

Company number: 07306402

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

W A CAPITAL LIMITED

(the Company)

Circulation date: 24/11/14



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In accordance with the provisions of Chapter 2 of Part 13 Companies Act 2006 (the Act), the following resolutions are proposed as ordinary or special resolutions of the Company (as indicated)

SPECIAL RESOLUTION

- 1 THAT the articles of association of the Company attached to this written resolution (the **New Articles**) be adopted as the new articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company

ORDINARY RESOLUTION

- 2 THAT each of the existing ordinary shares of £1 each in the capital of the Company be re-classified as A ordinary shares of £1 each in the capital of the Company, such A ordinary shares having the rights and being subject to the obligations set out in the New Articles

ORDINARY RESOLUTION

- 3 THAT, in substitution for all existing and unexercised authorities and powers, the directors of the Company be generally and unconditionally authorised for the purpose of section 551 of the Act to exercise all or any of the powers of the Company to allot

3 1 20,631 A ordinary shares of £1 each in the capital of the Company, and

3 2 50 B ordinary shares of £1 each in the capital of the Company,

(such shares being together referred to in this resolution as **Relevant Securities**)

to such persons at such times and generally on such terms and conditions as the directors may determine (subject always to the articles of association of the Company), provided that this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire on the day before the fifth anniversary of the date on which this resolution is passed save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Relevant Securities to be allotted after the expiry of such period and the directors of the Company may allot Relevant Securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired

SPECIAL RESOLUTION

- 4 THAT, subject to and conditional upon the passing of the resolution numbered 3 in this written resolution and in substitution for all existing and unexercised authorities and powers, the directors of the Company be empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred upon them by resolution 3 as if the provisions of article 2 of the New Articles did not apply to any such allotment provided that this authority and power shall expire on the day before the fifth anniversary of the date of the passing of this resolution, save that the Company may, before the expiry of such period, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred by this resolution had not expired

ORDINARY RESOLUTION

- 5 **THAT** the conflict of interest of William Lester Adderley by virtue of him being the sole director of the Company and a trustee of the Gaddesby Trust, the Bournemouth Trust, the Nottingham Trust, the Coalville Trust and the Leicester Trust be authorised

ORDINARY RESOLUTION

- 6 **THAT** the purchase by the Company of 11,290,303 ordinary shares of £1 each in the capital of Dunelm Group plc from Nadine Vivien Adderley being a person connected with William Lester Adderley a director of the Company be approved

The person named below, being the sole person eligible to vote on the above resolutions on the circulation date, irrevocably agrees to each of those resolutions



William Lester Adderley

Date 24/11/14.

NOTE

- 1 If you agree with the resolutions, please sign and date this document and return it to the Company using one of the following methods
 - **By hand** delivering the signed copy to The Old Coach House, Sunnyside, Bergh Apton, Norwich, NR15 1DD
 - **Post** returning the signed copy by post to The Old Coach House, Sunnyside, Bergh Apton, Norwich, NR15 1DD

If you do not agree with the resolutions, you do not need to do anything you will not be deemed to agree if you fail to reply
- 2 Once you have indicated your agreement to the resolutions, you may not revoke your agreement
- 3 The resolutions set out above will lapse if the required majority of eligible members have not signified their agreement to them by the end of the period of 28 days beginning with the circulation date set out above. If you agree to the resolutions, please ensure that your agreement reaches us before that date
- 4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members
- 5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

Company number 07306402

WA CAPITAL LIMITED

ARTICLES OF ASSOCIATION

adopted on **24/11/14** 2014

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Company number: 07306402

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF

WA CAPITAL LIMITED

(adopted by special resolution passed on 24 / 11 / 2014)

1 DEFINITIONS AND INTERPRETATION

1.1 In these Articles the following definitions will apply

A Shareholders

the holders for the time being of the A Shares,

A Shares

the A ordinary shares of £1 nominal each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles,

Act

the Companies Act 2006,

Adoption Date

the date of the adoption of these Articles by the Company,

Arrears

in relation to any Share all accruals, deficiencies and arrears of any dividends due and payable in respect of such Share, whether or not declared and irrespective of whether or not the Company has had at any time sufficient distributable profits to pay such dividends,

Auditors

the auditors of/the accountants to (as the case may be) the Company for the time being or if, in relation to any reference made to such auditors/accountants in accordance with these Articles, the auditors of/accountants to the Company are unable or unwilling to act in connection with that reference, a chartered accountant nominated by, and engaged on terms approved by, the Directors in their absolute discretion and acting as agent for the Company and each relevant Member shall, in their absolute discretion, see fit,

A Shareholder Majority

the holders for the time being of more than 50% of the A shares in issue from time to time (including for the avoidance of doubt the personal representatives of any A Shareholder or other transmitters of any A Shares),

B Shareholders

the holders for the time being of the B Shares,

B Shares

the B ordinary shares of £1 nominal each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles,

Business Day

any day (other than a Saturday, Sunday or public holiday) during which clearing banks in the City of London are open for normal business,

Controlling Interest

Shares conferring in aggregate more than 50% of the total voting rights conferred by all the Shares for the time being conferring the rights to attend and vote at all general meetings of the Company,

Director

a duly appointed director of the Company for the time being,

Eligible Director;

a Director who would be entitled to vote on a matter at a meeting of the Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter) and references to eligible directors in article 8 of the Model Articles shall be construed accordingly,

Encumbrance

any mortgage, charge (fixed or floating), pledge, lien, option, hypothecation, restriction, right to acquire, right of pre-emption or interest (legal or equitable) including any assignment by way of security, reservation of title, guarantee, trust, right of set off or other third party right or any other encumbrance or security interest having a similar effect howsoever arising,

Fair Value

the price which the Auditors state in writing to be their opinion of the fair value of the Shares concerned, calculated on the basis that the Fair Value is the sum which a willing buyer would agree with a willing seller on an arm's length sale to be the purchase price for the Shares concerned in the context of such proposed sale,

Group Company

the Company, any holding company of the Company and any subsidiary of such holding company, in each case for the time being,

Listing

the admission by the Financial Conduct Authority in its capacity as the UK Listing Authority of any part of the share capital of the Company or a Parent Company of the Company to the Official List of the London Stock Exchange plc or the admission by the London Stock Exchange plc of any part of the share capital of the Company to trading on AIM, a market operated by the London Stock Exchange plc or the admission by any Recognised Investment Exchange of any part of the share capital of the Company and, in each case, such admission becoming effective,

Member

a registered holder of an issued Share from time to time, as recorded in the register of members of the Company,

Model Articles

the model articles for private companies limited by shares contained in schedule 1 of the Companies (Model Articles) Regulations 2008 as amended prior to, and in force as at, the Adoption Date,

Parent Company

has the meaning given in section 1162 of the Act (Parent Undertaking),

Permitted Trust

any trust or settlement approved in writing by an A Shareholder Majority,

Primary Beneficiary

any person or persons designated as such under or in relation to any trust or settlement (whether by specific terminology or effect of such trust or settlement),

Realisation Event

one or more of the following events

- (a) a Listing,
- (b) a Sale

and for the avoidance of doubt a deemed transfer shall not be a Realisation Event,

Realisation Value

the value of the Company at the point of a Realisation Event, which shall be as follows

- (a) in the event of a Listing, the market capitalisation of the Company (less the value of any shares in the capital of the Company issued as part of the Listing) For this purpose the market capitalisation shall be determined in accordance with section 272(3) of Taxation of Chargeable Gains Act 1992,
- (b) in the event of a Sale for a fixed sum payable on transfer of the Shares, the total amount of the consideration payable for the Shares For this purpose any adjustment under the terms of the relevant sale contract to the price for the Shares that is calculated by reference to any account or balance sheet with effect before or on completion of the Sale shall not mean that the consideration is not fixed and shall not be treated as unascertained or deferred consideration for the purpose of these Articles,
- (c) in the event of a Sale where some or all of the consideration for the Shares is ascertained but deferred, the aggregate of any fixed sum and the present value of such deferred consideration as determined by an A Shareholder Majority or in the absence of such determination the existence of and the present value of the deferred consideration shall be determined in a report addressed to the Shareholders by the Valuer (the cost of which is to be paid by the Shareholders in proportion to their respective entitlement to the proceeds of the Sale),
- (d) in the event of a Sale where some or all of the consideration for the Shares is not yet ascertainable and is dependent on the performance after completion of the Company and/or any of its Subsidiaries (such consideration referred to in these Articles as **Earn Out**), the aggregate of the fixed sum consideration (if any) and the present value of any ascertained deferred consideration (if any and agreed or determined as in (c) above) and nil for the Earn Out When the Earn Out is ascertained it shall be added to the Realisation Value For this purpose the existence of and the value of the Earn Out shall be determined in a report addressed to the Shareholders by the Valuer (the cost of which is to be paid by the Shareholders in proportion to their respective entitlement to the proceeds of the Sale),

Recognised Investment Exchange

has the meaning given in section 258(1) of the Financial Services and Markets Act 2000,

Relevant Security

any Share, or any right to subscribe for or convert any securities into any Share,

Sale

any person (other than a Shareholder at the date of adoption of these articles or any person or entity connected with any such Shareholder) acquiring a Controlling Interest in the Company (other than in connection with a reorganisation of Group Companies unless and if an A Shareholder Majority directs that such event shall be classified as a Sale) ,

Sale Shares;

has the meaning given in article 9 1 2(a),

Shareholders

the A shareholders and the B shareholders,

Shares

the A Shares and the B Shares and **Share** or **share** shall be construed accordingly,

Transfer Notice

a notice in accordance with article 9 that a Member wishes to transfer his Shares,

Valuer

a firm of accountants in the United Kingdom with the competence to carry out share valuations acting as experts not as arbitrators

1 2 These Articles and the provisions of the Model Articles (subject to any modifications set out in these Articles) shall constitute all the articles of association of the Company

1 3 In these Articles a reference to

1 3 1 a statutory provision includes a reference to the statutory provision as replaced, modified or re-enacted from time to time before or after the Adoption Date and any subordinate legislation made under the statutory provision before or after the Adoption Date,

1 3 2 a **subsidiary** shall include a reference to a "subsidiary" and a "subsidiary undertaking" (each as defined in the Act) and a reference to a **holding company** shall include a reference to a "holding company" and a "parent undertaking" (each as defined in the Act),

1 3 3 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists),

1 3 4 writing includes any mode of reproducing words in a legible and non-transitory form other than email and fax,

1 3 5 "these Articles" is to these articles of association (including the provisions of the Model Articles incorporated in them), and a reference to an article is to an article of these Articles, in each case as amended from time to time in accordance with the terms of these Articles and the Act, and

1 3 6 any agreement or document is to that agreement or document as in force for the time being and as amended from time to time in accordance with the terms of that agreement or document or with the agreement of all the relevant parties

1 4 The contents table and headings in these Articles are for convenience only and do not affect the interpretation or construction of these Articles

1 5 Words importing the singular include the plural and vice versa and words importing a gender include every gender

1 6 The words "other", "include", "including" and "in particular" do not limit the generality of any preceding words and any words which follow them shall not be construed as being limited in scope to the same class as the preceding words where a wider construction is possible

1 7 Any question as to whether a person is connected with another shall be determined in accordance with section 1122 of the Corporation Tax Act 2010 (except that in construing section 1122 "control" has the meaning given by section 1124 or section 450 of that Act so that there is control whenever section 1124 or 450 requires) which shall apply in relation to these Articles as it applies in relation to that Act

1 8 These Articles shall be binding on and shall survive for the benefit of the personal representatives and successors-in-title of each Member

2 ISSUE OF SHARES

2 1 Unless otherwise determined by an A Shareholder Majority, any Relevant Securities which the Directors propose to allot, grant or otherwise dispose of shall, before they are so allotted, granted or otherwise disposed of, be offered to the Members holding shares of the same class as the Relevant Securities. Such offer shall be made by means of a notice (a **Subscription Notice**) served by the Directors on all such Members which shall

2 1 1 state the number and class of Relevant Securities offered,

2 1 2 state the subscription price per Relevant Security, which shall be determined by the Directors,

- 2 1 3 invite the relevant offerees to respond in writing to the Company stating the number of Relevant Securities for which they wish to subscribe, and
- 2 1 4 expire, and the offer made therein to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on the date specified in that notice, being not less than 10 nor more than 20 Business Days after the date of the Subscription Notice
- 2 2 After the expiry of the period referred to in the Subscription Notice or, if sooner, upon all Members having responded to the Subscription Notice (in either case, the **Subscription Allocation Date**), the Directors shall allocate the Relevant Securities in accordance with the applications received provided that
 - 2 2 1 no Relevant Securities shall be allocated to any Member who, at the Subscription Allocation Date, is bound to give, or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name (including, for the avoidance of doubt, a Compulsory Transfer Notice),
 - 2 2 2 if there are applications for more than the number of Relevant Securities available, the Relevant Securities shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Relevant Securities than he applied for) to the number of Shares held by each of them respectively, and
 - 2 2 3 the allocation of any fractional entitlements to Relevant Securities amongst the Members shall be dealt with by the Directors in such manner as they see fit
- 2 3 Within 5 Business Days of the Subscription Allocation Date the Directors shall give notice in writing (a **Subscription Allocation Notice**) to each Member to whom Relevant Securities have been allocated pursuant to article 2 2 (each a **Subscriber**) A Subscription Allocation Notice shall state
 - 2 3 1 the number and class of Relevant Securities allocated to that Subscriber,
 - 2 3 2 the aggregate subscription price payable by the Subscriber in respect of the Relevant Securities allocated to him, and
 - 2 3 3 the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Subscription Allocation Notice) at which completion of the subscription for the Relevant Securities shall take place
- 2 4 Completion of a subscription for Relevant Securities pursuant to a Subscription Allocation Notice shall take place at the place, date and time specified in the Subscription Allocation Notice when the Subscriber will pay the relevant subscription monies to the Company in cleared funds and the Company will allot or grant the Relevant Securities to that Subscriber and deliver to that Subscriber a duly executed share certificate or certificate of grant (as the case may be) in respect of those Relevant Securities If a Subscriber shall fail for any reason to pay the relevant subscription monies in respect of any Relevant Securities to the Company in cleared funds by the date specified in the Subscription Allocation Notice he shall be deemed to have declined the offer made to him in respect of those Relevant Securities which shall immediately be deemed to be released from the provisions of articles 2 1 to 2 3
- 2 5 Any Relevant Securities which are not accepted pursuant to articles 2 1 to 2 3, and any Relevant Securities released from the provisions of those articles either by virtue of a Subscriber's default in accordance with article 2 4 or by direction of an A Shareholder Majority, may be offered by the Directors to any person and such Relevant Securities shall, subject to the provisions of the Act, be at the disposal of the Directors who may allot, grant or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think fit in their absolute discretion, provided that
 - 2 5 1 no Share shall be issued at a discount,
 - 2 5 2 no Relevant Securities shall be allotted, granted or otherwise disposed of on terms which are more favourable than those on which they were offered to the Members pursuant to article 2 1, and

- 2 5 3 no Relevant Securities shall be allotted, granted or otherwise disposed of more than 3 months after the date of the relevant Subscription Notice relating to those Relevant Securities (or, in the case of Relevant Securities released from the provisions of articles 2 1 to 2 3 by virtue of a special resolution, the date of that special resolution) unless the procedure in articles 2 1 to 2 3 is repeated in relation to that Relevant Security
- 2 6 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to the Company
- 3 **RANKING OF SHARES**
- Subject to the provisions of these Articles, the Shares shall rank *pari passu* regardless of class
- 4 **VOTES OF SHAREHOLDERS**
- 4 1 On a written resolution the A Shareholders shall each have one vote
- 4 2 On a show of hands, each A Shareholder who (being an individual) is present in person or by proxy (not being himself a Shareholder entitled to vote) or (being a corporation) is present by a representative or proxy (not being himself a Shareholder) has one vote
- 4 3 On a poll each A Shareholder has one vote for each share held by him
- 4 4 The rights respectively attached to any A Share or B Share may be varied or abrogated with the consent in writing of the holders of not less than three quarters of the number of issued Shares provided that where the variation or abrogation affects the rights attaching to either the A Shares or the B Shares the consent in writing of not less than three quarters in nominal value of the issued shares of the relevant class or the sanction of a special resolution passed at a separate general meeting of the A Shareholders or B Shareholders respectively is required to give effect to the variation or subrogation of the rights attaching to the A Shares or the B Shares
- 4 5 Other than the class specific general meeting in article 4 4 the B Shareholders shall not be entitled to receive notice of or attend or vote at any general meeting of the Company
- 5 **CAPITAL**
- On return of assets on liquidation or otherwise the surplus assets of the Company remaining after the payment of its liabilities and available for distribution amongst the Shareholders shall be applied
- 5 1 first in paying to the Shareholders a sum equal to the aggregate nominal value of shares as a class (and pro rata between themselves),
- 5 2 second in paying to the A Shareholders £700,000,000 as a class (and pro rata between themselves) less the aggregate of any dividends or other value already received in respect of the A Shares whether by way of return of capital, purchase of own shares or otherwise,
- 5 3 third in paying to the B Shareholders as a class (and pro rata between themselves) any surplus that may remain
- 6 **REALISATION EVENT**
- 6 1 In the event of a Sale or Listing any surplus remaining after the payment of costs and expenses (including any irrecoverable input VAT) arising in relation to the Sale or Listing shall be distributed amongst such selling Shareholders (and pro rata between Shareholders of the same class) in accordance with the allocation of value in Article 5 as if the distribution constituted a return of capital to Shareholders
- 6 2 In the case of a Sale the consideration for which is not payable in cash or which is payable as a combination of cash and any other form of consideration the consideration shall be allocated amongst the Shareholders in accordance with the allocation of value provided for in articles 5 and 6 1 and in the event of any disagreement as may be reasonably determined by the Auditors to ensure the allocation of value in accordance with articles 5 and 6 1
- 6 3 If required to facilitate a Listing immediately before and conditional on such Listing the Shareholders shall enter into such reorganisation of the share capital of the Company as

they may agree or, in default of agreement as the Auditors may reasonably specify to ensure that the allocation and surplus referred to in article 6 1 between the Shareholders is identical or as close as practically possible to the way article 6 1 provides

7 DIVIDENDS

7 1 Subject to the provisions of this Article 7 the Company may by ordinary resolution declare dividends and the Directors may decide to pay dividends (interim or final) in respect of the A Shares or the B Shares or all or any of them

7 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

7 3 The first £1,000 of any dividend declared shall be paid to the B Shares as a class

7 4 The A Shares shall not be entitled to any dividend to the extent it exceeds the entitlement attributable to the A Shares pursuant to Articles 5 1 and 6 1

7 5 Subject to Article 7 3 the B Shares shall not be entitled to any dividend unless and until the entitlement to value of the A Shares pursuant to Articles 5 1 and 6 1 is satisfied

8 TRANSFER OF SHARES - GENERAL

8 1 Notwithstanding any other provision of these Articles (except for Article 11), the Directors shall not register a transfer of any interest in a Share unless the transfer is approved in writing by an A Shareholder Majority

8 2 For the purposes of ensuring that a transfer of any Share is in accordance with these Articles, the Directors may from time to time require any Member to provide, or to procure that any person named as the transferee in any transfer lodged for registration or any other person whom the Directors reasonably believes to have information relevant to such purpose provides, such information and evidence as the Directors may reasonably require for such purpose. Pending such information or evidence being provided, the Directors are entitled to refuse to register any relevant transfer of Shares

9 PRE-EMPTION ON TRANSFER OF SHARES

9 1 Transfer Notice

9 1 1 Subject to Article 10 any Member (a "Seller") who wishes to transfer any legal or beneficial interest in any Share shall, before transferring or agreeing to transfer such Share (or interest), give notice in writing (a **Transfer Notice**) to the Company of his wish

9 1 2 A Transfer Notice shall

- (a) state the number and class of Shares and the interest therein (the **Sale Shares**) which the Seller wishes to transfer,
- (b) state the name of the person (if any) to whom the Seller wishes to transfer the Sale Shares,
- (c) state the price (the **Proposed Price**) at which the Seller wishes to transfer the Sale Shares,
- (d) state if the Transfer Notice is conditional upon all (and not only part) of the Sale Shares being sold pursuant to this article 9 (a **Total Transfer Condition**),
- (e) constitute the Company as the agent of the Seller in relation to the sale of the Sale Shares in accordance with this article 9, and
- (f) not be capable of variation or cancellation without the consent of the Directors or as provided for in article 9 2 4

9 2 **Transfer Price**

- 9 2 1 The Sale Shares will be offered for sale in accordance with this article 9 at the following price (the **Transfer Price**)
- (a) subject to the consent of the Directors, the Proposed Price, or
 - (b) such other price as may be agreed between the Seller and the Directors within 10 Business Days of the date of service of the Transfer Notice, or
 - (c) if no price is agreed pursuant to article (b) within the period specified in that article, or if the Directors direct at any time during that period, whichever is the lower of (i) the Proposed Price and (ii) the Fair Value
- 9 2 2 If the Seller and the Directors are unable to agree on the Transfer Price in accordance with article 9 2 1(b) or if the Directors direct in accordance with article 9 2 1(c), the Directors shall instruct the Auditors to determine and certify the Fair Value of the Sale Shares. The decision of the Auditors (who shall be deemed to act as an expert and not as an arbitrator) shall be final and binding on the Members, save in the event of fraud or manifest error, and their costs for reporting on their opinion of the Fair Value shall, subject to article 9 2 3, be borne as directed by the Auditors (taking into account the conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, in the absence of any such direction, as to one half by the Seller and the other half by the Company
- 9 2 3 Where the Seller revokes the Transfer Notice in accordance with article 9 2 4 then the Auditors' fees shall be borne wholly by the Seller
- 9 2 4 Where the Fair Value is less than the Proposed Price the Seller may revoke the Transfer Notice by notice in writing served on the Company within 5 Business Days of the date on which the notification of the Fair Value was first served on the Seller by the Company or the Auditors

9 3 **Offer Notice**

- 9 3 1 Subject to article 9 3 2, the Directors shall serve a notice (an **Offer Notice**) on all Members (of the relevant class pursuant to Article 9 4 1(d)) within 10 Business Days of the Transfer Price being agreed or determined in accordance with these Articles
- 9 3 2 An Offer Notice shall not be sent, and no Sale Shares shall be treated as offered to, the Seller or to any Member who, at the date of the Offer Notice, or has given a Transfer Notice in respect of any Shares registered in his name
- 9 3 3 An Offer Notice shall
- (a) state the Transfer Price,
 - (b) contain the other relevant information set out in the Transfer Notice,
 - (c) invite the relevant offerees to respond in writing to the Company stating the number of Sale Shares which they wish to purchase, and
 - (d) expire, and the offer made in that Offer Notice shall be deemed to be withdrawn, on a date which is not less than 10 nor more than 20 Business Days after the date of the Offer Notice

9 4 **Allocation of Sale Shares**

- 9 4 1 After the expiry of the period specified in the Offer Notice or, if sooner, upon all Members to whom an Offer Notice was sent having responded to that Offer Notice (in either case the **Allocation Date**), the Directors shall allocate the Sale Shares in accordance with the applications received provided that
- (a) if there are applications for more than the number of Sale Shares available, the Sale Shares shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Sale Shares than he applied for) to the number of Shares

held by each of them respectively,

- (b) the allocation of any fractional entitlements to Sale Shares amongst the Members shall be dealt with by the Directors in such manner as they see fit, and
- (c) no Sale Shares shall be allocated to any Member who, at the Allocation Date, has given a Transfer Notice in respect of any Shares registered in his name,
- (d) Sale Shares being A shares (or interests therein) shall be offered to A Shareholders exclusively and Sale Shares being B Shares (or interests therein) shall be offered first to B Shareholders with any surplus not taken up by B Shareholders then offered to A Shareholders

9 4 2 Within 5 Business Days of the Allocation Date the Directors shall give notice in writing (an **Allocation Notice**) to the Seller and each Member to whom Sale Shares have been allocated pursuant to article 9 4 1 (each a **Buyer**) An Allocation Notice shall state

- (a) the number and class of Sale Shares allocated to that Buyer,
- (b) the name and address of the Buyer,
- (c) the aggregate purchase price payable by the Buyer in respect of the Sale Shares allocated to him,
- (d) the information (if any) required pursuant to article 9 4 4, and
- (e) subject to article 9 4 4, the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Allocation Notice) at which completion of the sale and purchase of the relevant Sale Shares shall take place

9 4 3 Subject to article 9 4 4, completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the place, date and time specified in the Allocation Notice when the Seller will, upon payment of the Transfer Price in respect of the Sale Shares allocated to a Buyer, transfer those Sale Shares, and deliver the relevant share certificate(s) in respect of such Sale Shares, to that Buyer

9 4 4 If the Transfer Notice contained a Total Transfer Condition and the total number of Shares applied for and allocated to the Buyers in accordance with article 9 4 1 is less than the total number of Sale Shares then

- (a) the Allocation Notice will refer to the Total Transfer Condition and will contain a further offer (the **Further Offer**) to the Buyers inviting them to apply for further Sale Shares at the Transfer Price,
- (b) the Further Offer shall expire, and shall be deemed to be withdrawn, upon the expiry of the period (being not more than 20 Business Days) specified in the Allocation Notice,
- (c) any Sale Shares accepted by the Buyers pursuant to the Further Offer shall be allocated amongst them in accordance with the provisions of articles 9 4 1(a) to 9 4 1(c), and
- (d) following the allocation of any Sale Shares amongst the Buyers in accordance with article 9 4 1, and provided all the Sale Shares have then been allocated, the Directors shall issue revised Allocation Notices in accordance with article 9 4 2 but omitting article 9 4 2(d)

9 4 5 Subject to article 9 4 6, the service of an Allocation Notice (or a revised Allocation Notice in accordance with article 9 4 4) shall constitute the acceptance by a Buyer of the offer to purchase the number of Sale Shares specified in that Allocation Notice on the terms offered to that Buyer

9 4 6 If after following the procedure set out in this article 9 the total number of

Shares applied for and allocated to the Buyers remains less than the total number of Sale Shares, then

- (a) if the Transfer Notice contained a Total Transfer Condition, then notwithstanding any other provision of this article 9 no Sale Shares shall be deemed to have been allocated to any Buyer and the Seller and the Buyers shall not be bound to sell or purchase any Sale Shares in accordance with this article 9, and
- (b) the Company shall notify the Seller that it has failed to find Buyers for all or some (as the case may be) of the Sale Shares

9 5 Default by the Seller

- 9 5 1 If a Seller shall fail for any reason (including death) to transfer any Sale Shares to a Buyer when required by this article 9, the Directors may authorise any Director to execute each necessary transfer of Sale Shares on the Seller's behalf and to deliver that transfer to the relevant Buyer
- 9 5 2 The Company may receive the purchase money from a Buyer on behalf of the Seller and shall then, subject to due stamping, enter the name of that Buyer in the register of members of the Company as the holder of the Sale Shares so transferred to him. The receipt of the Company for the purchase money shall constitute a good discharge to the Buyer (who shall not be bound to see to the application of it) and after the Buyer has been registered in purported exercise of the power conferred by this article 9 5 the validity of the proceedings shall not be questioned by any person
- 9 5 3 The Company shall hold the relevant purchase money on trust for the Seller (but without interest) and the Company shall not pay such money to the Seller until he has delivered to the Company the share certificate(s) in respect of the relevant Shares (or a suitable indemnity in a form reasonably satisfactory to the Directors)

9 6 Transfers following exhaustion of pre-emption rights

If any Sale Shares are not allocated to a Buyer under any of the previous provisions of this article 9 the Seller shall if so directed in writing by an A Shareholder Majority, sell the Shares to which the Transfer Notice relates to the Company (provided such acquisition by the Company is legally permissible) and if no such direction from an A Shareholder Majority is made within three months of the notice referred to in article 9 4 6(b) the Seller may (within a further period of three months) sell all those unallocated Sale Shares to the person named in the Transfer Notice (or, if none was so named, any other person with the written approval of an A Shareholder Majority not to be unreasonably withheld,) at not less than the Transfer Price (without any deduction, rebate or allowance to the proposed purchaser) provided that the Directors may require to be satisfied that the relevant Sale Shares are being transferred under a bona fide sale for the consideration stated in the transfer without deduction, rebate or allowance to the proposed purchaser and, if not so satisfied, may refuse to register the transfer (without prejudice to any power of the Directors to refuse to register a transfer in accordance with article 8)

9 7 A Shareholder Majority

The provisions of this article 9 (or any part of them) shall not apply to and/or may be modified in relation to any transfer of Sale Shares if and as so directed in writing by an A Shareholder Majority

10 PERMITTED TRANSFERS

10 1 Transfer with consent

Any Shares may be transferred at any time with the prior consent of an A Shareholder Majority

10 2 Transfer with consent

10 2 1 Subject to the consent of an A Shareholder Majority, any individual Member may at any time transfer any of the Shares held by him to one or more trustees to be held on a Permitted Trust

10 2 2 Where any Shares are held by a trustee(s) on a Permitted Trust, subject to the consent of any A Shareholder Majority and the provisions of the Permitted Trust, those Shares may be transferred to

- (a) Any new trustee(s) of the Permitted Trust appointed on a change in trustee(s),
- (b) The settlor of such Permitted Trust,
- (c) The trustees of another Permitted Trust, or
- (d) Any beneficiary of such Permitted Trust on their becoming entitled to such Shares under the terms of the Permitted Trust or in accordance with the exercise of powers conferred by the Permitted Trust

10 3 **Transfer to the Company**

Any Member may at any time, with the consent of an A Shareholder Majority, transfer Shares to the Company in accordance with the Act and these Articles

11 **COMPULSORY TRANSFERS**

11 1 In this article 11 each of the following shall be a **Transfer Event** in relation to a Member holding Shares (and Member for the purposes of this article 11 shall include any Primary Beneficiary of any trust or settlement holding Shares or such of them as an A Shareholder Majority may nominate for that purpose) or

11 1 1 in the case of a Member

- (a) an order being made for the bankruptcy of that Member or a petition being presented for such bankruptcy which petition is not withdrawn or dismissed within 10 Business Days of being presented,
- (b) the Member convening a meeting of his creditors or circulating a proposal in relation to, or taking any other steps with a view to, making an arrangement or composition in satisfaction of his creditors generally,
- (c) the Member being unable to pay his debts as they fall due (within the meaning of section 268 Insolvency Act 1986),
- (d) any step being taken for the appointment of a receiver, manager or administrative receiver over all or any part of the Member's assets, or any other steps being taken to create or enforce any Encumbrance over all or any part of the Member's assets or any Shares held by that Member,
- (e) any proceedings or orders equivalent or analogous to any of those described in article (b) to (e) above occurring in respect of the Member under the law of any jurisdiction outside England and Wales,
- (f) that Member suffering from mental disorder and being admitted to hospital or, by reason of his mental health, being subject to any court order which wholly or partly prevents that Member from personally exercising any powers or rights which that Member would otherwise have,
- (g) any proceedings occurring in relation to a Member arising out of the breakdown of a matrimonial, civil partnership or co-habitation relationship of such Member

and in any such case, an A Shareholder Majority notifying the Company within six months of the occurrence of such event (or, if later, within six months of the date on which the A Shareholders first become aware of the occurrence of such event) that such event is a Transfer Event in relation to that Member for the purposes of this article 11

- 11 2 Upon an A Shareholder Majority notifying the Company that an event is a Transfer Event in respect of a Member in accordance with article 11 1, the relevant Member and any other person holding Shares for such Member (including trustees), shall be deemed to have served a Transfer Notice (a **Compulsory Transfer Notice**) in respect of all the Compulsory Transfer Shares held from time to time by each of them respectively. A Compulsory Transfer Notice shall supersede any current Transfer Notice in respect of any Compulsory Transfer Shares.
- 11 3 The Compulsory Transfer Shares shall be offered for sale in accordance with the provisions of article 9 as if the Compulsory Transfer Shares were Sale Shares.
- 12 **DRAG ALONG**
- 12 1 If an A Shareholder Majority (together the **Selling Members**) wish to transfer all their Shares to a proposed purchaser (the **Proposed Purchaser**), they shall have the option (a **Drag Along Option**) to require all or any of the other Members (the **Remaining Members**) to transfer all their Shares with full title guarantee to the Proposed Purchaser (or as the Proposed Purchaser shall direct) in accordance with this article 12.
- 12 2 The Selling Members shall exercise the Drag Along Option by giving notice to that effect (a **Drag Along Notice**) to each of the Remaining Members at any time before the registration of the transfer of the Selling Members' Shares. A Drag Along Notice shall specify
- 12 2 1 that the Remaining Members are required to transfer all their Shares (the **Remaining Shares**) pursuant to this article 12,
- 12 2 2 the identity of the Proposed Purchaser,
- 12 2 3 the consideration for which, or the price at which, the Remaining Shares are to be transferred, determined in accordance with article 12 4 (the **Drag Along Consideration**), and
- 12 2 4 the proposed date of transfer (if known).
- 12 3 A Drag Along Notice
- 12 3 1 may be revoked by the Selling Members at any time prior to the completion of the sale and purchase of the Remaining Shares, and
- 12 3 2 shall lapse if for any reason the sale of the Selling Members' Shares to the Proposed Purchaser is not completed within 40 Business Days of the date of service of the Drag Along Notice (such lapse being without prejudice to the right of the Selling Members to serve any further Drag Along Notice following such lapse).
- 12 4 Subject to article 12 6 the Drag Along Consideration shall be the same consideration per Remaining Share of the same class (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Proposed Purchaser in respect of each Share held by the Selling Members together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Selling Members which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Shares held by those Selling Members. The Drag Along Consideration and the consideration received or receivable by the Selling Members shall together in aggregate be the Realisation Value for the purposes of calculating the allocation of that Realisation Value amongst the Members in accordance with articles 5 and 6 1 with the effect that (inter alia) the Drag Along Consideration in respect of B Shares shall be calculated according to the allocation of value in articles 5 and 6 1 and shall be nil unless and until the A Shareholders have received the value so allocated to them.
- 12 5 Completion of the sale and purchase of the Remaining Shares shall take place on the same date as completion of the sale and purchase of the Selling Members' Shares (or such later date, being not more than 20 Business Days after the date of such completion, as an A Shareholder Majority may direct in writing).
- 12 6 Upon the service of a Drag Along Notice each Remaining Member shall be deemed to have irrevocably appointed each of the Selling Members (severally) as the agent of the

Remaining Member to execute, in the name of and on behalf of that Remaining Member, any stock transfer form and covenant for full title guarantee in respect of the Remaining Shares registered in the name of that Remaining Member and to do such other things as the agent may consider necessary or desirable to transfer and complete the sale of the Remaining Shares pursuant to this article 12

- 12 7 The provisions of this article 12 shall prevail over any contrary provisions of these Articles and, for the avoidance of doubt, the rights of pre-emption and other restrictions on transfer of Shares contained in these Articles shall not apply to the transfer of any Shares to a Proposed Purchaser named in a Drag Along Notice (or as that Proposed Purchaser may direct) Any Transfer Notice or Compulsory Transfer Notice served in respect of a Share which has not been allocated to a Buyer in accordance with article 10 shall automatically be revoked by the service of a Drag Along Notice

13 TAG ALONG

- 13 1 Subject to article 12 and save in the case of a transfer of Shares which is permitted in accordance with the provisions of article 9, but otherwise notwithstanding any other provision of these Articles, no sale or other disposition of any Shares (the **Committed Shares**) which would result in a Change of Control shall be made or registered unless before the transfer is lodged for registration

13 1 1 an A Shareholder Majority has consented to such transfer; and

13 1 2 the relevant third party purchaser has made a bona fide offer (a **Tag Along Offer**) by notice in writing (a **Tag Along Notice**) to acquire, in accordance with this article 13, from all the Members other than the third party purchaser (or persons connected with or acting in concert with him) all the Shares which are not Committed Shares (the **Uncommitted Shares**) for the consideration, or at the price, (the **Tag Along Consideration**) calculated in accordance with article 13 3

- 13 2 A Tag Along Notice shall

13 2 1 state the Tag Along Consideration,

13 2 2 state the identity of the relevant third party purchaser,

13 2 3 invite the relevant offerees to respond in writing to the third party purchaser stating that they wish to accept the Tag Along Offer, and

13 2 4 expire, and the offer made in that notice to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on the date (being not less than 5 nor more than 20 Business Days after the date of the Tag Along Notice) specified in that notice

- 13 3 For the purposes of this article 13, the Tag Along Consideration shall be the same consideration per Uncommitted Share of the same class (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the third party purchaser in respect of each Committed Share together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Committed Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Committed Shares The Tag Along Consideration shall in aggregate be the Realisation Value for the purposes of calculating allocation of value as prescribed in Articles 5 and 6 1 with the effect that (inter alia) the Tag Along Consideration in respect of B Shares shall be calculated in accordance with such allocation of value and shall be nil unless and until the A Shareholders have received the value so allocated to them

14 GENERAL MEETINGS

- 14 1 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon Members together holding an A Shareholder Majority present either in person, by proxy or by a duly appointed corporate representative shall be a quorum

- 14 2 Article 41 of the Model Articles shall be amended by the addition of the following as a new

- paragraph 41(7) in that article "If within half an hour of the time appointed for the holding of an adjourned meeting a quorum is not present, the meeting shall be dissolved
- 14 3 A poll may be demanded at any general meeting by
- 14 3 1 the chairman, or
- 14 3 2 any Member present (in person, by proxy or by a duly appointed corporate representative) and entitled to vote on the relevant resolution
- Article 44(2) of the Model Articles shall not apply to the Company
- 14 4 Article 44(3) of the Model Articles shall be amended by the insertion of the following as a new paragraph at the end of that article "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made "
- 14 5 Article 45(1) of the Model Articles shall be amended as follows
- 14 5 1 by the deletion of the words in Article 45(1)(d) and the insertion in their place of the following "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 exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate ", and
- 14 5 2 by the insertion of the following as a new paragraph at the end of Article 45(1) "and a proxy notice which is not delivered in such manner shall be invalid unless the Directors, in their discretion, accept the proxy notice at any time before the meeting "
- 14 6 The Company shall not be required to give notice of a general meeting to a Member
- 14 6 1 whose registered address is outside the United Kingdom unless he has provided an address for service within the United Kingdom, or
- 14 6 2 for whom the Company no longer has a valid United Kingdom address
- 15 **APPOINTMENT AND REMOVAL OF DIRECTORS**
- 15 1 Unless and until determined otherwise by ordinary resolution of the Company, the number of Directors (other than alternate directors) shall be a minimum of one and is not subject to any maximum
- 15 2 The office of a Director shall automatically be vacated, and the Director in question shall be deemed to have resigned, upon that Director failing to take part in any directors' decisions for a period of more than 6 consecutive months and the Directors resolving that his appointment as a Director should terminate (and the director in question shall not be an "Eligible Director" for the purposes of such resolution of the Directors) Article 18 of the Model Articles shall be extended accordingly
- 15 3 In any case where, as a result of death or bankruptcy, the Company has no Members and no Directors, the transmittee(s) of the last Member to have died or to have a bankruptcy order made against him (as the case may be) has the right, by notice in writing, to appoint a natural person who is willing to act and is permitted to do so, to be a Director Article 27(3) of the Model Articles shall be modified accordingly
- 16 **ALTERNATE DIRECTORS**
- 16 1 Any Director (in this article 16, an "appointor") may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to
- 16 1 1 exercise that director's powers, and
- 16 1 2 carry out that director's responsibilities
- in relation to the taking of decisions by the Directors, in the absence of the alternate's appointor
- 16 2 Any appointment or removal of an alternate must be effected by notice in writing to the

- Company signed by the appointor, or in any other manner approved by the Directors
- 16 3 The notice must
- 16 3 1 identify the proposed alternate, and
- 16 3 2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice
- 16 4 An alternate Director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor
- 16 5 Save as provided otherwise in these Articles, alternate Directors
- 16 5 1 are deemed for all purposes to be Directors,
- 16 5 2 are liable for their own acts and omissions,
- 16 5 3 are subject to the same restrictions as their appointors; and
- 16 5 4 are not deemed to be agents of or for their appointors
- and, in particular, 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
- 16 6 A person who is an alternate Director but not a Director
- 16 6 1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating),
- 16 6 2 may 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), and
- 16 6 3 shall not be counted as more than one Director for the purposes of articles 16 6 1 and 16 6 2
- 16 7 A Director who is also an alternate Director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the Directors (provided that his appointor is an Eligible Director in relation to that decision), but shall not count as more than one Director for the purposes of determining whether a quorum is present
- 16 8 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the remuneration of the alternate's appointor as the appointor may direct by notice in writing to the Company. An alternate Director shall be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director
- 16 9 The appointment of an alternate Director terminates
- 16 9 1 when the alternate's appointor revokes the appointment by notice in writing to the Company specifying when it is to terminate,
- 16 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,
- 16 9 3 on the death of the alternate's appointor,
- 16 9 4 when the appointment of the alternate's appointor as a Director terminates, or
- 16 9 5 when written notice from the alternate, resigning his office, is received by the Company
- 17 **PROCEEDINGS OF DIRECTORS**
- 17 1 Save where the Company has a sole Director, two Eligible Directors, present either in person or by a duly appointed alternate, shall be a quorum. For the purpose of any meeting held to authorise a director's conflict of interest under article 19 if there is only one Eligible

Director in office other than the conflicted Director(s), the quorum for such meeting shall be one Eligible Director. A sole Director may exercise all the powers of the directors and Article 11(3) of the Model Articles shall be modified accordingly. For so long as the Company has a sole Director the quorum for transaction of the business of the directors shall be one. Article 11(2) of the Model Articles shall not apply to the Company.

- 17 2 If the number of votes for and against a proposal at a Directors' meeting are equal the chairman or other Director chairing the meeting shall not have a casting vote. Article 13 of the Model Articles shall not apply to the Company.

18 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 18 1 Subject to sections 177 and 182 of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way (whether directly or indirectly) interested in an existing or proposed transaction or arrangement with the Company

18 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,

18 1 2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or a committee of Directors) in respect of such contract or proposed contract in which he is interested,

18 1 3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision of the Directors, in respect of such contract or proposed contract in which he is interested,

18 1 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,

18 1 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

18 1 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 Act)) 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 Act.

- 18 2 Articles 14(1) to 14(4) of the Model Articles shall not apply to the Company.

19 DIRECTORS' CONFLICTS OF INTEREST

- 19 1 The Directors may, in accordance with the requirements set out in this article 19, authorise any matter or situation proposed to them by any Director which would, if not authorised involve a Director breaching his duty under section 175 of the Act to avoid situations which conflict or possibly may conflict with the interests of the Company (a "Conflict")

- 19 2 Any authorisation under this article will be effective only if

19 2 1 the matter in question shall have been proposed by any Director for consideration at a meeting of Directors in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine,

19 2 2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question, and

19 2 3 the matter was agreed to without the Director in question or would have been agreed to if his vote had not been counted.

- 19 3 Any authorisation of a Conflict under this article 19 shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded) and may, whether at the time of giving the authorisation or subsequently
- 19 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised,
 - 19 3 2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine, and
 - 19 3 3 be terminated or varied by the Directors at any time
- This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation
- 19 4 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to
- 19 4 1 disclose such information to the Directors or to any Director or other officer or employee of the Company, or
 - 19 4 2 use or apply any such information in performing his duties as a Director
- where to do so would amount to a breach of that confidence
- 19 5 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide that the Director
- 19 5 1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict,
 - 19 5 2 is not given any documents or other information relating to the Conflict, and
 - 19 5 3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict
- 19 6 Where the Directors authorise a Conflict
- 19 6 1 the relevant Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict, and
 - 19 6 2 the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation
- 19 7 A Director may, notwithstanding his office, be a director or other officer of, or employed by or otherwise interested in
- 19 7 1 any Group Company, or
 - 19 7 2 any Member who appointed him as a Director (or any company which is for the time being a subsidiary or holding company of that Member or another subsidiary of such holding company)
- and no authorisation under article 19 1, shall be necessary in respect of such interest
- 19 8 A Director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

20 **SECRETARY**

The Directors may appoint any person who is willing to act as the Secretary of the Company for such term, on such remuneration and on such conditions as they may think fit and may from time to time remove or replace such person

21 SERVICE OF DOCUMENTS

21 1 Any notice, document or other information given in accordance with these Articles shall be deemed served on or delivered to the intended recipient

21 1 1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted,

21 1 2 if properly addressed and sent by reputable international overnight courier to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, 5 Business Days after posting provided that delivery in at least 5 Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider,

21 1 3 if properly addressed and delivered by hand, when it was given or left at the appropriate address,

21 1 4 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and

21 1 5 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

For the purposes of this article 21 1, no account shall be taken of any part of a day that is not a working day

21 2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act

22 INDEMNITY

22 1 Subject to article 22 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

22 1 1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer

(a) in the actual or purported execution and/or discharge of his duties, or in relation to them, and

(b) in relation to the activities of the Company (or any associated company) as trustee of an occupational pension scheme (as defined in section 235(6) of the Act)

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 affairs of the Company (or any associated company), and

22 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 22 1 1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

22 2 This article 22 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law

- 22 3 In this article 22 and in article 23
- 22 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- 22 3 2 a **relevant officer** means any director or other officer or former director or other officer of the Company or any associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or any associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)
- 22 4 Article 52 of the Model Articles shall not apply to the Company
- 23 **INSURANCE**
- 23 1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any loss or liability which has been or may be incurred by that relevant officer in connection with his 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
- 23 2 Article 53 of the Model Articles shall not apply to the Company