

**WRITTEN RESOLUTION (FOR SIGNATURE BY MEMBERS)**

Company number: 07524889

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTION**

**of**

**EXARONEWS LIMITED**

**(the Company)**

(Circulated on 12 April 2011 at 9 am/pm)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, it is proposed that the following resolution be passed as a special resolution of the Company

**SPECIAL RESOLUTION**

**THAT:**

the new Articles of Association of the Company in the form attached to this resolution be and they are hereby adopted by the Company as its Articles of Association to the exclusion of and substitution for existing Articles of Association of the Company,

I being a shareholder entitled to vote on resolutions on 12 April 2011 2011 irrevocably agree to the above special resolution

Signed of Jerome Booth

**DATE**

Signed of Tim Pendry



**DATE**

19.04.2011

FRIDAY



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13/05/2011

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COMPANIES HOUSE

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I being a shareholder entitled to vote on resolutions on 12 April 2011 irrevocably agree to the above special resolution

Signed of Jerome Booth



**DATE**

12 April 2011

Signed of Tim Pendry

**DATE**

**The Special Resolution will lapse unless sufficient agreement has been received to pass them by 30 April 2011. If you agree to the resolution, please ensure that your agreement reaches us as soon as possible and in any event by that date.**

The mechanics for signifying agreement to the Special Resolution are set out below. If you do not agree to the Special Resolution you do not need to do anything, you will not be deemed to have agreed by failing to respond.

- 1 If you agree to the Special Resolution please sign and date this document as indicated above and return it to the Company using one of the methods set out below. Receipt by the Company of the signed document signifies your agreement to the Special Resolution.
  - By hand delivering the signed copy to Vicki Abberton at 51 Eastcheap, London EC3M 1JP
  - Post returning the signed copy by post to Vicki Abberton at 51 Eastcheap, London EC3M 1JP
  - Fax faxing the signed copy to +44 (0) 20 7623 5427 marked 'for the attention of Vicki Abberton'
- 2 Once you have signified your agreement to the Special Resolution you may not revoke your agreement.
- 3 Every member has one vote in respect of each share they hold. The Special Resolution will be passed if the Company receives from members representing not less than 75% of the total voting rights of members entitled to vote at the date of circulation of the Special Resolution.
- 4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.
- 5 If you are signing this document on behalf of another 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.

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**Company number 07524889**

**THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

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**of  
EXARONEWS LIMITED**

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**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**of**  
**EXARONEWS LIMITED**

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COMPANIES HOUSE

(adopted by Special Resolution passed on March 2011)

**PART 1 Interpretation and limitation of liability**

**1 Preliminary**

- 1 1 The articles of association of the Company comprise the provisions set out in this document, as amended from time to time. No other regulations for the management of a company set out in any schedule to any statute concerning companies or contained in any regulations or instrument made pursuant to a statute shall apply to the Company.
- 1 2 Words and expressions used in the Articles are defined in Article 2. Unless defined in Article 2 (and unless the context requires otherwise), other words or expressions contained in the Articles bear the same meaning as in the Act.
- 1 3 A reference in the Articles to any statute or statutory provision includes a reference to any subordinate legislation made under it from time to time and shall, unless the context requires otherwise, include any statutory modification or re-enactment of any statute or statutory provision for the time being in force.
- 1 4 Any phrase in the Articles introduced by the terms **including**, **include**, **in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

**2 Defined terms**

In the Articles, unless the context requires otherwise

**Act** means the Companies Act 2006,

**Alternate Director** has the meaning given in Article 23,

**Appointor** has the meaning given in Article 23;

**Articles** means the Company's articles of association as described in Article 1.1 (and a reference to an **Article** is a reference to a provision of the Articles),

**Associate** means

- (a) the husband, wife, mother, father, grandmother, grandfather, brother, sister, child (including step or adopted child) or other lineal descendant of the relevant person,



- (b) the trustees of any settlement (whether or not set up by the relevant person) under which only the relevant person and/or any other Associate within the meaning of paragraph (a) above of the relevant person or any bona fide public charity is or is capable of being a beneficiary, or
- (c) any nominee or bare trustee for the relevant person or any other Associate of the relevant person,

**Bad Leaver** means in relation to a Member who is an employee of the Company where the Member ceases to be so employed by way of termination of his service agreement by reason of (i) gross misconduct, fraud or dishonesty or (ii) the relevant Member has engaged himself in competition with the business of the Company from time to time or been engaged for or on behalf of a competitor to the business of the Company from time to time,

**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,

**Business Day** means a day (other than a Saturday or Sunday) on which banks in the United Kingdom open for the transaction of general business;

**Chairman** has the meaning given in Article 12,

**Chairman of the meeting** has the meaning given in Article 51,

**Claim** means where, at any time, the Company wishes to (a) enforce or exercise any right under, or has any claim against or is the subject of a claim by any Member in respect of any Members' agreement or any agreement or arrangement entered into pursuant to such an agreement, or (b) enforce any obligation owed to the Company by any Member,

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

**Conflict Matter** means a matter authorised pursuant to Article 14 or permitted under Article 15,

**Director** means a Director of the Company, and includes any person occupying the position of Director, by whatever name called,

**Distribution Recipient** means, as regards 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,

**Eligible Director** means a Director who is or would be entitled to vote on the matter at a Directors' meeting (but excluding any Director whose vote is not to be counted in respect of the particular matter),

**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,

**Good Leaver** means in relation to a Member who is an employee of the Company, where the Member ceases to be so employed and such person is not considered to be a Bad Leaver in accordance with these Articles,

**Holder** in relation to Shares means the person whose name is entered in the register of Members as the holder of the Shares,

**Insolvency Event** means an insolvency event occurs in relation to a party if that party

- (a) means in relation to a body corporate
  - (i) it has an administration order granted against it,
  - (ii) it has an administrator or administrators appointed over it;
  - (iii) it has an administrative receiver, receiver or manager, fixed charge receiver or any other type of receiver, manager, interim manager or interim trustee appointed over the whole or any part of its assets and/or undertaking,
  - (iv) it resolves to be wound up voluntarily (other than as part of a genuine solvent reconstruction/amalgamation),
  - (v) it is placed into liquidation, or
  - (vi) it is dissolved or removed from the Register of Companies
- (b) means in relation to a person other than a body corporate:
  - (i) it has a receiver or manager, fixed charge receiver or any other type of receiver, manager, interim manager or interim trustee appointed over the whole or any part of its assets, or
  - (ii) it has a Bankruptcy order made against it,
- (c) means in relation to a person whether a body corporate or not, it becomes subject to any proceedings analogous to those listed in subparagraphs (a)(i) to (vi) (inclusive) or (b)(i) to (ii) inclusive in any jurisdiction outside of England and Wales,

**JB Approval** means the prior approval of Jerome Booth for so long as he has a relevant proportion of at least twenty per cent,

**Member** has the meaning given in section 112 of the Act,

**Ordinary Resolution** has the meaning given in section 282 of the Act,

**paid** means paid or credited as paid,

**participate**, in relation to a Directors' meeting, has the meaning given in Article 10,

**partly paid** in relation to a share means that part of that share's nominal value or any premium at which it was issued has not been paid to the Company,

**Proxy Notice** has the meaning given in Article 56,

**Relevant Officer** means any Director or other officer or former Director or other officer of the Company but excluding any person engaged by the Company as auditor;

**Relevant Proportion** means, in relation to a Member or Member(s), the proportion that the number of Shares from time to time held or beneficially owned by that Member or Member(s) (or any of his Associates to whom he has transferred Shares pursuant to Article 35(a)) bears to the total number of all the issued Shares from time to time,

**Shares** means Shares in the Company,

**Significant Member** means a Member with a Relevant Proportion of at least fifteen per cent,

**Significant Member Approval** means the prior approval of all Significant Members at the relevant time,

**Special Resolution** has the meaning given in section 283 of the Act, 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 (as defined in section 1168 of the Act) or otherwise.

### 3 **Liability of Members**

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**

#### 4 **Directors' general authority**

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

#### 5 **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 any Director,
- (b) to a committee of persons, the majority of whom are Directors,
- (c) by such means (including by power of attorney),
- (d) to such an extent,
- (e) in relation to such matters or territories, and
- (f) on such terms and conditions,

as they think fit. The power to delegate extends to the power of the Directors to fix the remuneration of, or confer other benefits on, the Members of the committee (whether in relation to their Membership of the

committee or in respect of any other office in the Company) and is not limited by certain of these Articles, but not others, referring expressly to particular powers, authorities or discretions being exercised by the Directors or a committee of the Directors

- 5.2 The Directors may revoke any delegation in whole or part, or alter its terms and conditions

## **6 Committees**

Committees to which the Directors delegate any of their powers must follow any procedures set out by the Directors for such committees

## **Decision-making by Directors**

### **7 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
- 7 2 If and for so long as the Company only has one Director, the general rule does not apply and the Director may take decisions (provided he is an Eligible Director in relation to the matter in question) and may exercise all of the other powers and discretions given to the Directors by the Articles and the Companies Acts which are capable in law of being exercised by a sole Director

### **8 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
- 8 2 Such a decision may take the form of a resolution in writing, signed by each Eligible Director (whether on the same or one of several copies) or to which each Eligible Director has otherwise indicated agreement in writing
- 8 3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at a Directors' meeting

### **9 Calling a Directors' meeting**

- 9 1 Any Director may call a Directors' meeting by giving not less than five Business Days notice of the meeting (or such shorter period of notice as any two Directors appointed in accordance with Article 19 2 may agree in writing provided always that such two Directors shall not be two Directors appointed by the same Member) to the Directors or by authorising the company secretary (if any) to give such notice
- 9 2 Notice of any Directors' meeting must indicate
- (a) its proposed date and time,
  - (b) where it is proposed 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
- 9 3 Notice of a Directors' meeting must be given to each Director in writing (subject to the provisions of Article 60)
- 9 4 Unless all of the Directors agree otherwise, notice of any Directors' meetings must be accompanied by
  - (a) an agenda specifying in reasonable detail the matters to be raised at the meeting, and
  - (b) copies of any papers to be discussed at the meeting
- 9 5 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of Directors unless all the Directors at the meeting agree otherwise
- 9.6 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 before or not more than five 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.
- 10 **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
  - 10 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
  - 10 3 If all the Directors participating in a meeting are not in the same place, the meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, at the place where the Chairman (or other Director chairing the meeting) is
  - 10 4 If at any time at any meeting of the Directors or of any committee of the Directors at which a quorum is present all Directors participating request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other Directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made
  - 10 5 Subject as provided in these Articles or in accordance with any agreement between the Members (or any of them) from time to time, the Directors may participate in Directors' meetings for the despatch of

business, adjourn and otherwise regulate their meetings as they think fit  
The Directors will meet at least four times in each twelve month period

## **11 Quorum for Directors' meetings**

- 11 1 No business shall be transacted at any Directors' meeting unless a quorum is present. Once a Directors' meeting is quorate and has commenced, the departure of a Director from the Directors' meeting shall not make the meeting inquorate unless the remaining Directors agree unanimously that it should do so.
- 11 2 The quorum for Directors' meetings (including adjourned Directors' meetings subject to Article 11 3) shall be
- (a) two Eligible Directors appointed by two or more different Members pursuant to Article 19 2 (provided always that such two Directors shall not be two Directors appointed by the same Member),
  - (b) if the quorum at Article 11 2(a) cannot be satisfied as a result of there not being two such Eligible Directors, all other Directors who are also Eligible Directors, or
  - (c) if the Company has only one Director, one Eligible Director,
- present at the time the Directors' meeting commences
- 11 3 If a quorum is not present within 60 minutes of the time appointed for the Directors' meeting, the Directors present shall adjourn the Directors' meeting to a date, time and place (within the next seven days) to be agreed by the Directors who are present and notified in writing to all Directors (or failing such agreement, the same day in the next week at the same time and place). If at such adjourned meeting a quorum is not present within 30 minutes from the time appointed for the adjourned meeting, the meeting shall stand adjourned again to the next week at the same time and place. If at such further adjourned meeting a quorum is not present within 30 minutes of the time appointed for the further adjourned meeting, the quorum shall be such Directors present provided always that any adjourned meeting shall not, in any circumstances, be quorate without any one Director appointed pursuant to Article 19 2 being present.

## **12 Chairing Directors' meetings and vote of Chairman**

- 12 1 The Chairman of the Company shall be a Director designated as such from time to time by a Member with a Relevant Proportion of more than fifty per cent (50%) (if any). The Chairman shall have a casting vote in addition to any other vote which he has as a Director. If no one Member holds the requisite percentage for appointment of the Chairman, the Chairman shall be appointed by the board and shall not have a casting vote.
- 12 2 If the Chairman ceases to hold office as a Director during his term of appointment as Chairman, the Member who nominated him shall nominate another Director as Chairman in accordance with Article 12 1.
- 12 3 If

- (a) the Chairman is unwilling to chair the meeting or is not participating in a Directors' meeting within ten minutes of the time at which it was to start, or
- (b) the Chairman is not an Eligible Director in respect of any matter to be discussed at the meeting,

the Member who nominated him shall be entitled to nominate another Director to act as Chairman for the purpose of the meeting, failing which the other Directors participating in the meeting shall appoint one of themselves (who is an Eligible Director in respect of the matters to be discussed at the meeting) to chair it

### **13 Voting at Directors' meetings: general rules**

- 13 1 Subject to the Articles and any agreement between the Members (or any of them) from time to time, a decision is taken at a Directors' meeting by a majority of the votes of the Eligible Directors who are participating and each Eligible Director participating in a Directors' meeting has one vote
- 13 2 Subject to Article 13 3, if a question arises at a meeting of Directors (or of a committee established by the Directors) as to the right of a Director (or committee Member) to participate in the meeting (or part of the meeting) for voting or quorum purposes or otherwise in accordance with the Articles, the question may, before the conclusion of the meeting, be referred to the Chairman (or other person chairing the meeting) whose ruling in relation to any person other than himself is to be final and conclusive
- 13 3 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairman (or other person chairing the meeting), the question is to be decided by a decision of the Directors (or committee Members) at that meeting, for which purpose the Chairman (or other person chairing the meeting) is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes
- 13 4 The Directors appointed by a Member who has been notified by the other Members pursuant to these Article 37 1(b) that it is required to transfer the Shares held by it in the Company shall not, from the time that Member is deemed to have received such notification until the time its Shares are transferred, be entitled to vote at any meeting of the Directors or any committee of the Directors and any requirement contained in these Articles for a certain number of Directors to be present at a meeting of the Directors or any committee of the Directors to constitute a quorum shall be met without the attendance or presence of a Director(s) appointed by a Member who has received such notification notwithstanding that a particular number or certain type of Director is normally required in order to constitute a quorum
- 13 5 The Directors appointed by a Member who is interested in a Claim (other than interested solely by virtue of being a Member of the Company) shall be entitled to attend and speak at any meeting of the Directors or any committee of the Directors in relation to such Claim but shall not be entitled to vote at such meeting. Any requirement contained in these Articles for a certain number of Directors to be present at a meeting of the Directors or any committee of the Directors to constitute a

quorum shall be met without the attendance or presence of a Director(s) appointed by a Member which is interested in the Claim (other than interested solely by virtue of being a Member of the Company) where a resolution in relation to a Claim is proposed notwithstanding that a particular number or certain type of Director is normally required in order to constitute a quorum

**14 Directors' conflicts: situational conflicts**

14 1 The Directors may, in accordance with this Article and the Act, authorise any matter which would or might, if not authorised, involve a Director breaching the duty to avoid conflicts of interest in section 175 of the Act

14 2 Any such matter must be proposed in writing for consideration by the Directors in accordance with any procedures for the time being established for the purpose by the Directors or in such other manner as the Directors may approve

14 3 An authorisation pursuant to Article 14 1

(a) will be subject to any restrictions or conditions expressly imposed by the Directors at the time of authorisation or subsequently, and

(b) may be varied or terminated by the Directors at any time.

Nothing in this Article will affect anything done by a Director in accordance with the terms of an authorisation prior to any such variation or termination

14 4 No authority under this Article is required in respect of a conflict of interest arising in relation to a transaction or arrangement with the Company, but this is without prejudice to a Director's obligation to declare any interest pursuant to the Act and the Articles

**15 Directors' conflicts: transactions or arrangements with the Company**

15 1 Provided that he has disclosed to the Directors the nature and extent of any direct or indirect interest in accordance with section 177 or section 182 of the Act (as appropriate), a Director

(a) may enter into or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested,

(b) may hold any other office or employment with the Company (except that of auditor) in conjunction with the office of Director, and may act by himself or through his firm in a professional capacity for the Company, in any such case on such terms as to remuneration and otherwise as the Directors may decide, either in addition to or instead of any remuneration provided for by any other Article; and

(c) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested

15 2 A Director, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of Shares) in, the Member who appointed him as a Director of the



Company, or any other subsidiary or holding company of any such Member, and no authorisation under Article 14 shall be necessary in respect of such interest

**16 Directors' conflicts: general provisions**

- 16 1 Subject to the Articles (and to the terms of any authorisation given pursuant to Article 14), a Director shall not by reason of his office be liable to account to the Company for any remuneration, profit or other benefit derived as a result of a Conflict Matter. No transaction or arrangement shall be liable to be avoided on the grounds of a Director having an interest or benefit authorised or permitted pursuant to the Articles
- 16 2 In relation to any Conflict Matter, the general duties that a Director owes to the Company under the Act will not be infringed by anything done (or omitted to be done) by the Director concerned in accordance with the Articles
- 16 3 The Director may, for as long as he reasonably believes a Conflict Matter subsists
- (a) absent himself from meetings of the Directors or from the discussion of any matter at a meeting or in respect of any other proposed decision of the Directors, and
  - (b) make such arrangements as he sees fit for relevant board papers and other information not to be sent to him
- 16 4 Where the Director obtains (otherwise than as a Director or employee of the Company) in relation to a Conflict Matter information in respect of which he owes a duty of confidentiality to another person he shall not be obliged to disclose such information or use it for the benefit of the Company (in circumstances in which he would otherwise be so obliged)
- 16 5 A Director appointed under Article 19 (or his alternate) shall be entitled from time to time to disclose to the Member which appointed him such information concerning the business and affairs of the Company as he shall at his discretion see fit
- 16 6 Subject to the Articles, a Director may vote at any meeting of the Directors (or committee established by the Directors) and take part in any other decision of the Directors despite the fact that the decision concerns or relates to a matter in which he has, directly or indirectly, an interest or duty which conflicts, or possibly may conflict, with the interests of the Company provided that the Director has, as appropriate
- (a) received an authorisation pursuant to Article 14 (and the terms of the authorisation do not provide otherwise), or
  - (b) made a disclosure in accordance with Article 15

**17 Records of decisions to be kept**

The Directors must ensure that the Company keeps a record, in writing, for at least ten years from the date of the decision recorded

- (a) of every unanimous or majority decision in whatever form taken by the Directors, and

- (b) in the case of a sole Director, of every decision in whatever form that would have been taken by unanimous or majority decision if the Company had more than one Director

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

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

**19 Appointment and removal of Directors**

- 19 1 The Company shall have a minimum of two (2) Directors and a maximum of five (5) Directors
- 19 2 Each Member with a Relevant Proportion of at least fifteen per cent (15%) shall have the right to appoint one Director. A Member with a Relevant Proportion of more than fifty per cent (50%) shall be entitled to appoint one additional Director. The appointing Member may at any time remove from the office the Director appointed pursuant to this 19 2 and appoint any person in place of any Directors so removed or otherwise vacating office
- 19 3 Any other Directors in addition to those appointed under Article 19.2 shall be appointed by the Board
- 19 4 Any such appointment or removal shall be in writing served on the Company and signed by the persons appointing or removing the Director. In the case of a corporation, such document may be signed on its behalf by a Director or the secretary or by its duly appointed attorney or duly authorised representative. The appointment or removal shall take effect when the notice is deemed delivered or on such later date (if any) specified in the notice
- 19 5 No Member shall have the right to object to the appointment or removal or replacement of a Director by any other Member made in accordance with this Article 19
- 19 6 The appointment of any nominee Director by a Member (**appointing person**) shall automatically be terminated immediately upon the appointing person ceasing to hold the requisite Relevant Proportion for such appointment
- 19 7 Any requirement contained in these Articles for a certain number of Directors to be present at a meeting of the Directors or any committee of the Directors to constitute a quorum shall be met without the attendance or presence of a Director if his appointment has automatically terminated pursuant to Article 20 notwithstanding that a particular number or certain type of Director is normally required in order to constitute a quorum
- 19 8 No Director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law

**20 Termination of Director's appointment**

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 Act 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 as Director, and such resignation has taken effect in accordance with its terms, or
- (g) that person's appointment is terminated in the circumstances set out in Article 19 6

## **21 Directors' remuneration**

- 21 1 Directors may undertake any services for the Company that the Directors decide and on such terms and conditions as the Directors think fit
- 21 2 Subject to any agreement between the Members from time to time, 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
- 21 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
- 21 4 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day

## **22 Directors' expenses**

The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at

- (a) meetings of Directors or committees established by the Directors,
  - (b) general meetings, or
  - (c) separate meetings of the holders 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

## **Alternate Directors**

### **23 Appointment and removal of Alternate Directors**

23 1 Any Director (**Appointor**) (other than an Alternate Director) appointed under Article 19 2 may appoint as an **Alternate Director** any other Director, or any other person who is willing to act, to

- (a) exercise that Director's powers, and
- (b) carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors in the absence of the Alternate Director's Appointor

23 2 Any appointment or removal of an Alternate Director must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors and has immediate effect (subject to any necessary approval and unless otherwise specified)

23 3 The notice must

- (a) identify the proposed Alternate Director, and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed Alternate Director that he is willing to act as the Alternate Director of the Director giving the notice

23 4 For the avoidance of doubt, any Director appointed under Article 19 3 shall not be entitled to appoint an alternate

### **24 Rights and responsibilities of Alternate Directors**

24 1 Except as the Articles specify otherwise, Alternate Directors

- (a) are deemed for all purposes to be Directors,
- (b) are liable for their own acts and omissions,
- (c) are subject to the same restrictions as their Appointors, and
- (d) are not deemed to be agents of or for their Appointors

24 2 An Alternate Director is not entitled to receive any remuneration from the Company for serving as an Alternate Director except such part of the remuneration (if any) of the Alternate Director's Appointor as such Appointor may direct by notice in writing made to the Company. An Alternate Director is however entitled to the payment by the Company of such expenses as might properly be paid to him if he were a Director.

### **25 Alternate Directors and decisions of the Directors**

25 1 Subject to the Articles, an Alternate Director may act as Alternate Director for more than one Director and has the same rights in relation to any decision of the Directors as the Alternate Director's Appointor

25 2 Subject to the Articles, an Alternate Director is entitled to take part for all purposes (including quorum and voting purposes) in a decision of the Directors in respect of which his Appointor

(a) is not taking part, and

(b) is an Eligible Director

25 3 If an Alternate Director's Appointor is not an Eligible Director in relation to a decision of the Directors, this does not preclude the Alternate Director from taking part on behalf of another Appointor who is (and on his own behalf if he is) an Eligible Director in relation to that decision

25 4 An Alternate Director is not entitled to take part in a decision of the Directors if he (whether a Director or not) would not qualify as an Eligible Director in relation to that decision

25 5 No person taking part in a decision of the Directors may (whether in his capacity as Director or Alternate Director) be counted as more than one Director for the purposes of determining whether the quorum requirement is satisfied in relation to that decision

25 6 Subject to the Articles, an Alternate Director who acts as Alternate Director for more than one Director has one vote for each Appointor, in addition to his own vote if he is also a Director

## **26 Termination of Alternate Directorship**

An Alternate Director's appointment as an Alternate Director terminates

(a) when the Alternate Director's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

(b) on the occurrence in relation to the Alternate Director of any event which, if it occurred in relation to the Alternate Director's Appointor, would result in the termination of the Appointor's appointment as a Director,

(c) on the death of the Alternate Director's Appointor; or

(d) when the appointment as a Director of the Alternate Director's Appointor terminates

## **PART 3 Shares and distributions**

### **Shares**

#### **27 All Shares to be fully paid up**

27 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.

27 2 This does not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum

### **Issue of Shares**

#### **28 Powers to issue different classes of share**

28 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

- 28 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

## **Allotment of Shares**

### **29 Directors' authority**

- 29 1 Except to the extent authorised by the Articles or by Ordinary Resolution of the Company in accordance with section 551 of the Act, the Directors shall not exercise any power of the Company to allot Shares or to grant rights to subscribe for or to convert any security into Shares
- 29 2 Subject to the Articles, the Directors are generally and unconditionally authorised in accordance with section 551 of the Act and otherwise to exercise all the powers of the Company to allot, grant options, rights of subscription or conversion over or otherwise dispose of Shares to such persons (including the Directors themselves) at such times and on such terms and conditions as they think fit, provided that:
- (a) the maximum nominal amount of Shares that the Directors may allot, grant options, rights of subscription or conversion over or otherwise dispose of is £9 00 (nine pounds), and
  - (b) the authority conferred by this Article 29 will expire on the fifth anniversary of the date on which the resolution adopting the Articles was passed
- 29 3 Subject to section 551 of the Act, the authority conferred by this Article 29 may be renewed, revoked or varied at any time by the Company
- 29 4 The Company may, before the authority conferred by this Article 29 expires, make offers or agreements which would or might require the allotment, grant of options, rights or subscription or conversion over or other disposal of Shares after its expiry and the Directors may allot, grant options, rights of subscription or conversion over or otherwise dispose of Shares in pursuance of any such offer or agreement as if this authority had not expired
- 29.5 No Shares shall be allotted on terms that the right to take up the Shares allotted may be renounced in favour of, or assigned to, another person and no person entitled to the allotment of a share may direct that such share be allotted or issued to another person

### **30 Allotment of Shares: pre-emption rights**

- 30 1 The Directors may not allot, grant options, rights of subscription or conversion over or otherwise dispose of unissued Shares in the capital of the Company unless prior to that allotment, all Significant Members have consented in writing to that allotment or grant
- 30 2 In accordance with section 567(1) of the Act and subject always to Article 30 1, sections 561 and 562 of the Act shall not apply to an allotment or grant of any equity securities (as defined in section 560(1) of the Act)

- (a) if every Holder of Shares in the Company has consented in writing to such issue, or
- (b) where the Shares to be issued are being issued by the Company as part of an employment package provided always that
  - (i) such issue is approved in accordance with any agreement by the Members from time to time, and
  - (ii) the Shares will not, on a fully diluted basis amount to more than five per cent,

provided that, in any other event, sections 561 and 562 of the Act shall apply to any allotment or grant of any equity securities

- 30 3 In the case of options, rights of subscription or conversion over Shares, the provisions of this Article 30 apply to the grant of any such rights but not to the allotment of Shares pursuant to such rights

### **Interests in Shares**

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

Except to the extent provided in the Articles or 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**

#### **32 Certificates to be issued except in certain cases**

- 32.1 The Company must issue each Member, free of charge, with one or more certificates in respect of the Shares which that Member holds

##### **32 2 Every certificate must specify**

- (a) in respect of how many Shares, and of what class, it is issued,
- (b) the nominal value of those Shares,
- (c) the amount paid up on them, and
- (d) any distinguishing numbers assigned to them

- 32 3 No certificate may be issued in respect of Shares of more than one class

- 32 4 If more than one person holds a share, only one certificate may be issued in respect of it

##### **32 5 Certificates must**

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

#### **33 Replacement share certificates**

- 33.1 If a certificate issued in respect of a Member's Shares is

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed,

that Member is entitled to be issued with a replacement certificate in respect of the same Shares

33 2 A Member 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

## **Transfer of Shares**

### **34 Share transfers**

34 1 Subject to the Articles, 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.

- (a) the transferor, and
- (b) (unless the share is fully paid) the transferee

34 2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share

34 3 The Company may retain any instrument of transfer which is registered

34 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

34 5 The Directors

- (a) must refuse to register the transfer of a share which is not permitted by these Articles,
- (b) may refuse to register the transfer of a share
  - (i) if the share is not fully paid ,
  - (ii) unless the certificate for the share and other evidence satisfactory to the Directors of the right to make the transfer is produced to them,
  - (iii) unless the transfer is duly stamped (if applicable), or
  - (iv) if otherwise entitled to do so pursuant to the Articles

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



- 34 6 Subject to Article 34 5 and except as required by law, the Directors shall register the transfer of a share made in accordance with the Articles
- 34 7 No Member shall assign, transfer, exchange, encumber or otherwise dispose of any of the Shares held by it or any interest in them otherwise than in accordance with these Articles and any such assignment, transfer exchange, encumbrance or otherwise made otherwise than in accordance with the Articles shall be void
- 35 **Permitted Transfers**
- Subject to any requirements agreed by the Members from time to time
- (a) a Significant Member may transfer all or any part of its Shares to an Associate of the transferor Member (a **Permitted Transferee**) subject to the Permitted Transferee agreeing immediately to transfer all of its Shares back to the transferor Member or to another Permitted Transferee of the transferor Member immediately upon the Permitted Transferee ceasing to be a Permitted Transferee of the transferor Member, and
- (b) a Member may transfer his Shares (or any part thereof) to any person approved in writing by all Significant Members
- 36 **Rights of Pre-emption on Transfer for Significant Members**
- 36 1 Subject to any requirements agreed by the Members from time to time, if any Significant Member wishes to transfer its Shares (which may be part only), or any interest in them otherwise than pursuant to Article 35, that Significant Member (**Transferor**) shall give a notice in writing to the board of Directors (**Transfer Notice**) stating
- (a) the number of Shares it wishes to transfer (**Transfer Shares**),
- (b) the price for which it wishes to sell the Transfer Shares, and
- (c) details of any bona fide third party offer for the Transfer Shares
- 36 2 Once a Transfer Notice is issued it shall be irrevocable (save for withdrawal with Significant Member Approval),
- 36 3 The price of the Transfer Shares (**Transfer Price**) shall be agreed or determined in accordance with Article 40
- 36 4 Within ten Business Days of the Transfer Price being agreed or determined in accordance with Article 40, the board of Directors shall send a notice in writing (**Sale Notice**) to the Member(s) other than the Transferor (**Relevant Members**) offering for sale at the Transfer Price, the Transfer Shares (or his pro rata entitlement being the proportion that each Relevant Member's Shares bear to all the Shares held by the Relevant Members (their **Transfer Proportions**))
- 36 5 The Sale Notice shall set out
- (a) the number of Transfer Shares offered (determined in accordance with Article 36.4 above),
- (b) the Transfer Price;

- (c) the closing date of the offer (**Closing Date**) being ten (10) Business Days after the date of the Sale Notice, and
  - (d) that acceptance is irrevocable
- 36 6 A Relevant Member may accept the offer for some or all of the Transfer Shares offered to it or reject it by giving written notice to the board of Directors on or before the Closing Date, such notice to also include the number of Transfer Shares the Relevant Member wishes to acquire over and above its Transfer Proportion (if any). Each acceptance is unconditional and irrevocable. A Relevant Member who offers to purchase a stated number of Transfer Shares is also to be deemed to have offered to purchase a lesser number of Transfer Shares allocated to it under this Article 36. If no acceptance is received by the expiry of the Closing Date, the Relevant Member will be deemed to have rejected that offer.
- 36 7 If there are insufficient Transfer Shares to satisfy acceptances from all Relevant Members, the Transfer Shares will be apportioned between the Relevant Members in their Transfer Proportions. If such an apportionment would result in a greater number of Shares being transferred to a Relevant Member that is specified in its acceptance, the excess must be reallocated amongst the other Relevant Members who have lodged acceptances as nearly as may be in proportion to their Transfer Proportions. This Article 36 7 applies to that reapportionment and if necessary the process must be repeated until all of the Transfer Shares have been allocated or the maximum number of Shares each Relevant Member wishes to accept is reached (whichever is reached first).
- 36 8 Within five (5) days of Closing Date, the board of Directors must, and the Parties shall procure that the board of Directors shall, notify the Transferor and the Relevant Members who have accepted the offer of the number of Transfer Shares allocated to each such Relevant Member (**Accepting Member**). Where the Accepting Members have indicated that they are not willing to purchase all of the Transfer Shares, then (except where the proposed sale arises by virtue of the operation of Article 37 when the Transferor shall be compelled to transfer such number of Shares as have been allocated to Accepting Members and may not elect to transfer to third parties), the Transferor may either
  - (a) withdraw the Transfer Notice,
  - (b) elect to sell to the Accepting Members the number of Transfer Shares which they have indicated they are willing to purchase and sell and transfer the balance of Transfer Shares under Article 36 12, or
  - (c) elect to sell all the Transfer Shares to a third party under Article 36 12
- 36 9 Completion of the transfer of the Transfer Shares must take place within ten (10) Business Days of the Closing Date. At completion
  - (a) the Transferor must deliver the share certificates for the Transfer Shares to the Accepting Member(s) along with a duly executed stock transfer form in respect of the same,
  - (b) the Accepting Member(s) shall pay by cheque made payable to the Transferor the Transfer Price for the relevant number of Transfer Shares, and

- (c) if the Transferor is selling part only of its Shares, the Company shall issue a new share certificate to the Transferor in respect of the balance of Shares being retained
- 36 10 In the event that the Transferor fails to comply with Article 36 9 above, the Transferor irrevocably
  - (a) appoints any Director to be his attorney to execute and deliver transfers of the Transfer Shares to the Accepting Members, and
  - (b) authorises the Company to receive the proceeds of the sale of the Transfer Shares in trust for the Transferor and give a valid receipt to the Accepting Members in respect of such proceeds
- 36 11 Any sale of Transfer Shares to Accepting Members pursuant to this Article 36 shall be deemed to include warranties by the Transferor that they are free from any Encumbrance and shall be sold together with all rights attaching thereto (including dividends declared but not yet paid on the date on which the transfer is to take place)
- 36 12 Except as set out in Article 37 2(b), if, after the procedure in this Article 36 has been complied with, the Transfer Shares (or any part thereof) have not been accepted for purchase by the Accepting Members, the Transferor may, subject to compliance with Article 38, transfer the Transfer Shares on terms which are no less favourable to the Transferor than the terms and conditions set out in the Transfer Notice at any time before the expiry of three (3) months after the date of the Transfer Notice, provided always that in the event that the third party is a Competing Third Party, a transfer to such third party under this Article 36 shall (unless approved otherwise by JB Approval) automatically upon completion of the transfer trigger a suspension of rights of the Holder of the Transfer Shares to be entitled to attend and/or required to form a quorum at meetings of the board of Directors or Members or be entitled to vote the Transfer Shares or be counted in determining the majority decision of the board of Directors (which shall, from completion of the transfer of the Transfer Shares, be deemed to be a majority of those Directors appointed by Members other than the Holder of the Transfer Shares)
- 37 **Mandatory Share Transfers**
- 37 1 An Event of Default occurs in relation to a Member (**Defaulting Member**)
  - (a) immediately upon the Member becoming subject to an Insolvency Event, and
  - (b) where a Member who is an employee of the Company ceases to be an employee of the Company,
 (each, an **Event of Default**)
- 37 2 Where an Event of Default occurs
  - (a) in the case of the Event of Default at Article 37 1(b) the Defaulting Member and any Director appointed by it shall immediately cease to be entitled to attend and/or be required to form a quorum at meetings of the board of Directors or Members or be entitled to vote its Shares or to be counted in determining the majority decision of the board of Directors (which shall, from the occurrence of the Event of Default, be

deemed to be a majority of those Directors appointed by Member(s) other than the Defaulting Member) provided always that, for the avoidance of doubt, such rights shall be automatically reinstated upon transfer of the relevant Shares, and

- (b) the provisions of Article 36 shall apply save that
  - (i) the Defaulting Member will be deemed to have served a Transfer Notice on the Board in respect of all the Shares held by it (not part only) and all requisite amendments to reflect this shall be deemed to have been made,
  - (ii) the Transferor shall be the Defaulting Member,
  - (iii) in the case of Article 37 2(b) (where the Defaulting Member is a Bad Leaver only) the Transfer Price shall be lower of the amount originally paid (or agreed to be paid) by the Transferor for the Transfer Shares and the market value agreed or determined in accordance with Article 40,
  - (iv) the Defaulting Member shall not be permitted to withdraw the Transfer Notice for any reason,
  - (v) the Defaulting Member shall not be permitted to transfer its Shares to any third party (whether a Competing Third Party or not) under Article 36 12 without JB Approval,
  - (vi) in the event that the Transfer Shares are not acquired by the Relevant Members in accordance with Article 36, the board of Directors can, at any time, resolve that another Transfer Notice is deemed issued by the Defaulting Member and the provisions of Article 36 (as applied by this Article 37) shall apply to any subsequent deemed Transfer Notices and, for the avoidance of doubt, the Transfer Price shall be determined again in accordance with Article 37 2(b)(iii) or Article 36 3 and Article 40 (as applicable), and
  - (vii) notwithstanding any other provision in this Article 37 or in Article 36, in the case of an Event of Default under Article 37 1(b), the board of Directors may (with Significant Member Approval) elect by notice in writing to the Defaulting Member within fifteen (15) days of the occurrence of the Event of Default to require the Defaulting Member to transfer his Shares to an employee or prospective employee (or, in each case, employees, in which event, in the proportions determined by the Board with Significant Member Approval) in which case
    - (A) the deemed Transfer Notice shall automatically lapse,
    - (B) the price of the Shares to be transferred shall, in the event that the Defaulting Member is a Good Leaver be fair value determined in accordance with Article 40 or, in the event that the Defaulting Member is a Bad Leaver, the value set out in Article 37 2(b)(iii),
    - (C) Articles 36 9, 36 10 and 36 11 shall apply to the transfer save that the Closing Date shall be the date on which the Defaulting Member is deemed to receive the notice under

this Article 37 2(b)(vii); the Transfer Shares shall be all the Shares held by the Defaulting Member, the Accepting Members shall be the relevant employee or employees, and the Transferor shall be the Defaulting Member

**38 Tag Along Rights**

- 38 1 Subject to compliance with Article 36, if a Member or Members (**Proposed Seller(s)**) wish to transfer Shares which represent a Relevant Proportion of fifty-one per cent (51%) or more to a third party (**Proposed Purchaser**), the Proposed Seller(s) shall, upon receipt of a written request from any or all of the Member(s) within 5 Business Days of completion of the pre-emption process in Article 36 procure that the Proposed Purchaser makes an offer at the same time to the other Member(s) on the same terms as that made to the Proposed Seller(s) (**Tag Along Offer**) in accordance with this Article
- 38 2 In the event that the Shares to be acquired by the Proposed Purchaser are part only of the Shares held by the Proposed Seller(s), the Tag Along Offer shall be made (if so requested in accordance with Article 38 1) in respect of a proportion of the other Member's Shares as is equivalent to the proportion that the number of Shares to be acquired from the Proposed Seller(s) bears to the total number of Shares the Proposed Seller(s) holds. In the event that there is more than one Proposed Seller and different proportions of Shares are to be acquired from each such Proposed Seller(s), the relevant percentage for the purposes of this Article 38 shall be the highest
- 38 3 The Tag Offer shall be
- (a) made in writing;
  - (b) at the same price per Share as the price per Share agreed between the Proposed Seller(s) and Proposed Purchaser or any other consideration certified by the Auditors as being no less favourable to the other Member(s) than such price,
  - (c) on the same terms as the terms agreed between the Proposed Purchaser and Proposed Seller(s);
  - (d) shall be capable of acceptance for a period of not less than twenty Business Days after the Tag Along Offer is received by the other Member(s), and
  - (e) in the event that Article 38 2 applies, shall specify the number of Shares in respect of which the Tag Along offer is made
- 38 4 No transfer in favour of a Proposed Purchaser or its nominee shall be registered unless the provisions of this Article 38 have been complied with and insofar as the Tag Along Offer has been accepted, completion has taken place and the price has been paid
- 38 5 Completion of the sale of such of the Shares subject to the Tag Along Offer shall take place on the same date as completion of the sale of the Shares from the Proposed Seller(s) to the Proposed Purchaser and must be complied with prior to any transfer of Shares to a Proposed Purchaser
- 38 6 For the avoidance of doubt, the provisions of Article 36 shall apply to any proposed transfer of Shares to a Proposed Purchaser and must be complied with prior to any transfer of Shares to a Proposed Purchaser

39      **Drag Along Rights**

- 39 1      Subject to compliance with Article 36 and to any agreement between the Members or any of them from time to time, if a Member or Members wish to transfer Shares which represent a Relevant Proportion of 51% (fifty-one per cent) or more (the **Selling Members**) (but not part only) (**Sale Shares**) to a bona fide arms length purchaser (**Third Party Transferee**), such Member(s) shall have the option (**Drag Along Option**) to require the other Member(s) (**Dragged Members**) to sell and transfer all their Shares to the Third Party Transferee or as it shall direct
- 39 2      The Selling Members may exercise the Drag Along Option by giving written notice to that effect (**Drag Along Notice**) to the Company and the Dragged Members at any time which is not less than five (5) Business Days prior to the transfer of the Sale Shares to the Third Party Transferee. A Drag Along Notice shall specify
- (a)      that the Dragged Member(s) are required to transfer all their Shares (**Dragged Shares**) pursuant to this Article 39,
  - (b)      the person to whom they are to be transferred,
  - (c)      the price for which the Dragged Shares are to be transferred which shall be the same price per Share as price per Share agreed between the Selling Member(s) and the Third Party Transferee or any other consideration certified by the Auditors as being no less favourable to the Dragged Member(s) than such price, and
  - (d)      the proposed date of transfer (which shall be as set out under Article 39 5)
- 39 3      Upon delivery of the Drag Along Notice, the Dragged Member(s) shall
- (a)      be deemed immediately to have accepted the Drag Along Option in respect of all Shares held by it, and
  - (b)      become obliged to deliver to the Third Party Transferor an executed transfer of such Shares and the certificate(s) in respect of the same
- 39 4      Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of Sale Shares by Selling Member(s) to the Third Party Transferee within sixty (60) days after the date of service of the Drag Along Notice. The Selling Member(s) shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice
- 39 5      Completion of the sale of the Dragged Shares shall take place on the same date as the date proposed for completion of the sale of Sale Shares unless
- (a)      the Dragged Member(s) and the Selling Member(s) agree otherwise, or
  - (b)      that date is less than seven days after the date of the Drag Along Notice where it shall be deferred until the third Business Day after the date of the Drag Along Notice
- 39 6      At completion of the sale of the Dragged Shares and upon payment of the price for the Dragged Shares (which may be received by the Company on behalf of the Dragged Member(s)) and the Company receiving a transfer (duly stamped) in respect of the Dragged Shares (whether executed by a

Dragged Member or by any person on behalf of a Dragged Member pursuant to Article 39 7) the Third Party Transferee or its nominee shall be entered in the Register of Members of the Company. The certificate(s) in respect of any Shares so transferred, in the name of the original Member shall be deemed to be cancelled and a new certificate shall be issued in the name of Third Party Transferee or its nominee. The receipt of the Company for the consideration shall be a good discharge to Third Party Transferee who shall not be bound to see to the application of it, and after such registration in exercise of the above powers the validity of the proceedings shall not be questioned by any person. The Company shall hold the said consideration on behalf of any such Dragged Member(s) in a separate bank account on trust for the relevant Member pending delivery up of the cancelled certificate(s).

- 39 7 If any Dragged Member does not on completion of the sale of Dragged Shares execute transfer(s) in respect of all the Dragged Shares held by him, such Member shall be deemed to have irrevocably appointed any Director to be his attorney to execute and deliver all necessary transfer(s) on his behalf and against receipt by the Company (on trust for such Holder) of the purchase monies or any other consideration payable for the Dragged Shares deliver such transfer(s) to the Third Party Transferee (or as he may direct) and the Directors shall forthwith register the Third Party Transferee (or his nominee) as the Holder thereof and, after the Third Party Transferee (or his nominee) has been registered as the Holder, the validity of such proceedings shall not be questioned by any such person. It shall be no impediment to registration of Shares that no share certificate has been produced.
- 39 8 For the avoidance of doubt, the provisions of Article 36 shall apply to a proposed transfer of Shares from Selling Member(s) to a Third Party Transferee and must be complied with prior to any transfer of Shares to a Third Party Transferee.
- 39 9 Notwithstanding any other provision of the Articles, for so long as Tim Pendry is a Member and holds Shares with a Relevant Proportion of at least fifteen per cent (15%), he shall be entitled, upon the issuance of Drag Along Notice under this Article 39, to retain all his Shares by giving notice in writing to that effect to the Selling Member(s) within fifteen (15) Business Days of receipt of the Drag Along Notice provided always that the right to retain Shares shall apply in respect of all his Shares and not part only.

#### 40 **Agreement or determination of market value of Shares**

40 1 Immediately after

- (a) service of a Transfer Notice under Article 36,
- (b) deemed service of a Transfer Notice under Article 37, or
- (c) receipt by the Defaulting Member of a notice under Article 37 2(b)(vii)

(in each case, a **Notification**), the board of Directors and the Transferor shall enter into discussions in good faith to agree the fair value of the Shares subject to the Notification (**Valued Shares**). In the event that the board of Directors and Transferring Member(s) are unable to agree the fair value of the Valued Shares within ten Business Days of delivery of the Notification, the fair value of the Valued Shares shall be determined

by an Independent Accountant in accordance with the following provisions of this Article 40

- 40.2 If after ten Business Days the Transferor and the board of Directors fail to agree on the fair value of the Valued Shares, the parties shall agree to appoint an Independent Accountant to determine the fair value. In the event that the parties are unable to agree on the Independent Accountant to be appointed, the Independent Accountant will be appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales on the application of either party. The Independent Accountant must not have had any business dealings with any Member or the Company in the five years before the date of appointment. The parties must not unreasonably withhold consent to the proposed terms of appointment of the Independent Accountant (whether appointed by them or otherwise)
- 40.3 The Independent Accountant must be instructed to determine the fair value of the Valued Shares. In making its determination, the Independent Accountant shall
- (a) value the Company as a going concern as at the date of Notification,
  - (b) disregard whether the Valued Shares represent a minority or a majority,
  - (c) assume a transfer between a willing seller and a willing buyer on an arm's length basis; and
  - (d) take account of any bona fide third party offer which has been received for the Valued Shares
- 40.4 The board of Directors must ensure that the Independent Accountant has a right of access at all reasonable times to the accounting records and other records of the Company (including any subsidiary of the company) and is entitled to require from any officer of the Company such information and explanation as the Independent Accountant requires to value the Company
- 40.5 The board of Directors must use its best endeavours to ensure that the Independent Accountant makes a determination as soon as practicable and in any event within twenty Business Days after receiving instructions
- 40.6 The parties agree that, the Independent Accountant:
- (a) will act as an expert and not as an arbitrator;
  - (b) may obtain or refer to any documents, information or material and undertake any inspections or enquiries as he or she determines appropriate, and
  - (c) must provide the parties with a draft of his or her determination and must give the parties an opportunity to comment on the draft determination before it is finalised
- 40.7 Once the board of Directors has been notified of the determination of the Independent Accountant, it shall notify the Transferor within two Business Days of its being notified of the determination upon which the



Transferor shall be entitled to revoke the Transfer Notice within two Business Days of receipt of the notice of the determination of the Independent Accountant from the board of Directors, by giving to the board of Directors notice in writing to this effect

40 8 In the absence of manifest error, the Independent Accountant's determination will be final and binding on the parties

40 9 The Transferring Member must pay the reasonable costs and expenses of the Independent Accountant unless determined otherwise by the Independent Accountant

#### **41 Transmission of Shares**

In the event that a Member dies, the Shares of the relevant Member shall pass in accordance with his will provided always that all rights (whether under this Agreement or in the Articles) attaching to such Shares other than in respect of dividend and return of capital shall be suspended unless and until such Shares are transferred to any party in accordance with these Articles and any agreement between any Members to which the relevant transmitting Member was party (upon which, shall rights shall be automatically reinstated)

### **Distributions**

#### **42 Procedure for declaring dividends**

42 1 The Company may by Ordinary Resolution declare dividends, and the Directors may decide to pay interim dividends

42 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

42 3 No dividend may be declared or paid unless it is in accordance with Members' respective rights

42 4 Unless the Members' resolution to declare or Directors' decision to pay a dividend, or the terms on which Shares are issued, specify otherwise, it must be paid by reference to each Member's holding of Shares on the date of the resolution or decision to declare or pay it

42 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

42 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.

42 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

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

43 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

#### **44      No interest on distributions**

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

#### **45      Unclaimed distributions**

45 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

45 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

45 3      If

- (a)    12 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

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

- 46 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)
- 46 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

#### 47 **Waiver of distributions**

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share in whole or in part by giving the Company notice in writing to that effect (executed as a deed, unless the waiver is made for valuable consideration), 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 executed, by all the Holders or persons otherwise entitled to the share

#### **Capitalisation of profits**

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

- 48 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 or any other reserve, and
  - (b) appropriate any sum which they so decide to capitalise (**capitalised sum**) to the persons who would have been entitled to it if it were distributed by way of dividend (**persons entitled**) and in the same proportions
- 48 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

- 48 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.
- 48 4 A capitalised sum which was appropriated from profits available for distribution may be applied
- (a) in or towards paying up any amounts unpaid on existing Shares held by the persons entitled, or
  - (b) 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
- 48 5 Subject to the Articles, the Directors may
- (a) apply capitalised sums in accordance with Articles 48 3 and 48 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 Members**

### **Organisation of general meetings**

#### **49 Attendance and speaking at general meetings**

- 49 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
- 49 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
- 49 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.
- 49 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
- 49 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

50      **Quorum for general meetings and adjournment**

- 50 1      No business other than the appointment of the Chairman of the meeting shall be transacted at any meeting unless a quorum is present. Once a meeting is quorate and has commenced, the departure of a Member from the meeting shall not make the meeting in quorate unless the remaining Members agree unanimously that it should do so.
- 50 2      The quorum for a general meeting of the Company shall be all Significant Members present in person or by proxy. If within 30 minutes of the time appointed for a general meeting of the Company there is no quorum, the meeting shall stand adjourned to the same day ten Business Days later at the same time and place and if at such meeting a quorum is not present, the quorum shall be such Members present provided always that any adjourned meeting shall not, in any circumstances, be quorate without one Significant Member being present.
- 50 3      The Chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 50 4      It shall not be necessary to give any notice of an adjourned general meeting or of any business to be transacted at an adjourned meeting.
- 50 5      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.

51      **Chairing general meetings**

- 51 1      The Chairman of the board of Directors, or Director nominated by such Chairman shall chair general meetings if present and willing to do so.
- 51 2      If the Chairman or the Director nominated by 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 Member to chair the meeting, and the appointment of the Chairman of the meeting must be the first business of the meeting.
- 51.3      The person chairing a meeting in accordance with this Article is referred to as the **Chairman of the meeting**.

52      **Attendance and speaking by Directors and non-Members**

- 52 1      Directors may attend and speak at general meetings, whether or not they are Members.
- 52 2      The Chairman of the meeting may permit other persons who are not
- (a)    Members of the Company; or
- (b)    otherwise entitled to exercise the rights of Members in relation to general meetings,

to attend and speak at a general meeting

## **Voting at general meetings**

### **53 Voting: general**

- 53 1 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
- 53 2 In respect of any resolution of the Members to remove any Director from office, any Member(or its proxy) voting against such a resolution (whether on show of hands or a poll) to remove the Director appointed by it (or, in the case of the proxy, to remove the Director appointed by the Member who it is acting as proxy for) shall be entitled to cast such number of votes as is necessary to defeat the resolution (and the ruling of the Chairman of the meeting as to the number of votes required to be cast shall be final and binding)
- 53 3 In respect of any resolution of the Members to amend Article 53 2, any Member(or its proxy) voting against such a resolution (whether on a show or hands or a poll) to amend Article 53 2 shall be entitled to cast such number of votes as is necessary to defeat the resolution (and the ruling of the Chairman of the meeting as to the number of votes required to be cast shall be final and binding)
- 53 4 In respect of any resolution of the Members to confer equally weighted voting rights on those Members voting in favour of any resolution to remove a Director from office, any Member(or its proxy) voting against such a resolution (whether on a show or hands or a poll) to confer equally weighted voting rights shall be entitled to cast such number of votes as is necessary to defeat the resolution (and the ruling of the Chairman of the meeting as to the number of votes required to be cast shall be final and binding)
- 53 5 If a Member is notified by the other Members pursuant to these Articles or any other arrangements or agreement made between all of the Members that it is required to transfer the Shares held by it in the Company, from the time that Member is deemed to have received such notification until the time its Shares are transferred, it shall not exercise any voting rights attached to its Shares and any requirement contained in these Articles for a certain number of Members to be present at a meeting to constitute a quorum shall be met without the attendance or presence of it notwithstanding that a particular number or certain type of Member is normally required in order to constitute a quorum
- 53 6 Any Member interested in a Claim (other than interested solely by virtue of being a Member of the Company) shall be entitled to attend and speak at any meeting in relation to such Claim but shall not be entitle to vote at such meeting Any requirement contained in these Articles for a certain number of Members to be present at a meeting to constitute a quorum shall be met without the attendance or presence or a Member who is interested in a Claim (other than interested solely by virtue of being a Member of the Company) where a resolution in relation to such a Claim is proposed notwithstanding that a particular number or certain type of Member is normally required in order to constitute a quorum

## 54 **Errors and disputes**

- 54 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
- 54 2 Any such objection must be referred to the Chairman of the meeting whose decision is final

## 55 **Demanding a poll**

- 55 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
- 55 2 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting
- 55 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

A demand which is withdrawn shall not invalidate the result of a show of hands declared before the demand was made.
- 55 4 Polls must be taken at the general meeting at or in respect of which they are demanded and in such manner as the Chairman of the meeting directs
- 55 5 The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded

## 56 **Content and delivery of Proxy Notices**

- 56 1 Proxies may only validly be appointed by a notice in writing (**Proxy Notice**) which
  - (a) states the name and address of the Member appointing the proxy,
  - (b) identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed,
  - (c) is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Directors may determine, and
- 56 2 The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes
- 56 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

- 56 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

## **57 Effect of Proxy Notice**

- 57 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
- 57 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
- 57 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
- 57 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.

## **58 Amendments to resolutions**

- 58 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
- 58 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
- 58 3 If the Chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, his error does not invalidate the vote on that resolution

## **Restrictions on Members' rights**

### **59 No voting of Shares on which money owed to Company**

No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it, or on any written resolution of the



Company unless all amounts due and payable to the Company in respect of that share have been paid

## **PART 5 Miscellaneous provisions**

### **Company communications**

#### **60 Means of communication and receipt**

- 60 1 Any document or information sent or supplied by the Company shall be in writing and shall be delivered personally or sent by pre-paid first class recorded delivery post or by email
- 60 2 Any document or information sent or supplied by the Company shall be deemed to have been received by the intended recipient
- (a) if delivered personally, upon delivery to the Members address provided that if this occurs on a day which is not a Business Day, delivery shall be on the next Business Day thereafter,
  - (b) if sent by pre-paid first class recorded delivery post, at 9 am on the second Business Day after the date of posting (or, if airmail, at 9 am in the place of delivery on the sixth Business Day after the date of posting) provided that if it is sent on a day other than a Business Day, the next Business Day thereafter shall be deemed to be the date on which the document or information was sent for the purposes of determining the deemed delivery of the same, and
  - (c) if sent by email, only upon the recipient sending acknowledgement of receipt of the notice (which, for the avoidance of doubt, shall not include an automatically generated receipt or response email), failing which, such notice shall not be deemed to have been received (unless delivered otherwise by an alternative means in accordance with this Article 60)

#### **61 Company secretary**

The Directors may appoint a person to act as the secretary of the Company for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them (with or without replacement)

### **Administrative arrangements**

#### **62 Company seals**

- 62 1 Any common seal may only be used by the authority of the Directors
- 62 2 The Directors may decide by what means and in what form any common seal is to be used
- 62 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
- 62 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.

62 5 The Company may execute deeds and other documents otherwise than under the common seal provided that execution is in accordance with the Companies Acts

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

Except as provided by law or authorised by the Directors or an Ordinary Resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a Member.

## **Directors' indemnity, funding and insurance**

### 64 **Indemnity and funding**

64 1 Subject to Article 64 2, but without prejudice to any indemnity to which a Relevant Officer may otherwise be entitled, the Directors may exercise the power of the Company to

(a) indemnify any Relevant Officer out of the assets of the Company against:

- (i) any liability incurred by that Relevant Officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company,
- (ii) any liability incurred by that Relevant Officer in connection with the activities of the Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act), and
- (iii) any other liability incurred by that Relevant Officer as an officer of the Company,

(b) provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by such Relevant Officer

- (i) in defending any criminal or civil proceedings or in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust in relation to the Company, or
- (ii) in connection with any application for relief (within the meaning of section 205(5) of the Act),

or to do anything to enable a Relevant Officer to avoid incurring such expenditure

64 2 This Article does not authorise any indemnity, provision of funds or other matter which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

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**65 Insurance**

The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any loss or liability which has been or may be incurred by a Relevant Officer in connection with their duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company