bad Leaver, the lower of the aggregate nominal value of the Relevant Shares and the aggregate Fair Value of the Relevant Shares; and
  - 16.2.2 where the Departing Employee is a Good Leaver, the aggregate Fair Value of the Relevant Shares.
- 16.3 If Thomas Arnold is deemed to have served a Transfer Notice under this clause 16, a Transfer Notice shall also be deemed to have been served by Elaine Atkins on the relevant Termination Date in respect of all of the shares held by Elaine Atkins. The Transfer Price in respect of Elaine Atkins' shares shall be Fair Value.
- 16.4 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that it takes effect on the basis that:

- 16.4.1 it is in respect of all shares held by that shareholder, including any acquired by such shareholder after the date on which the Deemed Transfer Notice is deemed to be served but before completion of the transfer of shares pursuant to the Deemed Transfer Notice;
- 16.4.2 it does not identify a proposed buyer or state a price for the Sale Shares and the price for the Sale Shares shall be the aggregate Fair Value of those shares, determined by the Valuers in accordance with article 17, save that if the Seller is deemed to have given a Transfer Notice as a result of article 16.1.2, the price for the Sale Shares shall be restricted to a maximum of the lower of the aggregate subscription price paid in respect of the Sale Shares, including any share premium, and the aggregate Fair Value of such Sale Shares or as a result of article 16.2 or 16.3, the Transfer Price set out in that article; and
- 16.4.3 if the Continuing Shareholders do not accept the offer of shares comprised in the Deemed Transfer Notice within 20 Business Days of receipt of the Valuers' determination of the Fair Value, the Seller does not have the right to sell the Sale Shares to a third party.
- 16.5 A Deemed Transfer Notice under articles 16.1.2 and 16.2 shall immediately and automatically revoke:
- 16.5.1 a Transfer Notice served by the relevant shareholder before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under article 16.1.2 or article 16.2 (as appropriate); and
- 16.5.2 a Deemed Transfer Notice deemed to be served by the relevant shareholder under the events set out in article 16.1.1 before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under article 16.1.2 or article 16.2 (as appropriate).
- 16.6 If the Seller fails to complete a transfer of Sale Shares as required under this article 16, the Continuing Shareholders are irrevocably authorised to appoint any person they nominate for the purpose as agent to transfer the Sale Shares on the Seller's behalf and to do anything else that the Continuing Shareholders may reasonably require to complete the sale, and the Company may receive the purchase price in trust for the Seller (without any obligation to pay interest), giving a receipt that shall discharge the Continuing Shareholders.

## **17. Valuation**

- 17.1 The Fair Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions:
- 17.1.1 valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
  - 17.1.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - 17.1.3 the sale is to be on arms' length terms between a willing seller and a willing buyer;
  - 17.1.4 the Sale Shares are sold free of all encumbrances;
  - 17.1.5 the sale is taking place on the date the Valuers were requested to determine the Fair Value.
- 17.2 The shareholders are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 17.3 To the extent not provided for by this article 17, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate.
- 17.4 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders in the absence of manifest error or fraud.
- 17.5 The Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Company in writing of their determination.
- 17.6 Each shareholder shall bear their own costs in relation to the reference to the Valuers. The Valuers' fees and costs properly incurred by them in arriving at their valuation shall be borne by the shareholders in equal proportions or in such other proportions as the Valuers shall direct.

## **18. Tag along**

- 18.1 The provisions of article 18.2 to article 18.6 shall apply if the holder of the B Shares in issue for the time being proposes to transfer their B Shares to a bona fide purchaser on arm's length terms (**Proposed Transfer**) and such transfer would, if carried out, result in such person (**Buyer**) acquiring a Controlling Interest in the Company.

- 18.2 Before making a Proposed Transfer, the B Shareholder shall procure that the Buyer makes an offer (**Offer**) to the holders of the A Shares and C Shares in issue for the time being to purchase all of the A Shares or C Shares held by them for a consideration in cash per share that is at least equal to the price per share offered by the Buyer in the Proposed Transfer (**Specified Price**). Where the price per share offered by the Buyer includes equity in a company listed on a recognised stock exchange (as defined in section 285 of the Financial Services and Markets Act 2000) then the cash equivalent of such equity shall be its market price on the day falling two days prior to the date of the Offer Notice (as defined in article 18.3).
- 18.3 The Offer shall be made by written notice (**Offer Notice**), at least 20 Business Days before the proposed transfer date (**Transfer Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 18.3.1 the identity of the Buyer;
  - 18.3.2 the Specified Price and other terms and conditions of payment;
  - 18.3.3 the Transfer Date; and
  - 18.3.4 the number of shares proposed to be purchased by the Buyer (**Offer Shares**).
- 18.4 If the Buyer fails to make the Offer in accordance with article 18.2 and article 18.3, the B Shareholder shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of shares effected in accordance with the Proposed Transfer.
- 18.5 If the Offer is accepted by the holders of A Shares or C Shares in writing within 10 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such shareholder.

## **19. Drag along**

- 19.1 If the B Shareholder wishes to transfer all (but not some only) of its B Shares to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the B Shareholder may require the holders of the A Shares or C shares (**Called Shareholders**) to sell and transfer all of their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**).
- 19.2 The B Shareholder may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of its Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 19.2.1 that the Called Shareholders are required to transfer all of its Called Shares pursuant to this article 19;
  - 19.2.2 the person to whom the Called Shares are to be transferred;



19.2.3 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the B Shares (and where the price per share offered by the Proposed Buyer includes equity in a company listed on a recognised stock exchange (as defined in section 285 of the Financial Services and Markets Act 2000) then the cash equivalent of such equity shall be its market price on the day falling two days prior to the date of the Drag Along Notice); and

19.2.4 the proposed date of the transfer.

- 19.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the B Shareholder has not sold its Shares to the Proposed Buyer within 40 Business Days of serving the Drag Along Notice. The B Shareholder may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 19.4 No Drag Along Notice shall require the Called Shareholders to agree to any terms except those specifically set out in this article 19.
- 19.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the B Shares unless the B Shareholder and the Called Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by them.
- 19.6 On or before the Completion Date, the Called Shareholders shall execute and deliver a stock transfer form for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 19.3 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 19.7 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 19 in respect of its shares.
- 19.8 If the Called Shareholders do not, on or before the Completion Date, execute and deliver (in accordance with article 19.7) transfer(s) in respect of all of the Called Shares held by them, the Called Shareholders shall be deemed to have irrevocably appointed any person

nominated for the purpose by the B Shareholder to be their agent to execute all necessary transfer(s) on their behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 19.8.

#### Decision making by Shareholders

### **20. Quorum for general meetings**

- 20.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy, of whom one shall be an A Shareholder or a duly authorised representative of such A Shareholder and one shall be a B Shareholder or a duly authorised representative of such holder.
- 20.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

### **21. Chairing general meetings**

The chairperson of the board of directors shall chair general meetings. If the chairperson is unable to attend any general meeting, the shareholder who appointed him or her shall be entitled to appoint another of its nominated directors present at the meeting to act as chair at the meeting, and the appointment of the chair of the meeting must be the first business of the meeting.

### **22. Poll votes**

- 22.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the CA 2006) present and entitled to vote at the meeting.
- 22.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

### **23. Proxies**

- 23.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before

the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate".

- 23.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article.

#### Administrative arrangements

### **24. Means of communication to be used**

- 24.1 Subject to article 24.2, any notice, document or other information shall be deemed received by the intended recipient:

24.1.1 if delivered by hand, on signature of a delivery receipt;

24.1.2 if sent by pre-paid first class post or other next working day delivery service, at 9.00 am on the second Business Day after posting; or

24.1.3 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

- 24.2 If deemed receipt under article 24.1 would occur outside Usual Business Hours, the notice, document or other information shall be deemed to have been received when Usual Business Hours next recommence. For the purposes of this article, **Usual Business Hours** means 9.00 am to 5.30 pm local time on any day which is not a Saturday, Sunday or public holiday in the place of receipt of the notice, document or other information.

- 24.3 To prove service, it is sufficient to prove that:

24.3.1 if delivered by hand, the notice was delivered to the correct address; or

24.3.2 if sent by post, the envelope containing the notice was properly addressed, paid for and posted.

- 24.4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the CA 2006.

### **25. Indemnity and insurance**

- 25.1 Subject to article 25.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- 25.1.1 each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and
- 25.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 25.1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.
- 25.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the CA 2006 or by any other provision of law.
- 25.3 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.
- 25.4 In this article:
- 25.4.1 a "relevant officer " means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and
- 25.4.2 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.

# SCHEDULE

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### MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

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#### PART 1

## INTERPRETATION AND LIMITATION OF LIABILITY

### Defined terms

#### 1. In the articles, unless the context requires otherwise—

“articles” means the company’s articles of association;  
“bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

“chairman” has the meaning given in article 12;

“chairman of the meeting” has the meaning given in article 39;

“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;

“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 31;

“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;

“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;

“instrument” means a document in hard copy form;

“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 10;

“proxy notice” has the meaning given in article 45;

“shareholder” means a person who is the holder of a share;

“shares” means shares in the company;

“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 a

shareholder or otherwise by operation of law; 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 as in force on the date when these articles become binding on the company.

### Liability of members

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

## PART 2

### DIRECTORS

#### DIRECTORS’ POWERS AND RESPONSIBILITIES

##### Directors’ general authority

3. 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.

##### Shareholders’ reserve power

- 4.—(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.  
(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

##### Directors may delegate

- 5.—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—

- (a) to such person or committee;
- (b) by such means (including by power of attorney);
- (c) to such an extent;
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions;

as they think fit.

- (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.

(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

### **Committees**

**6.—**(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 which govern the taking of decisions by directors.

(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**

### **Directors to take decisions collectively**

**7.—**(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

(2) If—

- (a) the company only has one director, and
- (b) no provision of the articles requires it to have more than one director,

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

### **Unanimous decisions**

**8.—**(1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

(4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

### **Calling a directors' meeting**

**9.—**(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

(2) Notice of any directors' meeting must indicate—

- (a) its proposed date and time;
- (b) where it is to take place; and
- (c) 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.

(3) Notice of a directors' meeting must be given to each director, but need not be in writing.

(4) 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 not more than 7 days 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.

### **Participation in directors' meetings**

**10.—**(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—

- (a) the meeting has been called and takes place in accordance with the articles, and
- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

(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.

(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.

### **Quorum for directors' meetings**

**11.—**(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

(2) 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.

(3) If the total number of directors for the time being is less than the quorum required, the

directors must not take any decision other than a decision—

- (a) to appoint further directors, or
- (b) to call a general meeting so as to enable the shareholders to appoint further directors.

#### **Chairing of directors' meetings**

**12.—**(1) The directors may appoint a director to chair their meetings.

(2) The person so appointed for the time being is known as the chairman.

(3) The directors may terminate the chairman's appointment at any time.

(4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

#### **Casting vote**

**13.—**(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

(2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

#### **Conflicts of interest**

**14.—**(1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.

(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

(3) This paragraph applies when—

- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
- (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or

(c) the director's conflict of interest arises from a permitted cause.

(4) For the purposes of this article, the following are permitted causes—

- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
- (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
- (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

(5) For the purposes of this article, references to proposed decisions and decision-making

processes include any directors' meeting or part of a directors' meeting.

(6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

(7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

#### **Records of decisions to be kept**

**15.** The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

#### **Directors' discretion to make further rules**

**16.** 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

### Methods of appointing directors

**17.—**(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—

- (a) by ordinary resolution, or
- (b) by a decision of the directors.

(2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.

(3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

### Termination of director's appointment

**18.** A person ceases to be a director as soon as—

- (a) 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;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) 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;
- (e) *[paragraph omitted pursuant to The Mental Health (Discrimination) Act 2013]*
- (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

### Directors' remuneration

**19.—**(1) Directors may undertake any services for the company that the directors decide.

(2) Directors are entitled to such remuneration as the directors determine—

- (a) for their services to the company as directors, and
- (b) for any other service which they undertake for the company.

(3) Subject to the articles, a director's remuneration may—

- (a) take any form, and
- (b) 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.

(4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.

(5) 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.

### Directors' expenses

**20.** The company may pay any reasonable expenses which the directors properly incur in

connection with their attendance at—

- (a) meetings of directors or committees of directors,
- (b) general meetings, or
- (c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

## PART 3

## SHARES AND DISTRIBUTIONS

### SHARES

#### All shares to be fully paid up

**21.—**(1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.

(2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

#### Powers to issue different classes of share

**22.—**(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.

(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.

#### **Company not bound by less than absolute interests**

**23.** Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to 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**

**24.—**(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

(2) Every certificate must specify—

- (a) in respect of how many shares, of what class, it is issued;
- (b) the nominal value of those shares;
- (c) that the shares are fully paid; and
- (d) any distinguishing numbers assigned to them.

(3) No certificate may be issued in respect of shares of more than one class.

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

(5) Certificates must—

- (a) have affixed to them the company's common seal, or
- (b) be otherwise executed in accordance with the Companies Acts.

#### **Replacement share certificates**

**25.—**(1) If a certificate issued in respect of a shareholder's shares is—

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

(2) A shareholder exercising the right to be issued with such a replacement certificate—

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

#### **Share transfers**

**26.—**(1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

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

(3) The company may retain any instrument of transfer which is registered.

(4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

(5) The directors may refuse to register the transfer of a share, and if they do so, 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.

#### **Transmission of shares**

**27.—**(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.

(2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—

- (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
- (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

(3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

### **Exercise of transmitters' rights**

**28.**—(1) Transmitters who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.

(2) If the transmitter wishes to have a share transferred to another person, the transmitter must execute an instrument of transfer in respect of it.

(3) 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 transmitter has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

### **Transmitters bound by prior notices**

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

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **Procedure for declaring dividends**

**30.**—(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

(2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

(3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

(4) Unless the shareholders' 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 shareholder's holding of shares on the date of the resolution or decision to declare or pay it.

(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.

(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.

(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.

### **Payment of dividends and other distributions**

**31.**—(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—

(a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;

(b) 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 either in writing or as the directors may otherwise decide;

(c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or

(d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

(2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

(a) the holder of the share; or

(b) if the share has two or more joint holders, whichever of them is named first in the register of members; or

(c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmitter.

### **No interest on distributions**

**32.** The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

(a) the terms on which the share was issued, or

(b) the provisions of another agreement between the holder of that share and the company.

### **Unclaimed distributions**

**33.**—(1) All dividends or other sums which are—

- (a) payable in respect of shares, and
- (b) 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.

(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.

(3) If—

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
- (b) 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.

#### **Non-cash distributions**

**34.**—(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).

(2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—

- (a) fixing the value of any assets;
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- (c) vesting any assets in trustees.

#### **Waiver of distributions**

**35.** Distribution recipients may waive their entitlement to a dividend or other distribution

payable in respect of a share by giving the company notice in writing to that effect, but if—

- (a) the share has more than one holder, or
- (b) 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**

##### **Authority to capitalise and appropriation of capitalised sums**

**36.**—(1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

- (a) 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

- (b) 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.

(2) Capitalised sums must be applied—

- (a) on behalf of the persons entitled, and
- (b) in the same proportions as a dividend would have been distributed to them.

(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.

(4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.

(5) Subject to the articles the directors may—

- (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;

- (b) 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

- (c) 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 4**

DECISION-MAKING BY SHAREHOLDERS  
ORGANISATION OF GENERAL MEETINGS

**Attendance and speaking at general meetings**

**37.**—(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.

(2) A person is able to exercise the right to vote at a general meeting when—

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- (b) 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.

(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.

(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.

(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.

**Quorum for general meetings**

**38.** 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.

**Chairing general meetings**

**39.**—(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

- (a) the directors present, or
- (b) (if no directors are present), the meeting,

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

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

**Attendance and speaking by directors and non-shareholders**

**40.**—(1) Directors may attend and speak at general meetings, whether or not they are shareholders.

(2) The chairman of the meeting may permit other persons who are not—

- (a) shareholders of the company, or
- (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting.

**Adjournment**

**41.**—(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.

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

- (a) the meeting consents to an adjournment, or
- (b) 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.

(3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

(4) When adjourning a general meeting, the chairman of the meeting must—

- (a) 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
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

(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)—

- (a) to the same persons to whom notice of the company's general meetings is required to be given, and
- (b) containing the same information which such notice is required to contain.

(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

### Voting: general

**42.** A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

### Errors and disputes

**43.—**(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.

(2) Any such objection must be referred to the chairman of the meeting, whose decision is final.

### Poll votes

**44.—**(1) A poll on a resolution may be demanded—

- (a) in advance of the general meeting where it is to be put to the vote, or
- (b) 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.

(2) A poll may be demanded by—

- (a) the chairman of the meeting;
- (b) the directors;
- (c) two or more persons having the right to vote on the resolution; or
- (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.

(3) A demand for a poll may be withdrawn if—

- (a) the poll has not yet been taken, and
- (b) the chairman of the meeting consents to the withdrawal.

(4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

### Content of proxy notices

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

- (a) states the name and address of the shareholder appointing the proxy;
- (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
- (d) 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.

(2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

(3) 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.

(4) Unless a proxy notice indicates otherwise, it must be treated as—

- (a) 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
- (b) 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.

### Delivery of proxy notices

**46.—**(1) 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.

(2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

(3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

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

#### **Amendments to resolutions**

**47.**—(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

(a) notice of the proposed amendment is given to the company 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

(b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

(2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—

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

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

(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.

### **PART 5**

#### **ADMINISTRATIVE ARRANGEMENTS**

##### **Means of communication to be used**

**48.**—(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.

(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.

(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.

#### **Company seals**

**49.**—(1) Any common seal may only be used by the authority of the directors.

(2) The directors may decide by what means and in what form any common seal is to be used.

(3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

(4) For the purposes of this article, an authorised person is—

(a) any director of the company;

(b) the company secretary (if any); or

(c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

#### **No right to inspect accounts and other records**

**50.** 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 shareholder.

#### **Provision for employees on cessation of business**

**51.** 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**

#### **Indemnity**

**52.—**(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—

- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
- (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
- (c) any other liability incurred by that director as an officer of the company or an associated company.

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

(3) In this article—

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

- (b) a “relevant director” means any director or former director of the company or an associated company.

#### **Insurance**

**53.—**(1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

(2) In this article—

- (a) a “relevant director” means any director or former director of the company or an associated company,
- (b) a “relevant loss” means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.