

Company number: 07324345

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

- of -

BTH 1 LIMITED
(the "Company")



A51 *AWJ8WNO4* 24/09/2010 70
COMPANIES HOUSE

22 September 2010 (the "Circulation Date")

Pursuant to chapter 2 of part 13 of the Companies Act 2006 (the "Act"), the directors of the Company propose that resolutions 1 and 2 below are passed as ordinary resolutions and resolutions 3 and 4 below are passed as special resolutions (together the "Resolutions")

IT IS HEREBY RESOLVED that

ORDINARY RESOLUTIONS

- 1 The one ordinary share in the Company be redesignated as an A ordinary share, carrying such rights as are provided for the A ordinary shares in the Articles (as such term is defined in resolution 3)
- 2 The directors be generally and unconditionally authorised for the purposes of section 551 of the Act to exercise all the powers of the Company to allot 403,767 A ordinary shares, 111,242 B ordinary shares and 19,000 C ordinary shares in the Company provided that
 - (a) the authority granted under this resolution shall expire on the date which is five years after the date on which this resolution is passed, and
 - (b) the Company may, before such expiry under paragraph (a) above of this resolution, make an offer or agreement which would require shares to be allotted or rights to subscribe for shares to be granted after such expiry and the directors may allot such shares or grant such rights (as the case may be) in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired

SPECIAL RESOLUTIONS

- 3 The articles of association contained in the document attached to these Resolutions and initialled (the "Articles") be approved and adopted as the new articles of association of the Company in substitution for and to the entire exclusion of the existing articles of association with immediate effect
- 4 The directors be generally empowered pursuant to section 570 of the Act to allot equity securities wholly for cash pursuant to the authority conferred by resolution 2 above as

if section 561 of the Act and any rights of pre-emption (however expressed) contained in the Articles did not apply to any such allotment (the expression "equity securities" and references to the allotment of "equity securities" bearing the same respective meanings in this resolution as in section 560 of the Act)

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Resolutions

The undersigned, being the sole member of the Company entitled to vote on the Resolutions on the Circulation Date in accordance with the Company's current articles of association, hereby irrevocably agree to the Resolutions

SIGNED by Rutland Partners LLP acting under power of attorney as a manager
On behalf of Rutland Fund II LP



Date 22 September 2010

NOTES

- 1 You can choose to agree to all of the Resolutions or none of them but you cannot agree to only some of the Resolutions. If you agree to all of the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company. If you do not agree to 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 Unless, by 28 days after the Circulation Date, sufficient agreement has been received from the required majority of eligible members for the Resolutions to be passed, it will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us on or before this date.
- 4 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: 07324345

The Companies Act 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

BTH1 LIMITED

(Adopted by special resolution passed on 22 September 2010)



24/09/2010
COMPANIES HOUSE

71

TAYLOR WESSING LLP
5 New Street Square
London EC4A 3TW

Company number: 07324345

The Companies Act 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

BTH1 LIMITED
(the "Company")

(Adopted by special resolution passed on 22 September 2010)

1 Preliminary

- 1 1 Except as otherwise provided in these articles the articles contained in the Model Articles shall constitute the articles of the Company. In the case of any inconsistency between these articles and the articles of the Model Articles, the provisions of these articles shall prevail.
- 1 2 Articles 7(2), 8(2) and (3), 9(4), 10(3), 11(2) and (3), 12, 13, 14, 17, 19, 22(2), 25(2), 26(5), 27, 28, 29, 30(2), (5), (6) and (7), 31(1), 38, 39, 41(1) to (4) (inclusive), 45(1), 48(1), 50, 51, 52 and 53 of the Model Articles shall not apply to the Company.

2. Definitions and interpretation

- 2 1 In these articles the following words and expressions shall (except where the context otherwise requires) have the following meanings

"**Accepting Shareholders**" has the meaning set out in article 13 2,

"**Acceptance Period**" has the meaning set out in article 14 3,

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

"**Additional Shares**" has the meaning set out in article 11 12,

"**Adoption Date**" means the date referred to above for the adoption of these articles,

"**Annual Budget**" has the meaning set out in the Investment Agreement,

"**A Ordinary Shares**" means the A ordinary shares of £1 00 each in the capital of the Company having the rights set out in these articles,

"**Associate**" means in relation to a person

- (a) a person who is his associate and the question of whether a person is an associate of another shall be determined in accordance with section 435 of the Insolvency Act 1986, and (whether or not an associate as so defined)

(b) any Group Undertaking of that person,

"Auditors" means the auditors of the Company from time to time,

"B Ordinary Shares" means the B ordinary shares of £1 00 each in the capital of the Company having the rights set out in these articles,

"Bad Leaver" means

(a) a Relevant Employee who ceases to be an employee, consultant and/or director of the relevant Group Company as a consequence of his

(i) having committed any act of fraud or dishonesty in relation to the Company's business (including without limitation, theft or attempted theft of property or acceptance or offering of bribes), or

(ii) being guilty of gross misconduct which is a fair reason for dismissal without notice pursuant to the Employment Rights Act 1996 (or equivalent provisions, principles or otherwise in the jurisdiction in which the Relevant Employee is employed or engaged) and which (in the reasonable opinion of an Investor Director) materially affects or is likely to materially affect the business, goodwill or operation of the Company or any of its subsidiaries or bring the Company or any of its subsidiaries into disrepute, or

(iii) being convicted of an either way or indictable criminal offence or a summary offence (whether suspended or not) other than a road traffic offence not involving a custodial sentence (whether suspended or not) which in the case of a conviction pursuant to any such summary offence (in the reasonable opinion of an Investor Director) materially affects or is likely to materially affect the business, goodwill or operation of the Company or any of its subsidiaries or bring the Company or any of its subsidiaries into disrepute, or

(b) any Leaver being required to transfer his or her Leaver Shares by reason of or as a consequence of a Relevant Employee being a Bad Leaver,

"Board" means the board of directors of the Company from time to time,

"Body Corporate" has the meaning given in section 1173(1) of the Act,

"Business Day" means any day other than a Saturday or Sunday or a public holiday in England,

"C Ordinary Shares" means the C Ordinary Shares of £1 00 each in the capital of the Company having the rights set out in these articles,

"C Share Leaver Price" means the Issue Price of each such C Ordinary Share,

"Capital Dividends" means dividends that are paid in connection with, pursuant to or following the occurrence of any of the following events in respect of the Company or any Group Company (i) a reconstruction (including but not limited to a demerger (and, for completeness, to include both statutory and non-statutory demergers)), (ii) a conversion, cancellation, consolidation, sub-division, reduction in share capital (or any uncalled or unpaid liability in respect of any share capital) or share premium account or capital redemption reserve, (iii) a redemption of share capital, (iv) a disposal of any shares, business undertakings, property or other capital assets, (v) a winding-up or (vi)

any other return of capital or analogous event whether occurring in the UK or in any other jurisdiction,

"Cause" means, in the context of the termination by a Group Company of the employment or engagement of a Relevant Employee the dismissal was a result of

- (a) any grounds which justify his summary dismissal or immediate termination under the terms of his contract of employment or consultancy agreement,
- (b) gross negligence in relation to his employment or the services provided under his consultancy agreement or gross dereliction of duty, or
- (c) his disqualification from being a director of a company or Body Corporate (in any jurisdiction),

"Civil Partner" in relation to an individual means a civil partner, as defined in section 1 of the Civil Partnerships Act 2004, of that individual,

"Co-Investment Scheme" has the meaning set out in article 9 1(c)(v),

"Collective Investment Scheme" has the meaning set out in section 235 of FSMA,

"Controlling Interest" means the legal or beneficial ownership of that number of the A Ordinary Shares which in aggregate would confer more than 50 per cent of the voting rights normally exercisable at general meetings of the Company,

"Custodian" has the meaning set out in article 11 7(c),

"Debt Finance Documents" has the meaning set out in the Investment Agreement,

"Deed of Adherence" has the meaning set out in the Investment Agreement,

"Default Event" means any of the following

- (a) the failure of the Company to pay any amounts due, within 10 Business Days of the due date, pursuant to any of the Series A Loan Notes or Series B Loan Notes,
- (b) there having been a material breach of the terms Investment Agreement which, if capable of remedy, has not been remedied within 15 Business Days after the Investor has given written notice requiring the breach to be remedied For these purposes "material" shall mean a breach (other than by an Investor or any person appointed to act on behalf of the Investor in accordance with the terms of the Investment Agreement) of the provisions set out in clauses 4, 5, 6, 11 8, 14 1(a), 20, 21 3 and 24, or
- (c) there having been any material breach of any of the terms of any of the Debt Finance Documents or of any other banking facilities or bank loans made available to the Group from time to time, which breach gives rise to an event of default under any of the Debt Finance Documents or the terms of any other relevant facilities or loans,

"Defaulting Shareholder" has the meaning set out in article 12 1,

"Directors" means the directors of the Company from time to time,

"Disposal" means the sale of all or substantially all of the business and assets of the Company to one or more buyers whether through a single transaction or a series of transactions,

"Electronic Address" has the meaning given in section 333(4) of the Act,

"Electronic Means" have the meanings given in section 1168 of the Act,

"Eligible Director" means a Director who would be entitled to vote on a matter had it been proposed as a resolution at a meeting of the Directors,

"Emergency Shares" has the meaning given to it in article 6 1,

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

"Excess Shares" has the meaning set out in article 7 1,

"Excluded Shareholders" has the meaning given to it in article 7 1,

"Exit Date" means the date upon which a Listing becomes effective or a Sale or Disposal is completed or a Liquidation or other return of capital is concluded, whichever is the soonest to occur,

"Exit Event" means the occurrence of a Listing or the completion of a Sale or Disposal or the occurrence of a Liquidation or other return of capital, whichever is the soonest to occur,

"Fair Price" has the meaning set out in article 10 4,

"Family Member" means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue),

"FSMA" means the Financial Services and Markets Act 2000 including any statutory modification or re-enactment from time to time in force,

"Fund" has the meaning set out in the Investment Agreement,

"Fund Manager" means a person whose principal business is to make, manage or advise upon investments in securities,

"Good Leaver" means

- (a) a Relevant Employee who
 - (i) shall be deemed to be a good leaver by an Investor Direction, or
 - (ii) ceases to be an employee and/or a director and/or a consultant of the relevant Group Company as a consequence of
 - (A) his death,
 - (B) his permanent severe ill health or permanent disability (other than through alcohol or drug abuse), in each case, as verified by a doctor appointed by the Company (whose identity shall have been approved by an Investor Director (such approval not to be unreasonably withheld or delayed)) which renders the

Relevant Employee incapable of continued full time employment in his current position, or

- (C) his voluntary resignation for the sole purpose of caring on a full time basis for his spouse or Civil Partner who has become permanently incapacitated or has been diagnosed with a terminal disease which is likely to result in the death of the spouse or Civil Partner within 12 months of such diagnosis, in each case as verified by a doctor appointed by the Company (whose identity shall have been approved by an Investor Director (such approval not to be unreasonably withheld or delayed)), or
 - (D) his retirement in accordance with the terms of his contract of employment, service or consultancy agreement (whichever is applicable), or
 - (E) redundancy, or
 - (F) whose contract of employment or consultancy agreement (whichever is applicable) being terminated other than for Cause,
- (b) any Leaver being required to transfer his or her Leaver Shares by reason of or as a consequence of a Relevant Employee being (or being deemed to be) a Good Leaver,

"Group Company" means the Company and any other company (or other entity) which is a Subsidiary Undertaking of the Company from time to time (and **"Group"** shall be construed accordingly),

"Group Undertaking" has the meaning given in section 1161 of the Act,

"Independent Expert" means an umpire (acting as an expert and not as an arbitrator) nominated by the parties concerned and including any person (if required) appointed in accordance with these articles, including under article 11 9,

"Individual Shareholders" means the persons whose names and addresses are set out in schedule 2 to the Investment Agreement and anyone who is named as an Individual Shareholder in a Deed of Adherence,

"Institutional Investor" means any Fund or Fund Manager who is not an Investor Associate,

"Intermediate Leaver" means a Leaver who is either

- (a) not a Good Leaver or a Bad Leaver, or
- (b) who would otherwise be a Bad Leaver but has been deemed to be an Intermediate Leaver by an Investor Direction, or
- (c) who voluntarily resigns other than in circumstances specified in part (a) (ii) (C) of the definition of Good Leaver,

"Investment Agreement" means the investment agreement in relation to the Company dated the same date as the Adoption Date and made between, inter alia, (1) the Company, (2) the Individual Shareholders (as defined therein) and (3) the Investors (as defined therein) including any supplemental agreement, amendment or variation,

"Investor Associate" has the meaning set out in the Investment Agreement,

"Investor Consent" or **"Investor Direction"** has the meaning set out in the Investment Agreement,

"Investor Director" has the meaning set out in the Investment Agreement,

"Investor Majority" has the meaning set out in the Investment Agreement,

"Investors" has the meaning set out in the Investment Agreement and **"Investor"** shall be construed accordingly,

"Issue Price" means (subject to article 11 6) the price per Share at which the relevant Share is issued (being the aggregate of the amount paid up or credited as paid up in respect of the nominal value of such Share and any share premium on such Share),

"Leaver" means

- (a) any Shareholder who ceases to be a Relevant Employee,
- (b) any Shareholder (other than an Investor or Investor Associate) being a Permitted Transferee (pursuant to the provisions of articles 9 1(a) and (b)) of a Relevant Employee who ceases to be a Relevant Employee (including any such Permitted Transferee from a Relevant Employee by way of one or more intermediate transfers),
- (c) any person (other than an Investor or Investor Associate) who becomes entitled to any Shares
 - (i) on the death of a Shareholder, or
 - (ii) on the bankruptcy of a Shareholder who is an individual,
- (d) any Shareholder who is a Family Member of, or is holding Shares as a nominee for, or which is a Family Trust in relation to, any person who ceases to be a Relevant Employee,

and for the purposes of this definition, reference to a person who ceases to be a Relevant Employee shall include a person who is a Relevant Employee and whose Leaving Date is deemed, by reason of an Investor Direction, to fall within either of paragraph (a) or (b) of the definition of Leaving Date notwithstanding the fact that his employment has not yet ceased,

"Leaver Sale Notice" has the meaning set out in article 10 2,

"Leaver Sale Price" means the price payable for the relevant Leaver Shares as calculated in accordance with article 10 3,

"Leaver Shares" has the meaning set out in article 10 2,

"Leaving Date" means the date on which the relevant person becomes a Leaver, provided always that

- (a) where a Relevant Employee ceases to be an employee and/or director or consultant in circumstances where he has served notice on a Group Company or a Group Company has served notice on him terminating his employment, then, if an Investor Direction is given to the Company to such effect, the

relevant Leaving Date shall be deemed to be the date of service of such notice, and

- (b) if an Investor Direction is given to the Company to such effect, the relevant Leaving Date shall be deemed to be the commencement by the Relevant Employee of any period of garden leave under his service agreement or consultancy agreement with the relevant Group Company,

and in each of the circumstances specified in paragraphs (a) and (b) of this definition, the Relevant Employee shall be deemed to be a Leaver with effect from such deemed Leaving Date,

"Liquidation" means the passing of a resolution for the winding up of the Company or of any Group Company (as appropriate),

"Listing" means the admission of any class of the issued share capital of the Company (or any holding company of the Company) to the Official List of the UK Listing Authority and to trading on the London Stock Exchange plc's market for listed securities or to trading on the AIM market operated by the London Stock Exchange plc or to any other recognised investment exchange (as defined in section 285 of FSMA),

"Model Articles" means the model articles for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the Adoption Date (a copy of which are annexed to these articles,

"Non-Selling Shareholders" has the meaning set out in article 14 1,

"Office" means the registered office of the Company from time to time,

"Offeror" has the meaning set out in article 13 1,

"Ordinary Shares" means together the A Ordinary, the B Ordinary Shares and the C Ordinary Shares,

"Other Shareholders" has the meaning set out in article 13 2,

"Parent Undertaking" has the meaning set out in section 1162 of the Act,

"Permitted Transfer" has the meaning set out in article 8 3(a),

"Permitted Transferee" means a person to whom Shares are permitted to be transferred as a result of a Permitted Transfer,

"Proposed Purchaser" has the meaning set out in article 14 1,

"Proposed Tag Transfer" has the meaning set out in article 14 1,

"Qualifying Person" has the meaning given in section 318(3) of the Act,

"Qualifying Offer" has the meaning set out in article 13 1,

"Relevant Date" has the meaning set out in the Investment Agreement,

"Relevant Default Shares" has the meaning set out in article 12 3,

"Relevant Employee" means any person who is (or has been) a Shareholder and is

- (a) an employee of any Group Company, and/or
- (b) a director of any Group Company (not being an Investor Director), and/or
- (c) a consultant to any Group Company,

"Sale" means the sale (whether through a single transaction or a series of transactions) of Shares representing not less than 50% of the Shares held by any person and any other person

- (a) who in relation to him is a connected person, or
- (b) with whom he is acting in concert,

other than any sale of Shares to a Permitted Transferee,

"Selling Shareholder(s)" has the meaning set out in article 14 1,

"Series A Loan Notes" has the meaning set out in the Investment Agreement,

"Series B Loan Notes" has the meaning set out in the Investment Agreement,

"Shareholder" means a holder of any Share from time to time,

"Shares" means (unless the context otherwise requires) any shares in the capital of the Company (of whatever class) and **"Share"** shall be construed accordingly,

"Start Date" means the first date of acquisition or allotment of Shares to the relevant Shareholder,

"Subsidiary Undertaking" has the meaning set out in section 1162 of the Act, and

"Tag Offer" has the meaning set out in article 14 1

2 2 In these articles

- (a) headings are used for convenience only and shall not affect the construction of these articles,
- (b) words and expressions defined in the Model Articles (or, in the absence of such definition in the Model Articles, in the Act as at the Adoption Date) shall have the same meanings in these articles unless stated otherwise or the context otherwise requires,
- (c) reference to the singular includes the plural and vice versa and reference to any gender includes other genders,
- (d) references to **"and/or"** (including, without limitation, in the definition of **"Relevant Employee"**) shall be construed disjunctively, and
- (e) a **"connected person"** is a reference to a person connected with another within the meaning of sections 1122 and 1123 of the Corporation Tax Act 2010 and references to persons connected with another shall be construed accordingly

2 3 A special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these articles or the Act

2 4 In these articles, references to a "**transfer**" of a Share or of an interest in a Share will be deemed to include (without limitation)

- (a) the transfer, sale or disposition of a legal, beneficial or other interest in such Share or in the economic or voting rights attaching to it,
- (b) the creation of a trust, encumbrance or other third party right over such Share or the economic rights attaching to it, and/or
- (c) the granting of any actual, conditional or contingent right to acquire such Share or the economic or voting rights attaching to it,

in any case, whether or not

- (i) by the registered holder thereof,
- (ii) for consideration, or
- (iii) effected by instrument in writing

3 Shares

3 1 Whenever as a result of consolidation of Shares any Shareholders would become entitled to fractions of a Share, those fractions shall be allocated amongst the Shareholders by the Board in such manner as to maintain as nearly as possible the percentage holdings of the holders of B Ordinary Shares immediately prior to such consolidation relative to the percentage holdings of the holders of A Ordinary Shares

3 2 The Company may at any time, subject to the Act and to these Articles, by ordinary resolution reclassify or convert any Share into a Share of a different class and the resolution may authorise the exercise of this power on more than one occasion, at a specified time or in specified circumstances

3 3 Subject to Investor Consent, 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

3 4 A Shareholder exercising the right to be issued with a replacement share 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 the expenses reasonably incurred by the Company in investigating evidence as the Directors may reasonably determine

4 Share rights

4 1 The A Ordinary Shares and the B Ordinary Shares shall be separate classes of Shares but, except where otherwise expressly provided in these articles (including, but not limited to, articles 6 and 10 5) they shall carry the same rights to income, capital and voting and be subject to the same restrictions and rank *pari passu* in all respects

4 2 The C Ordinary Shares shall carry the following rights and be subject to the following restrictions

- (a) subject to the provisions of article 4 4 below, as to all dividends paid in cash other than Capital Dividends, the C Ordinary Shares shall rank pari passu in all respects with the A Ordinary Shares and the B Ordinary Shares,
- (b) as to Capital Dividends, dividends not paid in cash and other distributions, the C Ordinary Shares shall rank pari passu with the A Ordinary Shares and the B Ordinary Shares, subject to the provisions of article 4 3 below, and
- (c) as to votes, the C Ordinary Shares shall rank pari passu in all respects with the A Ordinary Shares and the B Ordinary Shares

4 3 The maximum aggregate amount each C Ordinary Share shall be entitled to receive on any Exit Event or by way of Capital Dividends, dividends not paid in cash or other distributions shall be equal to the C Share Leaver Price and any subsequent Capital Dividends, dividends not paid in cash or other distributions shall be apportioned amongst the holders of A Ordinary Shares and B Ordinary Shares in proportion to the number of such Shares held by each of them expressed as a percentage of the total number of issued A Ordinary Shares and B Ordinary Shares

4 4 In relation to any payment of a dividend in cash by the Company, the aggregate amount to be distributed by way of dividend shall be determined by the Company and shall be apportioned among the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares on a pro rata basis

5. Voting

As regards voting subject to the provisions of the Act and articles 4 1, 4 2, 6 (*Default Events*) and 10 5, the Ordinary Shares shall confer on each holder thereof (in that capacity) the right to

- (i) receive notice of, and to attend, speak and vote at all general meetings of the Company as follows
 - (A) on a show of hands, to cast one vote each, and
 - (B) on a poll to exercise one vote for Ordinary Share of which he is the holder, and
- (ii) receive, vote on and constitute an eligible member for the purposes of all written resolutions of the Company, with the right to cast one vote for each Ordinary Share of which he is the holder

6 Default Events

6 1 If at any time a Default Event has occurred, then

- (a) the holders of B Ordinary Shares and/or C Ordinary Shares (other than any Investors) shall cease to be entitled to vote
 - (i) (whether on a show of hands or on a poll) at any general meeting of the Company, or
 - (ii) on any proposed written resolution of the Company,

but shall (other than any Leaver(s)) retain the right to receive any resolution referred to in (ii) above and to receive notice of, attend and speak at any general meeting of the Company,

- (b) new shares ("**Emergency Shares**") in the Company may be issued upon an Investor Direction ranking ahead of or pari passu with the B Ordinary Shares and the C Ordinary Shares and any such allotment or issue shall be subject to the provisions of article 7.3,
- (c) any two Investor Directors shall constitute the quorum of any meeting of the Board,
- (d) at any meeting of the Board, the Investor Directors shall be entitled to cast such number of votes as necessary to constitute a majority of the Board

6.2 For the avoidance of doubt, if a Default Event has occurred the provisions in article 6.1 shall enable the holders of A Ordinary Shares (being the Investor, but not any other Shareholder) in issue from time to time together to

- (a) pass written resolutions of the Company pursuant to chapter 2 of part 13 of the Act, and
- (b) consent to the holding of a general meeting of the Company on short notice pursuant to section 307(4)-(6) of the Act,

in either case, on the basis that all such holders would constitute the only Shareholders who would be entitled to vote at a general meeting of the Company or vote on a proposed written resolution

6.3 The provisions of articles 6.1 and 6.2 shall only apply if the Investor has following a Default Event, served notice on the Company at the Office or at any meeting of the Board activating their respective rights under articles 6.1 and 6.2 and shall thereafter continue for so long as the breach or failure giving rise to the Default Event subsists

7. Pre-emption on new issues

7.1 Subject to all Investor Consents required under the Investment Agreement in respect of any allotment and issue having been obtained, and save in respect of any C Ordinary Shares, which shall not entitle the holder(s) thereof (in respect of their C Ordinary Shares only) to the rights set out in the remainder of this article 7, all Shares which the Company proposes to allot or issue for cash shall first be offered by the Company for subscription to the holders of the A Ordinary Shares and B Ordinary Shares (which shall be treated as one class of share) other than to any Leaver or holder of B Ordinary Shares where such holder of B Ordinary Shares has received Shares in breach of article 9 (but if that shareholder is already an existing holder of B Ordinary Shares which were issued or transferred to such shareholder in accordance with these Articles only in respect of such B Ordinary Shares transferred to him in breach of article 9) which have been received by such holder in breach of article 9 (Permitted Share Transfers) (the "**Excluded Shareholders**") in the proportion that the aggregate nominal value of such A Ordinary Shares and B Ordinary Shares for the time being held by each such Shareholder (excluding for these purposes, any Shares held by Excluded Shareholders) bears to the total number of A Ordinary Shares and B Ordinary Shares then in issue. Such offer shall be made by the Company by notice in writing specifying the number of Shares to which the relevant Shareholder is entitled and limiting a time (being not less than 20 Business Days) within which the offer (if not accepted) will be deemed to have been declined. Holders of Ordinary Shares who accept the offer shall be entitled to indicate in writing to the Company that they would

accept, on the same terms, additional Shares (specifying a maximum number) which have not been accepted by other Shareholders ("**Excess Shares**") Any Excess Shares shall be allotted to Shareholders who have indicated they would accept Excess Shares Excess Shares shall be allotted pro rata to the aggregate number of Ordinary Shares (excluding C Ordinary Shares) held by Shareholders accepting Excess Shares (provided that no such Shareholder shall be allotted more than the maximum number of Excess Shares such Shareholder has indicated he is willing to accept)

7 2 For the avoidance of doubt, any shares or Excess Shares allotted pursuant to article 7 1 (but not article 7 3) shall

(a) in the case of a holder of A Ordinary Shares be A Ordinary Shares, and

(b) in the case of a holder of B Ordinary Shares be B Ordinary Shares

7 3 In the event of an allotment and/or issue of Emergency Shares, the holders of the A Ordinary Shares shall be entitled to subscribe for Emergency Shares in advance of the holders of B Ordinary Shares subscribing for Emergency Shares PROVIDED ALWAYS THAT

(a) the holders of B Ordinary Shares (other than any Excluded Shareholders) shall be entitled to subscribe within one month of the date of issue of any Emergency Shares to the holders of the A Ordinary Shares pursuant to article 6 1 (b), for an amount of Emergency Shares equal to what each holder of B Ordinary Shares (other than any Excluded Shareholders) would have been eligible to subscribe for on the pro rata basis pursuant to the provisions of article 7 1 and the provisions of article 7 1 shall apply mutatis mutandis in respect of such issue and the expression "Excess Shares" shall be interpreted as being in respect of those Emergency Shares offered pursuant to this article 7 3 to the relevant holders of the B Ordinary Shares, and

(b) any Emergency Shares allotted pursuant to this article 7 3 shall be B Ordinary Shares

7 4 After the expiration of the time referred to in article 7 1 or article 7 3 (whichever is applicable) or upon receipt by the Company of an acceptance or refusal of every offer so made (whichever is the earlier), the Board shall be entitled to dispose of any Shares so offered, and which are not required to be allotted in accordance with this article 7, in such manner as the Board (acting with Investor Consent) may think most beneficial to the Company provided that

(a) no Shares shall be offered at a discount,

(b) no Shares shall be issued more than two months after the expiry of the period for acceptance set out in article 7 1 or article 7 3 (whichever is applicable) unless the procedure in 7 1 or article 7 3 (whichever is applicable) is first repeated in respect of such Shares, and

(c) no Shares shall be issued at a price less than that at which they were offered to the Shareholders in accordance with either article 7 1 or 7 3 (whichever is applicable)

7 5 If, owing to the inequality of the number of new Shares to be issued and the number of Ordinary Shares held by Shareholders entitled to receive the offer of new Shares, any difficulties shall arise in the apportionment of any such new Shares amongst the Shareholders such difficulties shall be determined by the Board, acting with Investor Consent

- 7 6 The provisions of sections 561(1) and 562(1) to (5) (inclusive) of the Act shall not apply to the Company

8 Share transfers - general provisions

- 8 1 The instrument of transfer of a Share may be in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor (but shall not require to be executed by or on behalf of the transferee unless any Share to which it relates is not fully paid) The transferor shall remain the holder of the Shares concerned until the name of the transferee is entered in the register of members in respect of such Shares

- 8 2 The Directors may (if required by an Investor Direction) refuse to register the transfer of any Share

- (a) if it is not lodged at the Office or at such other place in England as the Directors may appoint and/or it is not accompanied by the certificate(s) (or an appropriate indemnity in respect of any lost certificate) for the Shares to which such transfer relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer,
- (b) if it is in respect of more than one class of Share,
- (c) if it is in favour of more than four transferees, and
- (d) if it is to a person who is (or whom the Directors reasonably believe to be) under 18 years of age or who does not have (or whom the Directors reasonably believe does not have) the legal capacity freely to dispose of any Share without let, hindrance or court approval

- 8 3 The Directors shall refuse to register the transfer of any Share unless they are provided with evidence that such transfer is either

- (a) a transfer permitted under article 9 (a "**Permitted Transfer**"), or
- (b) a transfer made in accordance with and permitted or required under articles 10 (Compulsory transfers) to 14 (Tag along) (inclusive)

- 8 4 If, in relation to a transfer of a Share, the transferee is not a party to the Investment Agreement then the Directors shall, unless otherwise permitted by the terms of the Investment Agreement or by an Investor Consent

- (a) require the transferee of such Share to enter into a Deed of Adherence in the capacity specified in clause 18 4 of the Investment Agreement, and
- (b) decline to register the transfer of such Share unless and until the transferee has done so and delivered the same to the Directors at the Office

9 Permitted Share transfers

- 9 1 Subject to article 8 (Share transfers – general provisions), a Shareholder shall only be permitted to transfer any Share or an interest in any Share

- (a) to any person with Investor Consent or by Investor Direction, which in the case of a proposed transfer of B Ordinary Shares by a Shareholder who is an

individual to the trustees of a Family Trust or a Family Member over the age of 18, shall not be unreasonably withheld or delayed in the event that

- (i) the proposed transfer is for bona fide tax planning purposes,
 - (ii) there is disclosed to the Investor Directors the terms of the trust instrument and in particular the powers of the trustee(s),
 - (iii) there is disclosed to the Investor Directors the identity of the proposed Family Member or the trustee of the relevant Family Trust,
 - (iv) no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company, and
 - (v) where the transfer is to a spouse or Civil Partner of a Shareholder, that transferee gives an undertaking to the Company and to the Investors that if he or she ceases to be the spouse or Civil Partner of that Shareholder, he or she will, prior to so ceasing, transfer all Shares held by him or her back to the original transferor,
- (b) in the case of a Shareholder which is a Body Corporate, to a Group Undertaking of that Body Corporate if the transferee gives an undertaking to the Company and to the Investors that if the transferee ceases to be a Group Undertaking of that Body Corporate, all its shares in the Company will, prior to ceasing to be such a Group Undertaking of that Body Corporate, be transferred to another Group Undertaking of the original transferor or to the original transferor,
- (c) in the case of a Shareholder who is an Investor or any person who holds Shares as nominee or trustee for or otherwise on behalf of an Investor or a limited partnership or unit trust, to
- (i) another nominee or trustee for the Investor or limited partnership or unit trust,
 - (ii) any Investor Associate of the relevant Investor,
 - (iii) the beneficial owner of the Shares in respect of which the transferor is a nominee or custodian or any other nominee or custodian for such beneficial owner,
 - (iv) on a distribution in kind or otherwise under the relevant partnership agreement or trust deed or other constitutional documents of a Fund, or to the partners of a limited partnership or to the holders in a unit trust or to the shareholders of, participants in, or holders of any other interest in, any Fund,
 - (v) any co-investment scheme, being a scheme under which certain officers, employees or partners of an Investor, their partners and families or an Investor's adviser or manager are entitled (as individuals or through a Body Corporate or any other vehicle) to acquire shares which the Investor would otherwise acquire ("**Co-Investment Scheme**"),
 - (vi) any unitholder, shareholder, partner, participant, manager or adviser (or any employee or director of, or any consultant to, any such manager or adviser or of any company which is a Group Undertaking of, or is associated with, such manager or adviser or to the trustees of any trust

of any person) in, to or of any of the Investors or of any investment fund or Collective Investment Scheme,

- (vii) any other investment fund or Collective Investment Scheme managed or advised by any Investor or any of its group companies or entities, and
- (viii) a nominee or custodian of, or to any company which is a Group Undertaking of, the transferor or any of the persons referred to in subparagraphs (i), (iii), (v), (vi) or (vii) of this article 9 1(c),

PROVIDED ALWAYS that if any person has acquired Shares following a permitted transfer in accordance with article 9 1 (c) and that person ceases to hold the relationship with such transferor pursuant to which it was a Permitted Transferee under article 9 1 (c) that person shall immediately transfer those Shares back to another Permitted Transferee of such transferor or the transferor within 10 Business Days of the cessation of such relationship,

- (d) in the case of any Shareholder who is an Investor and holding Shares in connection with a Co-Investment Scheme, to
 - (i) another person which holds or is to hold Shares under the Co-Investment Scheme, or
 - (ii) any person on their becoming entitled to those Shares under the terms of the Co-Investment Scheme,
- (e) in the case of any Shares which are held by or on behalf of any Collective Investment Scheme to participants (within the meaning of section 235 of FSMA, as the same may be amended, modified or replaced from time to time) in the scheme in question,
- (f) on and after a Listing,
- (g) when required or permitted by any of articles 10 (Compulsory transfers) or 11 (General provisions relating to compulsory transfers) or 12 (Compliance) or 13 (Drag along) or 14 (Tag along),
- (h) to any Employee Trust, and

9 2 In respect only of the C Ordinary Shares, any person approved with Investor Consent

10. Compulsory transfers

10 1 The provisions of this article 10 shall apply to any Leaver in respect of his entire holding of Shares

10 2 At any time on or after a Leaving Date, an Investor Director may direct the Company immediately to serve a notice on (and following such an Investor Direction, the Company shall immediately serve notice on) a Leaver notifying him that he is, with immediate effect, deemed to have offered to sell such number of his Shares (including any additional Shares acquired by him after the Leaving Date and whether or not such Shares were in issue at the Leaving Date) (the "**Leaver Shares**") at the Leaver Sale Price to such person or persons as is specified in the relevant notice being any one or more of the person or persons specified in article 11 7 (a "**Leaver Sale Notice**") and upon receipt of such Leaver Sale Notice, the Leaver shall be obliged to transfer at the Leaver Sale Price with full title guarantee and free from all encumbrances and third

party rights, the Leaver Shares in accordance with articles 11 (General provisions relating to compulsory transfers) and 12 (Compliance)

10 3 The "**Leaver Sale Price**" shall be, subject to these articles

- (a) in the case of a Good Leaver, in respect of any B Ordinary Shares held by such Good Leaver, the higher of (i) the Issue Price, and (ii) the Fair Price for such Leaver Shares PROVIDED ALWAYS that where the Start Date for any Leaver Shares is less than 365 days prior to the Leaving Date then the price for those particular Leaver Shares shall be the Issue Price,
- (b) in the case of an Intermediate Leaver, the lower of (i) the Issue Price, and (ii) the Fair Price for the Leaver Shares (other than the C Ordinary Shares),
- (c) in the case of a Bad Leaver, the sum of £1 00 (in total) for the Leaver Shares (other than the C Ordinary Shares), and
- (d) in the case of the C Ordinary Shares, the C Share Leaver Price less the aggregate of any sums already paid on that C Ordinary Share, whether by way of dividend paid in cash, Capital Dividend, distribution or otherwise

10 4 For the purposes of these articles, the "**Fair Price**" shall be such price for the Leaver Shares (other than the C Ordinary Shares) as at the Leaving Date as may be agreed between the transferor and (acting with Investor Consent) the Company or, at the direction of an Investor Director, the price determined in accordance with article 11 (General provisions relating to compulsory transfers) and whether determined before or after service of a Leaver Notice

10 5 Unless otherwise directed by an Investor Director, any Shares held by a Leaver shall, irrespective of whether a Leaver Sale Notice has been served, cease to confer upon that Leaver the right to receive notice of, attend and vote at any general meeting, or any meeting of the holders of any class of Shares or to receive and vote on any proposed written resolution or to exercise any pre-emption or other right and such Shares shall not be counted in determining the total number of votes which may be cast at any such meeting or for the purposes of a written resolution of any Shareholders or class of Shareholders or in determining entitlements to pre-emption or other rights. This restriction shall cease immediately upon the Company registering a transfer of the relevant Leaver Shares in accordance with these articles

10 6 Notwithstanding any other provision of this article 10, any holder of C Ordinary Shares who at any time becomes a Leaver shall, unless otherwise determined by an Investor Director be required to transfer all of the C Ordinary Shares held by him in accordance with the provisions of this article 10 and article 11 (*General provisions relating to compulsory transfer*) for the appropriate Leaver Sale Price, regardless of the circumstances in which the Relevant Employee ceases to be an employee, consultant and/or director of the relevant Group Company

10 7 For the avoidance of doubt, there shall be no obligation on any party as regards a Leaver to purchase any Shares prior to agreement or determination of the Fair Price for such Leaver Shares and/or service of a Leaver Sale Notice

11. General provisions relating to compulsory transfers

11 1 If the Fair Price is not agreed between the relevant transferor and the Company pursuant to article 10 4 above, then it shall be determined by the Auditors (which expression shall, for the purposes of this article 10, be deemed to include a reference

to the Independent Expert if the Auditors are unable or unwilling to act as at the Leaving Date and in such circumstances

- (a) the Company shall immediately instruct the Auditors to determine the Fair Price
 - (i) on the basis that the price per Leaver Share shall be the sum which a willing buyer would agree with a willing seller for the entire issued ordinary share capital of the Company divided by the number of Ordinary Shares in issue,
 - (ii) without subtraction of any discount by reference to the percentage which the Leaver Shares represent of the entire issued share capital of the Company or in relation to any restrictions on the Leaver Shares, and
 - (iii) having regard to the negotiations and discussions relating to the Fair Price (and the prices proposed on either side or offered by any third party for Shares) prior to the appointment of the Auditors and taking into account such other factors as the Auditors consider appropriate,
- (b) the Auditors shall certify the Fair Price as soon as possible after being instructed by the Company and, in so certifying, the Auditors shall be deemed to be acting as experts and not as arbitrators and the Arbitration Act 1996 shall not apply,
- (c) the certificate of the Auditors shall, in the absence of manifest error, be final and binding, and
- (d) the Company shall procure that any certificate required under this article is obtained as soon as reasonably practicable and the cost of obtaining such certificate shall be borne by the Company, unless the Fair Price as determined by the Auditors is not more than 110% of that price (if any) which the Company or the Investors had previously notified to the Leaver as being in its opinion the Fair Price, in which event the cost shall be borne in full by the Leaver

11 2 The Company shall on request promptly supply the Leaver, the Investor Directors and the Auditors (or the Independent Expert as the case may be) with all such information concerning its affairs, assets and financial position as is fair and reasonable to enable them to form a view as to the Fair Price of the relevant Leaver Shares

11 3 Completion of the sale and purchase of the Leaver Shares shall take place during normal business hours at the Office within ten Business Days of the later of

- (a) the relevant Leaver Sale Price having been agreed, determined or certified in accordance with these articles,
- (b) (as the case may be) the completion of any relevant statutory process required to effect any purchase of Leaver Shares by the Company in accordance with article 11 7(d), or
- (c) the identification of the person to whom such Leaver Shares are to be transferred in accordance with article 11 7,

or at such other place and/or at such time during normal business hours as the Company (acting with Investor Consent or upon the instructions of an Investor Director) may specify, when the relevant Leaver shall deliver to the Company at the Office or such other place as shall have been specified by the Company (acting with

Investor Consent or upon the instructions of an Investor Director) a duly executed stock transfer form in respect of the relevant Leaver Shares together with the relevant share certificates (or an indemnity in respect any lost share certificate in a form satisfactory to the Board (acting reasonably)) against payment of the Leaver Sale Price for such Leaver Shares. Payment must be

- (i) in the form of a cheque (drawn on a London clearing bank) delivered at the Office or such other place as shall have been specified by the Company (acting with Investor Consent) or upon the instructions of an Investor Director, or
- (ii) by electronic funds transfer or any other method of payment as may be specified by the Company (with Investor Consent) or upon the instructions of an Investor Director

11.4 Save in the case of an acquisition of any Leaver Shares by the Company under the provisions of these articles, if any Leaver defaults in transferring any of his Leaver Shares pursuant to article 10 (Compulsory transfers) or this article 11, the Company may

- (a) receive the relevant purchase money in whatever form, and
- (b) nominate any person to execute, complete and deliver an instrument of transfer of such Leaver Shares together with any other documents necessary to effect the transfer of such Leaver Shares, in the name and on behalf of the relevant Leaver,

and thereafter, when such instrument has been duly stamped, the Company shall cause the name of the proposed transferee to be entered in the register of members of the Company as the holder of such Leaver Shares and shall hold the purchase money on trust (without interest) for the relevant Leaver. The receipt by the Company of the purchase money shall be a good discharge to the proposed transferee (who shall not be bound to see to the application thereof) and, after his name has been so entered in the register of members of the Company, the validity of the proceedings shall not be questioned by any person.

11.5 In the case of any acquisition of Leaver Shares by the Company under the provisions of these articles, if the Leaver defaults in transferring any Leaver Shares pursuant to article 10 and this article 11, the Company shall be entitled to nominate any person to execute, complete and deliver a buyback agreement, an instrument or form of transfer relating to the buyback of such Leaver Shares, together with any other documents necessary to effect the purchase by the Company of the Leaver Shares, in the name and on behalf of the relevant Leaver and thereafter, when the applicable instrument or form of transfer has (if appropriate) been duly stamped, the Company shall cause such share capital to be cancelled in accordance with the Act and shall hold the purchase money in whatever form on trust (without interest) for the relevant Leaver.

11.6 Where any Leaver's Leaver Shares were originally acquired by that Leaver by way of transfer rather than allotment, references to the Issue Price in article 10.3 shall, in relation to such Leaver's Leaver Shares, be deemed to be references to the amount paid by such Leaver on such transfer in respect of each such Share.

11.7 Subject to article 11.15 below, the order of the persons to whom the number and class of Leaver Shares shall be transferred in or pursuant to a Leaver Sale Notice shall be as follows:

- (a) to any directors, officers (which shall not include any Investor Director) and employees of the Group as may be designated by an Investor Direction

following consultation with the Board and who might include a person who assumes and discharges the role and duties of the Relevant Employee within the Group,

- (b) to the extent such Leaver Shares are not acquired or to be acquired by persons specified article 11 7(a), if designated by an Investor Direction to an Employee Trust (to the extent one shall have been established), or
- (c) to the extent such Leaver Shares are not acquired or to be acquired by the persons specified in articles 11 7 (a) to (b) (inclusive), to such person otherwise designated by an Investor Direction (the "**Custodian**"), to be held on and subject to the terms referred to in articles 11 10 and 11 11 below, or
- (d) to the extent such Leaver Shares are not acquired or to be acquired by the persons specified in articles 11 7 (a) to (c) (inclusive) to the extent designated by an Investor Direction and subject to the Company having sufficient Available Profits and cash available to enable it to buy-back such Leaver Shares without (in the view of an Investor Director) prejudicing the financial position of the Company and otherwise subject to compliance with the Act, to the Company,

provided always that the Leaver Sale Notice may reserve to an Investor Direction (which may be given after the date of the Leaver Sale Notice) the right to finalise the identity of the person or persons to whom the number and class of Leaver Shares shall be transferred once the Fair Price has been agreed or determined in accordance with these articles

11 8 If, having been identified in a Leaver Sale Notice, the category of persons

- (a) in article 11 7(a) fails to complete the transfer of all or any of the number and class of Leaver Shares in or pursuant to a Leaver Sale Notice, then the Leaver Sale Notice shall be deemed to be amended so that such Leaver Shares shall be transferred to the category of persons in article 11 7(b),
- (b) in article 11 7(b) fails to complete the transfer of all or any of the number and class of Leaver Shares in or pursuant to a Leaver Sale Notice, then the Leaver Sale Notice shall be deemed to be amended so that such Leaver Shares shall be transferred to the category of persons in article 11 7(c), and
- (c) in article 11 7(c) fails to complete the transfer of all or any of the number and class of Leaver Shares in or pursuant to a Leaver Sale Notice, then the Leaver Sale Notice shall be deemed to be amended so that such Leaver Shares shall be transferred to the category of persons in article 11 7(d)

11 9 If the Auditors are unable or unwilling to act for the purposes of making the calculations and determinations referred to in this article 11 or if the Board (with the agreement of each of the Investor Director(s)) and the Relevant Employee agree that the Auditors shall not be appointed for these purposes or otherwise disagree over such appointment, the Fair Price shall be determined by an independent firm of chartered accountants of repute appointed by the Board (with the agreement of each of the Investor Director(s) and the Relevant Employee or, in the event of failure to agree, by the President from time to time of the Institute of Chartered Accountants in England and Wales) to act as an expert and not as an arbitrator and whose determination in the absence of manifest error shall be final and binding on the parties concerned

11 10 If a Custodian becomes the holder of Leaver Shares, then (unless and to the extent that the Remuneration Committee (acting with Investor Consent) otherwise agrees from time to time), he shall hold the same on, and subject to, the following terms

- (a) he may exercise the voting rights (if any) for the time being attaching to such Leaver Shares as he thinks fit,
 - (b) he shall not encumber the same,
 - (c) he will (subject as provided in article 11 11 below) transfer the legal title to such Leaver Shares and all such other interests as he may have therein to (and only to) such person and at such time and at such price as an Investor Majority may from time to time direct by notice in writing to the Custodian PROVIDED THAT the Custodian may not be required to enter into any agreement or otherwise take any action if and to the extent that he would or might incur any personal liability (whether actual or contingent) or suffer any personal loss, and
 - (d) if an offer is made to him for the Leaver Shares (whether as part of a general offer or otherwise) then he shall seek an Investor Direction as to what (if any) actions he should take with regard thereto
- 11 11 Subject to article 11 12, the Investors may not direct the Custodians to transfer all or any Leaver Shares other than to a person who is a director (which shall not include any Investor Director) and/or employee of the Company (or any other Group Company) or who has agreed (subject only to Leaver Shares being transferred to him) to accept appointment as such a director or employee and the executive Directors shall be entitled to recommend to the Investors those persons who they believe should receive a transfer of the Leaver Shares from the Custodian
- 11 12 Immediately prior to an Exit Event, and subject to the proviso to article 11 10(c), any Shares that then remain held by the Custodian shall be offered by the Company to the holders of B Ordinary Shares other than to any Leaver at a price per Share of £1 00 and in the proportion that the aggregate nominal value of such B Ordinary Shares for the time being held by each such holder bears to the total number of B Ordinary Shares then in issue (excluding for these purposes, any Leaver Shares) Such offer shall be made by notice in writing specifying the number of Shares to which the relevant Shareholder is entitled and limiting a time (being not less than five days) within which the offer (if not accepted) will be deemed to have been declined Holders of B Ordinary Shares who accept the offer shall be entitled to indicate that they would accept, on the same terms, additional Shares (specifying a maximum number) which have not been accepted by other holders of B Ordinary Shares ("**Additional Shares**") Any Additional Shares shall be allocated and transferred to those holders of B Ordinary Shares who have indicated they would accept Additional Shares Additional Shares shall be allocated and transferred pro rata to the aggregate number of B Ordinary Shares held by the holders of B Ordinary Shares accepting Additional Shares (provided that no such Shareholder shall be allocated and transferred more than the maximum number of Additional Shares such Shareholder has indicated he is willing to accept)
- 11 13 After the expiration of such time period specified in article 11 12, or upon receipt by the Company of an acceptance or refusal of every offer so made, the Board shall (subject to having obtained an Investor Consent or as directed by an Investor Direction) be entitled to offer any B Ordinary Shares which are not required to be transferred in accordance with article 11 12, in such manner as the Board (acting with Investor Consent) may think most beneficial to the Company or as directed by an Investor Direction
- 11 14 If, owing to the inequality of the number of the Shares and the number of Shares held by Shareholders entitled to receive the offer of the Shares, any difficulties shall arise in the apportionment of any such Shares amongst the holders of the B Ordinary Shares, such difficulties shall be determined by the Board (acting reasonably and with Investor Consent) or by Investor Direction

- 11 15 Notwithstanding any other provision of this article 11, any C Ordinary Shares which are Leaver Shares shall only be required to be transferred to such person or persons designated by an Investor Direction or with Investor Consent and in particular, shall not be subject to the order of priority set out in article 11 7

12. Compliance

- 12 1 For the purpose of ensuring compliance with article 9 (Permitted Share transfers), the Company shall immediately on an Investor Direction and may with Investor Consent require any Leaver or other Shareholder (other than an Investor) to procure that he or any Permitted Transferee of his or it, or such other person as is reasonably believed to have information and/or evidence reasonably required to evidence such compliance, provides to the Company any information and/or evidence relevant to such purpose and failing such information and/or evidence being provided the Board shall forthwith upon receipt of an Investor Direction, or otherwise may with Investor Consent, notify the relevant Leaver or Shareholder (the "**Defaulting Shareholder**") that a breach of the transfer provisions set out in these articles is deemed to have occurred, whereupon
- (a) the Company shall refuse to register any transfer of the Relevant Default Shares (otherwise than with Investor Consent),
 - (b) the Relevant Default Shares shall cease to confer on the holder thereof (or any proxy thereof) any rights
 - (i) to vote (whether on a show of hands or on a poll or on a written resolution and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question), or
 - (ii) to receive dividends or other distributions (other than an amount equal to the Issue Price of the Relevant Default Shares upon a return of capital),as may otherwise attach to the Relevant Default Shares or to any further Shares issued pursuant to the exercise of a right attaching to any of the Relevant Default Shares or in pursuance of an offer made to the holder thereof, and
 - (c) if the Defaulting Shareholder is not a Leaver, he shall (upon an Investor Direction), or if no such Investor Direction is made, he may be required at any time following receipt of written notice from the Company to transfer (or procure the transfer of) some or all of the Relevant Default Shares to such person(s) as set out in article 11 7 (in respect of B Ordinary Shares only) at such price as is determined by the Board (with Investor Consent) or as directed by an Investor Direction
- 12 2 The rights attaching to the Relevant Default Shares referred to in article 12 1 may be reinstated either by the Board (with Investor Consent) or, if earlier, upon the completion of the transfer of the Relevant Default Shares or other transfer as contemplated by article 12 1(c)
- 12 3 For the purposes of this article 12, the expression "**Relevant Default Shares**" shall mean the Shares which the Defaulting Shareholder holds or to which he is entitled and any Shares formerly held by him which have been transferred in breach of article 9 (Permitted Share transfers)

- 12 4 Each Shareholder hereby irrevocably authorises and instructs the Company and any Director as his agent to execute or sign all documents and do all things necessary or desirable on his behalf to give effect to the provisions of this article 12

13 Drag Along

- 13 1 In these articles a "**Qualifying Offer**" shall mean a bona fide offer in writing on arm's length terms by or on behalf of a third party (the "**Offeror**") or persons connected or acting in concert with the Offeror for all the Shares of the Company

- 13 2 Whenever a Qualifying Offer is made, the holders of a Controlling Interest (the "**Accepting Shareholders**") shall have the right to require (in the manner set out in article 13 3) all of the remaining Shareholders (for the purposes of this article 13, the "**Other Shareholders**") to accept the Qualifying Offer in full

- 13 3 Where the Accepting Shareholders wish to accept a Qualifying Offer and also require the Other Shareholders to accept such Qualifying Offer, they shall give written notice to the Other Shareholders and the Company of their wish to accept the Qualifying Offer and shall become entitled to sell their Shares to the Offeror (or his or its nominee) and the Other Shareholders shall thereupon become bound to accept the Qualifying Offer (subject to article 13 7 below, on the same terms and at the same price per share as such Qualifying Offer has been made to the Accepting Shareholders) and to transfer their Shares to the Offeror (or his or its nominee) with full title guarantee on the date specified by the Accepting Shareholders, provided always that the Investors shall not be required to give any warranties, covenants, indemnities or undertakings other than in respect of their respective title to the relevant Shares held by them

- 13 4 If any Other Shareholder does not, within five Business Days of being required to do so, execute and deliver a transfer in respect of the Shares held by him and deliver the certificate(s) in respect of the same (or an indemnity in lieu thereof in a form satisfactory to the Board (acting reasonably)), then any Accepting Shareholder shall be entitled

- (a) to transfer such Other Shareholder's Shares directly to the Offeror or to his nominee(s),
- (b) to execute, or authorise and instruct such person as he thinks fit to execute, the necessary transfer and indemnities (where applicable) on such Other Shareholder's behalf, and
- (c) against receipt by the Company (on trust for such Other Shareholder) of the consideration payable for the relevant Shares, to deliver such transfer and certificate(s) or indemnities to the Offeror (or his nominee(s)) and register such Offeror (or his nominee(s)) as the holder of those Shares,

and the validity of such proceedings shall not be questioned by any person

- 13 5 Each Other Shareholder shall pay its pro-rata share (as a deduction from the gross pre-tax proceeds to be received, without prejudice to any other deductions lawfully required to be made) of the costs incurred by the Accepting Shareholders in connection with the relevant Qualifying Offer and the transfer of the Shares held by the Other Shareholders, to the extent that such costs are reasonable and have been properly incurred on behalf of the Accepting Shareholders and all of the Other Shareholders

- 13 6 While this article 13 applies to the Other Shareholders, their Shares may not be transferred other than pursuant to this article 13

- 13 7 Notwithstanding any other provision of this article 13, any holder of C Ordinary Shares shall be required to transfer the C Ordinary Shares held by him pursuant to this article 13 for an amount per Share equal to the lower of (i) the price per Share under the terms of the Qualifying Offer and (ii) the C Share Leaver Price less the aggregate of any sums already paid on that C Ordinary Share, whether by way of dividend paid in cash, Capital Dividend, distribution or otherwise

14. Tag Along

- 14 1 Save in respect of any transfer under article 9 (other than where any proposed transfer is to an Institutional Investor and such proposed transfer would result in a disposal of a Controlling Interest) and/or article 13, no holder of A Ordinary Shares wishing to transfer A Ordinary Shares (the "**Selling Shareholder(s)**") (a "**Proposed Tag Transfer**") may be made or registered unless the proposed acquirer of such Shares (the "**Proposed Purchaser**") has first made a written offer in accordance with this article 14 to each holder of Shares who is not a Selling Shareholder (the "**Non-Selling Shareholders**") to purchase a pro rata proportion (although in the event this results in a Non-Selling Shareholder(s) being entitled to sell a fraction of a Share, the Non-Selling Shareholder(s) entitlement shall be rounded down to the nearest whole Share) of those Non-Selling Shareholders' Shares at the same price per Share and, subject to the remaining provisions of this article 14 1, on the same terms (including timing of payment and form of consideration) (the "**Tag Offer**") The Selling Shareholder(s) shall not be required to give any warranties, covenants, indemnities or undertakings other than in respect of their respective title to the relevant Shares Each Non-Selling Shareholder will be required, in order to sell the relevant proportion of his Shares as part of the Proposed Tag Transfer to transfer the legal and beneficial title to the relevant Shares together with all rights attaching to them, with full title guarantee and free from all encumbrances
- 14 2 The Selling Shareholder(s) must give written notice to each Non-Selling Shareholder of any Proposed Tag Transfer at least five Business Days prior to signing a definitive agreement relating to the Proposed Tag Transfer providing details of the Proposed Purchaser, the proposed price, the terms and conditions of payment, the proposed date of sale and the number of Shares to be acquired by the Proposed Purchaser
- 14 3 The Tag Offer (with the accompanying written notice referred to above) must be open for acceptance at least five Business Days after the date such written notice is served (the "**Acceptance Period**") The Selling Shareholder(s) must deliver or cause to be delivered to the Non-Selling Shareholders copies (whether in draft or final form) of all the documents required to effect the Proposed Tag Transfer promptly as the same become available
- 14 4 If a Non-Selling Shareholder wishes to accept the Tag Offer, he/it must do so by written notice to the Selling Shareholder(s) indicating his/its acceptance of the Tag Offer in respect of the relevant proportion of his/its shares Such acceptance shall be irrevocable
- 14 5 If some or all of the Non-Selling Shareholders do not accept the Tag Offer within the Acceptance Period, the Proposed Tag Transfer is permitted to be made
- (a) so long as the price and form of consideration is no more favourable to the Selling Shareholder(s) than those stated in the Tag Offer, and
 - (b) on the basis that all of the Shares proposed to be sold under the Proposed Tag Transfer by the Selling Shareholders and the Shares in respect of which any Non-Selling Shareholders accepted the Tag Offer are transferred to the Proposed Purchaser

14 6 Each Non-Selling Shareholder shall pay his pro-rata share (as a deduction from the gross pre-tax proceeds to be received, without prejudice to any other deductions lawfully required to be made) of the costs incurred by the Selling Shareholder(s) in connection with the relevant Proposed Tag Transfer and the transfer of the Shares held by the Non-Selling Shareholder(s), to the extent that such costs are reasonable and have been properly incurred on behalf of the Selling Shareholder(s) and all of the Non-Selling Shareholders

14 7 Notwithstanding the provisions of this article 14, any holder of C Ordinary Shares that wishes to transfer the C Ordinary Shares held by him pursuant to this article 14 shall be required to transfer such Shares for an amount per Share equal to the lower of (i) the price per Share as set out in the Proposed Sale Notice and (ii) the C Share Leaver Price less the aggregate of any sums already paid on that C Ordinary Share, whether by way of dividend paid in cash, Capital Dividend, distribution or otherwise

15. Lien

15 1 The Company shall have a first and paramount lien on every Share (whether or not a fully paid Share) for all moneys (whether presently payable or not) payable or otherwise owing by the relevant Shareholder (or any Associate of such Shareholder) to the Company or any other Group Company. The Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this article. The Company's lien on a Share shall extend generally as above as well as to any amount payable in respect of it

15 2 Notwithstanding any other provision of these articles, the Company may (upon an Investor Direction) sell any Shares on which the Company has a lien to such person(s) and at a price determined by the Board with Investor Consent or as directed by an Investor Direction, if a sum in respect of which the lien exists is presently payable and is not paid within 14 days after notice in writing has been given to the Shareholder or to the person entitled to the relevant Share in consequence of the death or bankruptcy of the Shareholder, demanding payment and stating that if the notice is not complied with the Shares may be sold

15 3 Each Shareholder hereby irrevocably authorises and instructs the Company and any Director as his agent to execute or sign all documents and do all things necessary or desirable to give effect to the provisions of article 15 2

15 4 Where any Share is sold pursuant to this article 15, the transferee shall not be bound to see to the application of the consideration and the transferee's title shall not be affected by any irregularity in or invalidity of the process leading to the sale of any Shares pursuant to this article 15

15 5 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary of the Company and that a Share has been sold to satisfy the Company's lien on a specified date

- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- (b) subject to compliance with any other formalities of transfer required by these articles or by law, shall constitute a good title to the Share

16. Appointment, removal and retirement of Directors

- 16 1 Subject to the provisions of the Investment Agreement, the Company may following consultation with the Board, by ordinary resolution and the Directors may (in each case subject to prior Investor Consent) appoint a person (willing to act) to be a Director either to fill a vacancy or as an additional Director
- 16 2 Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two
- 16 3 A person willing to so act may be appointed as a Director at any time by a notice (or notices) in writing to the Company
- (a) signed by or on behalf of the Investors, or
 - (b) signed by all the then Directors,
- and such appointment shall take effect upon the notice being received at the Office or such later date as may be specified in the notice
- 16 4 The Investor Directors shall be subject to appointment and removal in accordance with the provisions of the Investment Agreement and not otherwise
- 16 5 Article 18 of the Model Articles shall be amended by the addition of the following events requiring the office of a Director to be vacated
- (a) he becomes incapable by reason of mental disorder, illness or injury of managing and administering his property and affairs and the other directors resolve that his office is vacated,
 - (b) being a Director designated an Investor Director, a notice is served by holders entitled to give such notice on the Company removing him from the office,
 - (c) (in the case of an executive Director only) he shall, for whatever reason, cease to be employed by or provide services to the Company or any Subsidiary Undertaking of the Company, or
 - (d) being a Director, other than one designated as an Investor Director, he is removed by a notice in writing to the Company signed by or on behalf of an Investor Majority and such removal shall take effect upon the notice being received at the Office or such later date as may be specified in the notice

17. Alternate Directors

- 17 1 A Director (other than an alternate director) may appoint any other Director or (in the case of an Investor Director) any other person whomsoever, to be an alternate director of the Company and may remove from office an alternate director so appointed
- 17 2 Any appointment or removal of an alternate director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors
- 17 3 The appointment of an alternate director shall not require approval by a resolution of the Board

- 17 4 A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum
- 17 5 An alternate director shall be entitled to
- (a) (subject to article 17 6) receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member,
 - (b) attend and vote at any such meeting at which his appointor is not personally present and sign a Directors' written resolution (if his appointor is an Eligible Director in relation to that resolution and does not participate), and
 - (c) generally to perform all the functions of his appointor as a Director in his absence,
- but an alternate shall not be entitled to receive any remuneration from the Company for his services as an alternate director
- 17 6 It shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom
- 17 7 An alternate may act as alternate to more than one Director and for the purposes of determining the quorum shall be counted, in addition to himself, as representing each appointor (in that absence of that appointor)
- 17 8 A Director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of each appointor
- 17 9 An alternate director shall cease to be an alternate director if his appointor ceases to be a Director
- 17 10 Save as otherwise provided in these articles, an alternate director
- (a) shall be deemed for all purposes to be a Director,
 - (b) shall alone be responsible for his own acts and defaults,
 - (c) is subject to the same restrictions as the Director appointing him, and
 - (d) shall not be deemed to be the agent of the Director appointing him

18. Proceedings of Directors

- 18 1 The Directors may meet together for the dealing of business and otherwise regulate their meetings as they think fit
- 18 2 If all the Directors participating in a meeting are not physically present in the same place, the meeting shall be deemed to take place where the largest number of participators is assembled or, if no such group can be identified, at the location of the chairman
- 18 3 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 at any time before or after the date on which the meeting is held Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it

- 18 4 A decision of the Directors 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 (including confirmation given by electronic means)

19. Quorum and voting

- 19 1 Subject to article 19 2, any two Directors shall constitute a quorum and a quorum of Directors must be present throughout all meetings of the Board
- 19 2 Save with Investor Consent, a meeting of the Directors held in the absence of an Investor Director (or a duly appointed alternate Director) shall not be quorate
- 19 3 Without prejudice to the obligation of each Director to declare an interest in accordance with sections 177 or 182 of the Act, a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether direct or indirect, or in relation to which he has a duty. Having so declared any interest he may have, the Director shall be counted in the quorum present when any such resolution is under consideration and if he votes on such resolution his vote shall be counted
- 19 4 Subject to article 6 1(d), questions arising at a meeting of the Directors shall be decided by a majority of votes and the chairman of the meeting shall not have a second or casting vote, in the case of an equality of votes
- 19 5 If at any meeting of the Directors or any committee of the Directors (including the Remuneration Committee where they are members of such committee) any Investor Director is not present in person (or by any alternate) then the Investor Director present in person (or by any alternate) shall be entitled to exercise the vote of any absent Investor Director in addition to his own vote

20. Directors' interests

20 1 *Specific interests of a Director*

Subject to the provisions of the Act and provided (if these articles so require) that he has declared to the Directors in accordance with the provisions of these articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind

- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested,
- (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any Body Corporate promoted by the Company or in which the Company is in any way interested,
- (c) where a Director (or a person connected with him) is a Shareholder or a shareholder in, employee, director, member or other officer of, or consultant to, a Group Undertaking of the Company,
- (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in

respect of the Company or any Body Corporate in which the Company is in any way interested,

- (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any Body Corporate in which the Company is in any way interested,
- (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any Body Corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any Body Corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this,
- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest, or
- (h) any other interest authorised by ordinary resolution

20 2 *Interests of an Investor Director*

In addition to the provisions of article 20 1, subject to the provisions of the Act and provided (if these articles so require) that he has declared to the Directors in accordance with the provisions of these articles, the nature and extent of his interest, where a Director is an Investor Director he may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest arising from any duty he may owe to, or interest he may have as an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or direct or indirect investor (including without limitation by virtue of a carried interest, remuneration or incentive arrangements or the holding of securities) in

- (a) a Fund Manager,
- (b) any of the funds advised or managed by a Fund Manager from time to time, or
- (c) another Body Corporate or firm in which a Fund Manager or any fund advised by such Fund Manager has directly or indirectly invested, including without limitation any portfolio companies

20 3 *Interests of which a Director is not aware*

For the purposes of this article 20, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his

20 4 *Accountability of any benefit and validity of a contract*

In any situation permitted by this article 20 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit

20 5 *Terms and conditions of Board authorisation*

Subject to article 20 6, any authority given in accordance with section 175(5)(a) of the Act in respect of a Director ("**Interested Director**") who has proposed that the

Directors authorise his interest ("**Relevant Interest**") pursuant to that section may, for the avoidance of doubt

- (a) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation
 - (i) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest,
 - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed, or
 - (iii) restricting the application of the provisions in articles 20 7 and 20 8, so far as is permitted by law, in respect of such Interested Director,
- (b) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Interest as they see fit from time to time, and

subject to article 20 6, an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this article 20

20 6 *Terms and conditions of Board authorisation for an Investor Director*

Notwithstanding the other provisions of this article 20, it shall not (save with the consent in writing of an Investor Director) be made a condition of any authorisation of a matter in relation to that Investor Director in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the Directors or that he shall be required to disclose, use or apply confidential information as contemplated in article 20 8

20 7 *Director's duty of confidentiality to a person other than the Company*

Subject to article 20 8 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this article 20), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required

- (a) to disclose such information to the Company or to any Director, or to any officer or employee of the Company, or
- (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director

20 8 Where such duty of confidentiality arises out of 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, article 20 7 shall apply only if the conflict arises out of a matter which falls within article 20 1 or article 20 2 or has been authorised under section 175(5)(a) of the Act

20 9 *Additional steps to be taken by a Director to manage a conflict of interest*

Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation

- (a) absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered, and
- (b) excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information

20 10 *Requirement of a Director to declare an interest*

Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by article 20 1 or article 20 2 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest

- (a) falling under article 20 1(g),
- (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware), or
- (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these articles

20 11 *Shareholder approval*

Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this article 20

20 12 *For the purposes of this article 20*

- (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties,
- (b) the provisions of section 252 of the Act shall determine whether a person is connected with a Director, and
- (c) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified

21. Proceedings of Shareholders

- 21 1 No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business and, subject to article 21 4, for its duration
- 21 2 Subject to article 21 3, two persons entitled to vote upon the business to be transacted, each being a Shareholder or a proxy for a Shareholder or a duly authorised representative of a Shareholder that is a corporation shall be a quorum
- 21 3 Save with Investor Consent, a meeting of the Shareholders held in the absence of an Investor (or a duly appointed proxy or representative of an Investor) shall not be quorate
- 21 4 If within half an hour from the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present for a period exceeding 10 minutes, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other time and place as the Shareholders present may decide
- 21 5 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, a poll is duly demanded
- 21 6 Subject to the provisions of the Act and article 6 (Default Events), a poll may be demanded at any general meeting by the chairman, or by any Shareholder present in person or by proxy and entitled to vote or by a duly authorised representative of a corporation which is a Shareholder entitled to vote
- 21 7 The chairman of the meeting shall not, in the case of an equality of votes, whether on a show of hands or on a poll, be entitled to exercise any second or casting vote
- 21 8 If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made
- 21 9 Subject always to article 6 (Default Events), the provisions of these articles relating to general meetings of the Company or to the proceedings thereat shall, with the necessary changes being made, apply to every separate meeting of the holders of any class of Share, except
- (a) the necessary quorum shall be two persons, present in person or by proxy or by duly authorised representative (if a corporation), who together hold or represent at least 75% in nominal value of the issued shares of the relevant class (unless all the Shares of that class are registered in the name of a single Shareholder, in which case the quorum shall be that Shareholder, his proxy or duly authorised representative (if a corporation)), but so that if, at any adjourned meeting of such holders, such a quorum is not present, then those holders who are present (in person or by proxy or by a duly authorised representative (if a corporation)) shall be a quorum,
 - (b) any holder of Shares of the relevant class present in person or by proxy or by duly authorised representative (if a corporation) may demand a poll, and
 - (c) the holders of the Shares of the relevant class shall, on a poll, have one vote in respect of every Share of that class held by each of them

22 Notices

- 22 1 Any notice given under or in connection with these articles shall be in writing
- 22 2 Any notice or other document may be given or served on a Shareholder by being delivered to the registered address of that Shareholder (in which case the notice or other document shall be deemed to be served at the time of delivery) or by being sent by facsimile to a number provided by the relevant Shareholder to the Company for this purpose (in which case the notice or other document shall be deemed to be served upon completion of the transmission) or by being sent by first class post to the registered address of the relevant Shareholder (in which case the notice or other document shall be deemed to be served 24 hours after the time of posting) In proving service of any notice, it shall be sufficient to prove that delivery was made or that the envelope containing the notice or other document was properly addressed and posted or that the facsimile was transmitted to the correct number, as the case may be

23. Indemnities and insurance

- 23 1 Subject to the provisions of and so far as may be permitted by the Act
- (a) every Director or other officer of the Company (excluding the Auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no director of the Company or any associated company is indemnified by the Company against
- (i) any liability incurred by the director to the Company or any associated company, or
- (ii) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature, or
- (iii) any liability incurred by the director
- (A) in defending any criminal proceedings in which he is convicted,
- (B) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him, or
- (C) in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of the Company or an associated company where that company is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in articles 23 1(a)(i), 23 1(a)(iii)(B) and 23 1(a)(iii)(C) applying,

- (b) the Company may, provided that it is done so on the terms specified in section 205 of the Act, provide any director of the Company or an associated company with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or any associated company and otherwise may take any action to enable any such director to avoid incurring such expenditure, and
 - (c) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme
- 23 2 The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring each Director against risks in relation to his office as each Director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company

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) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,
- (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 transmittees' rights

- 28
- (1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish
 - (2) If the transmittee wishes to have a share transferred to another person, the transmittee 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 transmittee has derived rights in respect of the share and as if the event which gave rise to the transmission had not occurred

Transmittees bound by prior notices

- 29
- (1) If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee'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 transmittee

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

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- (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