

Company Number 07796376

The Companies Act 2006
Private Company Limited by Shares

Articles of association of **Plymouth Argyle Football Club** **Limited**

Adopted by written special resolution
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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED (THE "COMPANY")

INTERPRETATION

1 Definitions and interpretation

1.1 In these Articles, unless the context otherwise requires the following words and expressions have the following meanings:

Articles: the Company's articles of association for the time being in force, and references to an "Article" are to the relevant article of the Articles.

Auditors: the auditors of the Company for the time being (if any).

Board: the directors of the Company for the time being.

Business Day: any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business.

CA 2006: the Companies Act 2006.

Call: as defined in Article 25.1.

Call Notice: as defined in Article 25.1.

Call Payment Date: the date on which a Call Notice states that a Call is payable, unless the directors give a notice specifying a later date, in which case the Call Payment Date is that later date.

Company's Lien: as defined in Article 24.1.

Conflict: as defined in Article 9.1.

Eligible Director: a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter).

Investor: the holder of the majority of the Ordinary Shares at the date of adoption of these Articles.

Lien Enforcement Notice: a notice in writing given in accordance with Article 24.5.

Model Articles: the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as set out in the Annexure to these Articles.

Ordinary Share: an ordinary share of £1 each in the capital of the Company.

Proxy Notice: a notice in writing given in accordance with Article 29.1.

Qualifying Person: has the meaning given in section 318 CA 2006.

Relevant Loss: any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or any associated company.

Relevant Officer: any director or secretary or former director or secretary of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined in section 235(6) CA 2006)).

Relevant Rate: a rate of interest which does not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England (in connection with its responsibilities under part 2 of the Bank of England Act 1998) and which:

- (a) is specified by the terms on which a Share, in respect of which a Call is due, was allotted;
- (b) is specified in a Call Notice requiring payment of the Call; or
- (c) has otherwise been determined by the directors.

Shares: the Ordinary Shares and any other shares in the capital of the Company from time to time.

Shareholder: any holder of Shares from time to time.

Transmittee: a person entitled to a Share by reason of the death or bankruptcy of a Shareholder or otherwise by operation of law.

- 1.2 Except as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in CA 2006 shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and do not affect the construction or interpretation of these Articles.
- 1.4 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - (a) any subordinate legislation from time to time made under it, and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.5 Any phrase introduced by the terms "**including**", "**include**", "**in particular**", "**for example**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.6 Companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.
- 1.7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.8 Articles 7, 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2) and (3), 38, 44(2) and (3), 45(1), 49, 52 and 53 of the Model Articles shall not apply to the Company.

- 1.9 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 1.10 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.11 Article 26(1) of the Model Articles shall be amended by the insertion of the words "Subject to the other provisions contained in these Articles " at the beginning of the article.
- 1.12 Article 26(5) of the Model Articles shall be amended by the insertion of the words "Subject to the other provisions contained in these Articles" at the beginning of the article.
- 1.13 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to Article 12," after the word "But".
- 1.14 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name(s) of any person(s) named as the transferee(s) in an instrument of transfer executed under Model Article 28(2)," after the words "the transmittee's name".
- 1.15 In Article 30(4) of the Model Articles, the words "the terms on which shares are issued" shall be deleted and replaced with "the rights attached to any shares".
- 1.16 Articles 31(1)(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide".
- 1.17 In Article 32(a) of the Model Articles, the words "the terms on which shares are issued" shall be deleted and replaced with "the rights attached to any shares".

SHAREHOLDERS' LIABILITY

2 Liability of Shareholders

The liability of the Shareholders is limited to the amount, if any, unpaid on the Shares held by them.

DIRECTORS

3 Directors to take decisions collectively

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 4.

4 Unanimous decisions

- 4.1 A decision of the directors is taken in accordance with this Article 4 when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.2 Such a decision of the directors may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.3 A decision may not be taken in accordance with this Article 4 if the Eligible Directors would not have formed a quorum at a directors' meeting.

5 Calling a directors' meeting

Any director may call a directors' meeting by giving reasonable advance notice of the meeting to the directors (or such period of notice as agreed in writing by all directors) or by authorising the Company secretary (if any) to give such notice.

6 Quorum for directors' meetings

- 6.1 Subject to Article 6.2, the quorum for the transaction of business at a meeting of directors is any two Eligible Directors provided that the quorum includes the Investor (for so long as he is a director) and the Company's chief executive (the "CEO") for the time being unless:
- (a) the Investor has previously notified the Company that his presence is not required at the meeting or in respect of the specific business in question;
 - (b) the CEO has previously notified the Company that his presence is not required at the meeting or in respect of the specific business in question; or
 - (c) the business of the meeting includes the proposed exercise by the directors of the authority conferred by section 175 CA 2006 (or any subsequent amendment or revocation of such authorisation) in accordance with Article 9 and the Investor and/or the CEO is/are the director(s) in question, in which case the Investor and/or the CEO (as the case may be) shall not be part of the quorum on that business.
- 6.2 For the purposes of any meeting (or part of a meeting) held pursuant to Article 9 to authorise a Conflict (as defined in Article 9.1), if there are insufficient Eligible Directors to constitute a quorum, the quorum for such meeting (or part of a meeting) shall be all the Eligible Directors.

7 Casting vote

If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote.

8 Transactions or other arrangements with the Company

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) CA 2006 and provided that he has declared the nature and extent of his interest in accordance with the requirements of CA 2006, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,
- (b) shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested,
- (c) shall be entitled to vote at a meeting of directors (or committee of directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested,
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise (directly or indirectly) interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (f) shall not be accountable to the Company (except as he may otherwise agree) for any benefit which he, or a person connected with him (as defined in section 252 CA 2006), derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such

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

9 Directors' conflicts of interest

9.1 The directors may, in accordance with the requirements set out in this Article 9, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 CA 2006 to avoid conflicts of interest (a "Conflict").

9.2 Any authorisation of a Conflict will be effective only if:

- (a) the matter in question is proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
- (b) any requirement as to quorum at the meeting of directors at which the matter is considered is met without counting the director in question; and
- (c) the matter is agreed to without the director in question voting or would have been agreed to if his vote had not been counted.

9.3 Any authorisation of a Conflict may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
- (b) be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine; and
- (c) be terminated or varied by the directors at any time.

9.4 Anything done by the director in question in accordance with the terms of the authorisation shall not be affected by its subsequent termination or variation.

9.5 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation, if it would amount to a breach of that confidence, to:

- (a) disclose such information to the directors or to any director or other officer or employee of the Company; or
- (b) use or apply any such information in performing his duties as a director of the Company.

9.6 Where the directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the director in question:

- (a) is excluded from discussions (whether at meetings of directors or otherwise) relating to the Conflict;
- (b) is not given any documents or other information relating to the Conflict; and
- (c) may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.

- 9.7 Where the directors authorise a Conflict the director in question:
- (a) will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict; and
 - (b) will not infringe any of the duties he owes to the Company by virtue of sections 171 to 177 CA 2006 provided that he acts in accordance with any terms, limits and conditions as the directors impose in respect of its authorisation.
- 9.8 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject, in each case, to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 10 Records of decisions to be kept**
- Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.
- 11 Number of directors**
- 11.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.
- 11.2 If the total number of directors at any time is less than two, the remaining director shall not take any decision other than a decision to:
- (a) appoint an additional director; or
 - (b) call a general meeting to enable the Shareholders to appoint an additional director.
- 12 Appointment of directors**
- In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the Transmittor(s) of the last Shareholder to have died or to have a bankruptcy order made against him (as the case may be) shall have the right, by notice in writing to the Company, to appoint a natural person (including a Transmittor who is a natural person), who is willing to act and is permitted to do so, to be a director.
- 13 Appointment and removal of alternate directors**
- 13.1 Any director (an "appointor") may, in relation to the taking of decisions by the directors in the absence of that director, appoint as an alternate any other director, or any other person approved by resolution of the directors, to:
- (a) exercise that director's powers; and
 - (b) carry out that director's responsibilities.
- 13.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.
- 13.3 The notice must:
- (a) identify the proposed alternate; and

- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

14 Rights and responsibilities of alternate directors

14.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

14.2 Except as these Articles specify otherwise, alternate directors:

- (a) are entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which their respective appointor is a member;
- (b) are deemed for all purposes to be directors;
- (c) are liable for their own acts and omissions;
- (d) are subject to the same restrictions as their appointors; and
- (e) are not deemed to be agents of or for their appointors.

14.3 A person who is an alternate director but not a director:

- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
- (b) may participate in any decision of the directors (but only if his appointor is an Eligible Director in relation to that decision and does not participate); and
- (c) shall not be counted as more than one director for the purposes of Articles 14.3(a) and 14.3(b).

14.4 A director who is also an alternate director shall be entitled (in the absence of his appointor) to a separate vote on behalf of his appointor in addition to his own vote on any decision of the directors provided that his appointor is an Eligible Director in relation to that decision, but shall not count as more than one director for the purposes of determining whether a quorum is present.

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

15 Termination of alternate directorship

15.1 An 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 his 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 alternate director's appointor's appointment as a director otherwise terminates.

16 Secretary

The directors may appoint any person who is willing to act as the Company secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

ALLOTMENT AND TRANSFER OF SHARES

17 Further issue of Shares: authority

Subject to Article 18, the directors are generally and unconditionally authorised, for the purpose of section 550 CA 2006, to exercise any power of the Company to allot or grant rights to subscribe for or to convert any security into Ordinary Shares to any person at any time and subject to any terms and conditions as the directors think fit, provided that, both before and after any such allotment, subscription or conversion, the Ordinary Shares are the only class of Shares in issue in the capital of the Company.

18 Further issue of Shares: pre-emption rights

18.1 By virtue of section 567 CA 2006, sections 561 and 562 CA 2006 shall not apply to an allotment of Shares made by the Company.

18.2 Unless otherwise agreed by special resolution, the Company shall not allot any Shares to any person(s) unless it has first offered them to each existing Shareholder, as at the date of the offer, on the same terms and at the same price as those Shares are proposed to be offered to such other person(s), *pro rata* to each existing Shareholder's holding of Shares expressed as a proportion of the total number of Shares then in issue (as nearly as possible without involving fractions) ("**Issue Entitlement**"). The offer (the "**Issue Offer**"):

- (a) must be in writing and remain open for acceptance for a period of 15 Business Days from the date of the offer and must give details of the number and subscription price of the relevant Shares; and
- (b) may stipulate that any Shareholder who wishes to subscribe for a number of Shares in excess of his Issue Entitlement must, in his acceptance, state the number of excess Shares for which he wishes to subscribe.

18.3 Any Shares not accepted by the existing Shareholders pursuant to the Issue Offer shall be used to satisfy any requests for excess Shares made pursuant to Article 18.2(b). If there are insufficient excess Shares to satisfy such requests, the excess Shares shall be allotted to the applicants for excess Shares *pro rata* to each such applicant's Issue Entitlement (as nearly as possible without involving fractions or increasing the number of excess Shares allotted to any Shareholder beyond that applied for by him). After any such allotment of excess Shares, any Shares remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the Issue Offer.

18.4 Subject to Articles 18.2 and 18.3 and to section 551 CA 2006, any Shares shall be at the disposal of the directors who may allot or grant rights to subscribe for or to convert any security into Shares to any person at any time and subject to any terms and conditions as the directors think fit.

19 Transfer and issue of Shares: general

19.1 Any Shareholder (including, for the avoidance of doubt, the Investor) may transfer Shares to any person at any time with the prior written consent of the Investor and the provisions of Articles 20, 22 or 23 shall not apply to such transfer, save that Article 23 shall still apply if (i) the Shareholder in question is the Investor himself and (ii) the transfer in question is of 25 per cent or more of the Shares then in issue.

- 19.2 Save for where not required by the Company, no Shares may be allotted or transferred to any employee, director, prospective employee or prospective director of the Company unless such person has entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003 in respect of such Shares.
- 19.3 Nothing in Articles 18, 20, 22 or 23 shall confer on any Shareholder or other person any right or expectation to receive any pre-emptive or other offer of Shares or equity securities (as defined in section 560(1) CA 2006) save as expressly provided in these Articles.
- 20 Transfer of Shares: pre-emption rights**
- 20.1 Save for a transfer of Shares in accordance with Article 19.1, no Shareholder shall sell, transfer, assign, pledge, charge or otherwise dispose of any Share or any interest in any Share except in accordance with this Article 20 or Articles 22 or 23.
- 20.2 A Shareholder ("**Seller**") wishing to transfer Shares ("**Sale Shares**") shall give notice in writing ("**Transfer Notice**") to the other Shareholders ("**Continuing Shareholders**") specifying the details of the proposed transfer, including:
- (a) the number of Sale Shares comprised within the Transfer Notice;
 - (b) the identity of the proposed buyer(s);
 - (c) the proposed price for each Sale Share ("**Proposed Sale Price**"); and
 - (d) subject to any notice received in accordance with Article 20.6, each Continuing Shareholder's proportionate entitlement to the Sale Shares, being the same proportion of the Sale Shares as the proportion that the number of Shares held by him bears to the total number of Shares held by the Continuing Shareholders (as nearly as possible without involving fractions) ("**Transfer Entitlement**").
- 20.3 The Continuing Shareholders (or any of them) may, by giving notice in writing ("**Price Notice**") to the Seller at any time within 10 Business Days of receipt of a Transfer Notice, notify the Seller that the Proposed Sale Price is too high. Following service of a Price Notice, the Continuing Shareholders and the Seller shall endeavour to agree a price for each of the Sale Shares. If they have not agreed such a price within 10 Business Days of the Seller's receipt of a Price Notice, they (or any of them) shall immediately instruct an expert valuer in accordance with Article 20.4 (the "**Valuers**") to determine the Fair Value of each Sale Share in accordance with Article 21.
- 20.4 The Valuers will be either:
- (a) the Auditors; or
 - (b) if there are no Auditors, or if otherwise agreed by the Continuing Shareholders and the Seller or if the Auditors refuse to act, an independent firm of Chartered Accountants to be agreed between the Continuing Shareholders and the Seller or, failing such agreement within 15 Business Days of the Seller's receipt of a Price Notice, to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either the Continuing Shareholders or the Seller.
- 20.5 If, following delivery to him of the Valuers' written notice in accordance with Article 21, the Seller does not agree with the Valuers' determination of the Fair Value of the Sale Shares, he shall be entitled to revoke the Transfer Notice by giving notice in writing to the Continuing Shareholders within five Business Days of delivery to him of the Valuers' written notice. If the Seller revokes the Transfer Notice, he shall not be entitled to transfer the Sale Shares.
- 20.6 Within 20 Business Days of receipt of a Transfer Notice or, if applicable and if later, within 20 Business Days of receipt of the Valuers' determination of the Fair Value (and provided that

the Seller has not revoked the Transfer Notice in accordance with Article 20.5), a Continuing Shareholder shall be entitled (but not obliged) to give notice in writing ("**Acceptance**") to the Seller applying to purchase a specified number of Sale Shares at the Proposed Sale Price or Fair Value (as applicable). A Continuing Shareholder may, in his Acceptance, apply to purchase a particular number of Sale Shares in excess of his Transfer Entitlement ("**Extra Shares**").

20.7 If, on the expiry of the relevant 20 Business Day period referred to in Article 20.6:

- (a) the total number of Sale Shares applied for is equal to or, where Extra Shares have been applied for, exceeds the available number of Sale Shares, each accepting Continuing Shareholder shall be allocated his Transfer Entitlement (or such lesser number of Sale Shares for which he has applied). For this purpose, fractional Transfer Entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the accepting Continuing Shareholders shall be determined by the Board). No allocation shall be made to an accepting Continuing Shareholder of more than the maximum number of Sale Shares which he applied to purchase in his Acceptance; or
- (b) the total number of Sale Shares applied for is less than the available number of Sale Shares, each accepting Continuing Shareholder shall be allocated Sale Shares in accordance with his Acceptance.

20.8 In relation to any Sale Shares not accepted by Continuing Shareholders under Article 20.6 and allocated under Article 20.7, the Company shall at its sole discretion be entitled to buy back such Sale Shares within a period not exceeding one month from the date of receipt by the Company of the last Acceptance from a Continuing Shareholder. If the Company fails to complete the buyback of such Sale Shares within such time period or notifies the Seller that it does not wish to buy back such Sale Shares, the Seller shall be entitled to transfer those Sale Shares to the proposed buyer(s) specified in the Transfer Notice at a price not less than the Proposed Sale Price.

20.9 Any transfer of Shares in accordance with Article 19.1 or this Article 20 shall be deemed to include a warranty from the transferor that he transfers the Shares with full title guarantee.

20.10 Completion of a transfer of Shares in accordance with Article 19.1 or this Article 20 shall take place at the registered office of the Company when the Seller shall, upon payment to him by the buyer(s) of the aggregate price payable in respect of the Sale Shares, transfer the Sale Shares and deliver the relevant share certificate(s) (or an indemnity in respect of any lost certificate(s)), to the buyer(s).

21 Fair Value

The Fair Value for any Sale Share shall be the price per share determined in writing by the Valuers on the following bases and assumptions:

- (a) any bases and assumptions that the Board thinks fit and notifies to the Valuers;
- (b) valuing each of the Sale Shares as a proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued Shares which the Sale Shares represent;
- (c) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (d) the sale is to be on arm's length terms between a willing seller and a willing buyer;
- (e) the Sale Shares are sold free of all restrictions, liens, charges and other encumbrances; and

- (f) the sale is taking place on the date the Valuers were requested to determine the Fair Value.

22 Drag along rights

- 22.1 Any Shareholder (or Shareholders together) holding at least 75 per cent of the Shares from time to time in issue (the "**Offeree Shareholder**") shall have the right at any time to negotiate and conclude the terms and conditions of a proposed sale of all of the Shares from time to time in issue to a third party in accordance with this Article 22 (a "**Drag Along Sale**").
- 22.2 The Offeree Shareholder shall, within 10 Business Days of receipt of a *bona fide* written arm's length offer by a third party for all of the Shares, notify all the other Shareholders (the "**Other Shareholders**") of the offer (the "**Offeree Shareholder's Notice**") and supply to the Other Shareholders such information as the Offeree Shareholder considers reasonable in connection with the Drag Along Sale save to the extent that any such disclosure of information would result in any breach of any confidentiality undertaking given by the Offeree Shareholder to the Offeror (as defined below).
- 22.3 Any Drag Along Sale shall be subject to the following specifications:
- (a) a Drag Along Sale may be by way of an offer for all of the Shares made by a third party buyer or group of third party buyers (the "**Offeror**");
 - (b) the consideration for the Shares to be sold by the Shareholders pursuant to the Drag Along Sale shall be apportioned between the Shareholders on a *pari passu* basis and *pro rata* to each Shareholder's holding of Shares expressed as a proportion of the total number of Shares then in issue;
 - (c) each Other Shareholder shall be entitled to receive in full their respective consideration for the Shares to be sold by them at the same time as the Offeree Shareholder; and
 - (d) each Other Shareholder shall only be required to give the same warranties, representations and indemnities in connection with the Drag Along Sale as those given by the Offeree Shareholder or such lesser warranties, representations and indemnities as agreed between the Offeree Shareholder and the Offeror.
- 22.4 The Other Shareholders shall thereupon become bound to accept the Drag Along Sale and to transfer their Shares to the Offeror (or his nominee) with full title guarantee on the date specified by the Offeree Shareholder.
- 22.5 If any Other Shareholder shall not, within five Business Days of being required to do so, execute and deliver the transfer(s) in respect of the Shares held by him and deliver the certificate(s) in respect of the same (or an indemnity in respect of any lost certificate(s) in a form acceptable to the Offeror), the Offeree Shareholder shall be entitled to:
- (a) execute, and shall be entitled to authorise and instruct such person as he thinks fit to execute, the necessary transfer(s) and indemnities on such Other Shareholder's behalf;
 - (b) against receipt by the Company (on trust for such Other Shareholder) of the consideration payable for the relevant Shares, deliver such transfer(s) and certificate(s) or indemnities to the Offeror (or his nominee); and
 - (c) register the Offeror (or his nominee) as the holder of the relevant Shares,
- and, after such registration, the validity of such proceedings shall not be questioned by any person.

23 Tag along rights

- 23.1 If a Shareholder (or Shareholders together) (the "**Selling Shareholder**") receives a *bona fide* written arm's length offer from a third party for any or all of the Shares that he (or they) own and such offer represents an offer for 25 per cent or more of the Shares then in issue, the Selling Shareholder may sell all or some of his Shares and any such sale shall be subject to and in accordance with this Article 23.
- 23.2 No less than five Business Days prior to any such proposed sale, the Selling Shareholder shall notify each other Shareholder (each a "**Tag Along Shareholder**") in writing of such intended sale, which notice (the "**Selling Shareholder's Notice**") shall set out:
- (a) the name and address of the prospective buyer (the "**Prospective Buyer**");
 - (b) the sale price and other terms and conditions of payment (including details of any warranties, representations, indemnities, covenants and other assurances to be given to the Prospective Buyer and any guarantees to be given);
 - (c) the date on or about which such sale is anticipated to be made; and
 - (d) the number of Shares (the "**Tag Sale Shares**") to be purchased by the Prospective Buyer from the Selling Shareholder.
- 23.3 If all of the Shares in issue are acquired pursuant to this Article 23, the consideration for the Shares to be sold by the Shareholders pursuant to this Article 23 shall be apportioned between the Shareholders on a *pari passu* basis and *pro rata* to each Shareholder's holding of Shares expressed as a proportion of the total number of Shares then in issue.
- 23.4 Within 10 Business Days of receipt of the Selling Shareholder's Notice, each Tag Along Shareholder shall notify the Selling Shareholder whether he wishes to sell all of his Shares to the Prospective Transferee on the same terms and conditions as set out in the Selling Shareholder's Notice, which shall include such Tag Along Shareholder giving the same warranties, representations, indemnities, covenants and other assurances as the Selling Shareholder or such lesser warranties, representations and indemnities as agreed between the Selling Shareholder and the Prospective Buyer. A person giving such notice to the Selling Shareholder shall then be entitled to sell his Shares to the Prospective Buyer on the same terms and conditions as are set out in the Selling Shareholder's Notice.
- 23.5 If a Shareholder is not afforded the right to act upon or participate in the transaction contemplated by the Selling Shareholder's Notice in accordance with the provisions of this Article 23, the Selling Shareholder may not complete such transaction and the Board shall be bound to refuse to register any transfer of Shares intended to carry such transaction into effect.

PARTLY PAID SHARES

24 Company's Lien over Shares

- 24.1 The Company has a lien (a "**Company's Lien**") over every Share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company and whether payable immediately or in the future.
- 24.2 The Company's Lien over a Share:
- (a) takes priority over any third party's interest in that Share; and

- (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the Company's Lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.
- 24.3 The directors may at any time decide that a Share which is or would otherwise be subject to the Company's Lien will not be subject to it, either wholly or in part.
- 24.4 Subject to the provisions of this Article 24, the Company may sell a Share over which it has a Company's Lien in such manner as the directors decide if:
 - (a) a Lien Enforcement Notice has been given in respect of that Share; and
 - (b) the person to whom the Lien Enforcement Notice was given has failed to comply with it.
- 24.5 A Lien Enforcement Notice:
 - (a) may only be given in respect of a Share which is subject to a Company's Lien for any sum payable if the due date for payment of that sum has passed;
 - (b) must specify the Share(s) concerned;
 - (c) must require payment of the sum within 10 Business Days;
 - (d) must be addressed either to the holder(s) of the Share(s) or to the Transmittree(s) of that holder; and
 - (e) must state the Company's intention to sell the Share(s) if the notice is not complied with.
- 24.6 Where Shares are sold under this Article 24:
 - (a) the directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser; and
 - (b) the transferee is not bound to see to the application of the consideration (if any) and the transferee's title to the Shares shall not be affected by any irregularity in, or invalidity of, the process leading to the sale.
- 24.7 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's Lien) shall be applied:
 - (a) first, in payment of so much of the sum for which the Company's Lien exists as was payable at the date of the Lien Enforcement Notice; and
 - (b) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien for any money payable as existed upon the Shares before the sale in respect of all Shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice.
- 24.8 A statutory declaration by a director or the Company secretary that he is a director or the Company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date:
 - (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and

- (b) subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the Share.

25 Call Notices

- 25.1 Subject to these Articles and the terms on which Shares are allotted, the directors may send a notice (a "**Call Notice**") to a Shareholder requiring the Shareholder to pay the Company a specified sum of money ("**Call**") which is payable to the Company at the date when the directors resolve to send the Call Notice.
- 25.2 A Call Notice:
 - (a) may not require a Shareholder to pay a Call which exceeds the total amount of his indebtedness or liability to the Company;
 - (b) must state when and how any Call to which it relates is to be paid; and
 - (c) may permit or require the Call to be made in instalments.
- 25.3 No Shareholder is obliged to pay any Call before 10 Business Days have passed since the Call Notice was sent.
- 25.4 Before the Company has received any Call due under a Call Notice, the directors may by a further notice in writing to the Shareholder in respect of whose Shares the Call is made:
 - (a) revoke the Call wholly or in part; or
 - (b) specify a later time for payment than is specified in the Call Notice.
- 25.5 The liability to pay a Call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid.
- 25.6 Joint holders of a Share are jointly and severally liable to pay all Calls in respect of that Share.
- 25.7 Subject to the terms on which Shares are allotted, the directors may, when allotting Shares, provide that Call Notices sent to the holders of those Shares may require them:
 - (a) to pay Calls which are not the same; or
 - (b) to pay Calls at different times.
- 25.8 A Call Notice need not be issued in respect of a Share for sums which are specified, in the terms on which that Share is allotted, as being payable to the Company:
 - (a) on allotment;
 - (b) on the occurrence of a particular event; or
 - (c) on a date fixed by or in accordance with the terms of allotment.
- 25.9 If the due date for payment of a sum specified in Article 25.8 has passed and it has not been paid, the holder of the Share concerned is treated in all respects as having failed to comply with a Call Notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.
- 25.10 If a person is liable to pay a Call and fails to do so by the Call Payment Date:
 - (a) the directors may issue a notice of intended forfeiture to that person; and

- (b) until the Call is paid, that person must, subject to Article 25.11, pay the Company interest on the Call from the Call Payment Date at the Relevant Rate.
- 25.11 The directors may waive any obligation to pay interest on a Call wholly or in part.
- 25.12 A notice of intended forfeiture:
 - (a) may be sent in respect of any Shares for which a Call has not been paid as required by a Call Notice;
 - (b) must be sent to the holder (or the joint holders) of those Shares or to the Transmittree(s) of such holder(s);
 - (c) must require payment of the Call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 10 Business Days after the date of the notice;
 - (d) must state how the payment is to be made; and
 - (e) must state that if the notice is not complied with, the Shares in respect of which the Call is payable will be liable to be forfeited.
- 25.13 If a notice of intended forfeiture is not complied with before the date by which payment of the Call is required (as set out in such notice), the directors may decide that any Shares for which it was given are forfeited, and the forfeiture is to include all dividends or other monies payable in respect of the forfeited Shares but not paid before the forfeiture.
- 25.14 Subject to these Articles, the forfeiture of a Share extinguishes:
 - (a) all interests in that Share, and all claims and demands against the Company in respect of it; and
 - (b) all other rights and liabilities incidental to that Share as between the person(s) who held the Share prior to the forfeiture and the Company.
- 25.15 Any Share which is forfeited:
 - (a) is deemed to have been forfeited when the directors decide that it is forfeited;
 - (b) is deemed to be the property of the Company; and
 - (c) may be sold, re-allotted or otherwise disposed of as the directors think fit.
- 25.16 If a person's Shares are forfeited:
 - (a) the Company must send that person notice that forfeiture has occurred and record it in the Company's register of members;
 - (b) that person ceases to be a Shareholder in respect of those Shares;
 - (c) that person must surrender the certificate for the Shares forfeited to the Company for cancellation;
 - (d) that person remains liable for all sums payable to the Company under these Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and

- (e) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.
- 25.17 At any time before the Company disposes of a forfeited Share, the directors may decide to cancel the forfeiture on payment of all Calls, and interest and expenses due in respect of them, and on such other terms as they think fit.
- 25.18 If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.
- 25.19 A statutory declaration by a director or the Company secretary that he is a director or the Company secretary and that a Share has been forfeited on a specified date:
 - (a) is conclusive evidence of the facts stated in the statutory declaration as against all persons claiming to be entitled to the Share; and
 - (b) subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the Share.
- 25.20 A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) and that person's title to the Share shall not be affected by any irregularity in, or invalidity of, the process leading to the forfeiture or transfer of the Share.
- 25.21 If the Company sells a forfeited Share, the person who held it prior to its forfeiture shall receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which was, or would have become, payable, but had not, when that Share was forfeited, been paid by that person in respect of that Share.
- 25.22 No interest shall be payable to a person who held a Share prior to its forfeiture in respect of any sale proceeds as referred to in Article 25.21 and the Company is not required to account for any interest (or other money) earned on the sale proceeds.

26 Surrender of Shares

- 26.1 A Shareholder may surrender any Share:
 - (a) in respect of which the directors may issue a notice of intended forfeiture;
 - (b) which the directors may forfeit; or
 - (c) which has been forfeited.
- 26.2 The directors may (but are not obliged to) accept the surrender of any such Share.
- 26.3 The effect of surrender on a Share is the same as the effect of forfeiture on it.
- 26.4 A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeited.

DECISION MAKING BY SHAREHOLDERS

27 Quorum for general meetings

- 27.1 No business other than the appointment of the chairman of the meeting shall be transacted at a general meeting if the persons present (in person or by proxy) do not constitute a quorum.

- 27.2 Save where there is only one Shareholder, two Shareholders present (in person or by proxy) and entitled to vote upon the business to be transacted shall constitute a quorum.

28 Poll votes

- 28.1 A poll may be demanded in advance of or at any general meeting by any Qualifying Person present (or entitled to be present) and entitled to vote at the meeting.
- 28.2 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.
- 28.3 A demand withdrawn in accordance with Article 28.2 shall not invalidate the result of a show of hands declared before the demand was made.

29 Proxies

- 29.1 Proxies may only validly be appointed by a Proxy Notice in writing which:
- (a) states the name and address of the Shareholder appointing the proxy,
 - (b) identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed,
 - (c) is signed by or on behalf of the Shareholder appointing the proxy, or is authorised in such manner as the directors may determine, and
 - (d) is delivered to the Company in accordance with these Articles not less than 48 hours before the time appointed for holding the general meeting (or adjourned meeting) at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate.
- 29.2 In calculating the period specified in Article 29.1(d), there shall be disregarded any day or part of a day which is not a Business Day.
- 29.3 A Proxy Notice which is not delivered in accordance with Article 29.1 shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting.

ADMINISTRATIVE ARRANGEMENTS

30 Means of communication to be used

- 30.1 Any notice, document or other information will be deemed served on or delivered to the intended recipient:
- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;
 - (b) if properly addressed and sent by reputable international courier either (i) from the United Kingdom to a postal address outside the United Kingdom or (ii) from outside the United Kingdom to a postal address within the United Kingdom, five Business Days after it was posted provided that, in each case, delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider;
 - (c) if properly addressed and delivered by hand, when it was given or left at the intended recipient's address,

- (d) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, or
 - (e) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.
- 30.2 In calculating any period referred to in Article 30.1, there shall be disregarded any day or part of a day which is not a Business Day.
- 30.3 In proving that any notice, document or other information was properly addressed, it will be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by CA 2006.

31 Company seal

- 31.1 The Company is not obliged to have a common seal but if it does the common seal may only be used by the authority of the directors.
- 31.2 The directors may decide by what means and in what form any common seal is to be used.
- 31.3 Unless otherwise decided by the directors, if any common seal 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.
- 31.4 For the purposes of this Article 31, an authorised person:
- (a) is any director or the Company secretary (if any); or
 - (b) any other person authorised by the directors for the purpose of signing documents to which the common seal is applied.

32 Indemnity

- 32.1 Subject to Article 32.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:
- (a) each Relevant Officer may be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer:
 - (i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
 - (ii) in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) CA 2006),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and
 - (b) the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in this Article 32.1 and otherwise may take any action to enable any such Relevant Officer to avoid incurring such expenditure.

32.2 This Article 32 shall not authorise any indemnity which would be prohibited or rendered void by any provision of CA 2006 or by any other provision of law.

33 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 Relevant Loss.

Annexure
Model Articles for Private Companies Limited by Shares

The model articles of association for private companies limited by shares as contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008 No. 3229) apply to the company save in so far as they are excluded or modified. These model articles of association for private companies limited by shares are reprinted without the index below.

Companies Act 2006
Model Articles
Private Company Limited by Shares

PART 1 - INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

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

"articles" means the company's articles of association;

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

"chairman" has the meaning given in article 12;

"chairman of the meeting" has the meaning given in article 39;

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

"Director" means a Director of the company, and includes any person occupying the position of Director, by whatever name called;

"distribution recipient" has the meaning given in article 31;

"document" includes, unless otherwise specified, any document sent or supplied in electronic form;

"electronic form" has the meaning given in section 1168 of the Companies Act 2006;

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

"hard copy form" has the meaning given in section 1168 of the Companies Act 2006;

"holder" in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

"instrument" means a document in hard copy form;

"ordinary resolution" has the meaning given in section 282 of the Companies Act 2006;

"paid" means paid or credited as paid;

"participate", in relation to a Directors' meeting, has the meaning given in article 10;

"proxy notice" has the meaning given in article 45;

"shareholder" means a person who is the holder of a share;

"shares" means shares in the company;

"special resolution" has the meaning given in section 283 of the Companies Act 2006;

"subsidiary" has the meaning given in section 1159 of the Companies Act 2006;

"transmittee" means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and

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

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

Liability of members

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

PART 2 – DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

Directors' general authority

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

Shareholders' reserve power

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

Directors may delegate

5. (1) Subject to the articles, the Directors may delegate any of the powers which are conferred on them under the articles—
- (a) to such person or committee;
 - (b) by such means (including by power of attorney);
 - (c) to such an extent;
 - (d) in relation to such matters or territories; and
 - (e) on such terms and conditions;

as they think fit.

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

Committees

6. (1) Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by Directors. (2) The Directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

7. (1) The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.
- (2) If—
- (a) the company only has one Director, and
 - (b) no provision of the articles requires it to have more than one Director, the general rule does not apply, and the Director may take decisions without regard to any of the provisions of the articles relating to Directors' decision-making.

Unanimous decisions

8. (1) A decision of the Directors is taken in accordance with this article when all eligible Directors indicate to each other by any means that they share a common view on a matter.
- (2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in writing.
- (3) References in this article to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting.
- (4) A decision may not be taken in accordance with this article if the eligible Directors would not have formed a quorum at such a meeting.

Calling a Directors' meeting

9. (1) Any Director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the company secretary (if any) to give such notice.
- (2) Notice of any Directors' meeting must indicate—
- (a) its proposed date and time;
 - (b) where it is to take place; and

(c) if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

- (3) Notice of a Directors' meeting must be given to each Director, but need not be in writing.
- (4) Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

Participation in Directors' meetings

10. (1) Subject to the articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when—
- (a) the meeting has been called and takes place in accordance with the articles, and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- (2) In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.
- (3) If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

Quorum for Directors' meetings

11. (1) At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) The quorum for Directors' meetings may be fixed from time to time by a decision of the Directors, but it must never be less than two, and unless otherwise fixed it is two.
- (3) If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision—
- (a) to appoint further Directors, or
 - (b) to call a general meeting so as to enable the shareholders to appoint further Directors.

Chairing of Directors' meetings

12. (1) The Directors may appoint a Director to chair their meetings.
- (2) The person so appointed for the time being is known as the chairman.
 - (3) The Directors may terminate the chairman's appointment at any time.
 - (4) If the chairman is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it.

Casting vote

13. (1) If the numbers of votes for and against a proposal are equal, the chairman or other Director chairing the meeting has a casting vote.
- (2) But this does not apply if, in accordance with the articles, the chairman or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes.

Conflicts of interest

14. (1) If a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the company in which a Director is interested, that Director is not to be counted as participating in the decision-making process for quorum or voting purposes.
- (2) But if paragraph (3) applies, a Director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.
- (3) This paragraph applies when—
- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a Director from being counted as participating in the decision-making process;
 - (b) the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (c) the Director's conflict of interest arises from a permitted cause.
- (4) For the purposes of this article, the following are permitted causes—
- (a) a guarantee given, or to be given, by or to a Director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
 - (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
 - (c) arrangements pursuant to which benefits are made available to employees and Directors or former employees and Directors of the company or any of its subsidiaries which do not provide special benefits for Directors or former Directors.
- (5) For the purposes of this article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.
- (6) Subject to paragraph (7), if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any Director other than the chairman is to be final and conclusive.

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

Records of decisions to be kept

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

Directors' discretion to make further rules

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

APPOINTMENT OF DIRECTORS

Methods of appointing Directors

17. (1) Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director—
- (a) by ordinary resolution, or
 - (b) by a decision of the Directors.
- (2) In any case where, as a result of death, the company has no shareholders and no Directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a Director.
- (3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

Termination of Director's appointment

18. A person ceases to be a Director as soon as—
- (a) that person ceases to be a Director by virtue of any provision of the Companies Act 2006 or is prohibited from being a Director by law;
 - (b) a bankruptcy order is made against that person;
 - (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months;
 - (e) *[paragraph omitted pursuant to The Mental Health (Discrimination) Act 2013]*
 - (f) notification is received by the company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms.

Directors' remuneration

19. (1) Directors may undertake any services for the company that the Directors decide.
- (2) Directors are entitled to such remuneration as the Directors determine—
- (a) for their services to the company as Directors, and
 - (b) for any other service which they undertake for the company.
- (3) Subject to the articles, a Director's remuneration may—
- (a) take any form, and
 - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.
- (4) Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.
- (5) Unless the Directors decide otherwise, Directors are not accountable to the company for any remuneration which they receive as Directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

Directors' expenses

20. The company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at—

- (a) meetings of Directors or committees of Directors,
- (b) general meetings, or
- (c) separate meetings of the holders of any class of shares or of debentures of the company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

PART 3 - SHARES AND DISTRIBUTIONS

SHARES

All shares to be fully paid up

21. (1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.
- (2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

Powers to issue different classes of share

22. (1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- (2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the

Directors may determine the terms, conditions and manner of redemption of any such shares.

Company not bound by less than absolute interests

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

Share certificates

24. (1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- (2) Every certificate must specify—
- (a) in respect of how many shares, of what class, it is issued;
 - (b) the nominal value of those shares;
 - (c) that the shares are fully paid; and
 - (d) any distinguishing numbers assigned to them.
- (3) No certificate may be issued in respect of shares of more than one class.
- (4) If more than one person holds a share, only one certificate may be issued in respect of it.
- (5) Certificates must—
- (a) have affixed to them the company's common seal, or
 - (b) be otherwise executed in accordance with the Companies Acts.

Replacement share certificates

25. (1) If a certificate issued in respect of a shareholder's shares is—
- (a) damaged or defaced, or
 - (b) said to be lost, stolen or destroyed,
- that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- (2) A shareholder exercising the right to be issued with such a replacement certificate—
- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
 - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

Share transfers

26. (1) Shares may be transferred by means of an instrument of transfer in any usual form or any

other form approved by the Directors, which is executed by or on behalf of the transferor.

- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The company may retain any instrument of transfer which is registered.
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- (5) The Directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

Transmission of shares

27. (1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- (2) A transmittee who produces such evidence of entitlement to shares as the Directors may properly require—
 - (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
 - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- (3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

Exercise of transmittees' rights

28. (1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- (2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- (3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

Transmittees bound by prior notices

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

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

30. (1) The company may by ordinary resolution declare dividends, and the Directors may decide to pay interim dividends.
- (2) A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors.
- (3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- (4) Unless the shareholders' resolution to declare or Directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- (5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- (6) The Directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- (7) If the Directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

Payment of dividends and other distributions

31. (1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—
 - (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the Directors may otherwise decide;
 - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the Directors may otherwise decide;
 - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the Directors may otherwise decide; or
 - (d) any other means of payment as the Directors agree with the distribution recipient either in writing or by such other means as the Directors decide.
- (2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—
 - (a) the holder of the share; or
 - (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or

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

No interest on distributions

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

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the company.

Unclaimed distributions

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

- (a) payable in respect of shares, and
- (b) unclaimed after having been declared or become payable,

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

- (2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.
- (3) If—
 - (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
 - (b) the distribution recipient has not claimed it,
 the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

Non-cash distributions

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

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

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

Waiver of distributions

35. Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if—

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

- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

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

CAPITALISATION OF PROFITS

Authority to capitalise and appropriation of capitalised sums

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

- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
- (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

(2) Capitalised sums must be applied—

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

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

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

(5) Subject to the articles the Directors may—

- (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

PART 4 - DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

37. (1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting,

during the meeting, any information or opinions which that person has on the business of the meeting.

- (2) A person is able to exercise the right to vote at a general meeting when—
- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- (3) The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

Quorum for general meetings

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

Chairing general meetings

- 39.** (1) If the Directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- (2) If the Directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—
- (a) the Directors present, or
 - (b) (if no Directors are present), the meeting,
- must appoint a Director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- (3) The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

Attendance and speaking by Directors and non-shareholders

- 40.** (1) Directors may attend and speak at general meetings, whether or not they are shareholders.
- (2) The chairman of the meeting may permit other persons who are not—
- (a) shareholders of the company, or
 - (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting.

Adjournment

- 41.** (1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- (2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—
- (a) the meeting consents to an adjournment, or
 - (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (4) When adjourning a general meeting, the chairman of the meeting must—
- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors, and
 - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
- (a) to the same persons to whom notice of the company's general meetings is required to be given, and
 - (b) containing the same information which such notice is required to contain.
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

Voting: general

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

Errors and disputes

- 43.** (1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- (2) Any such objection must be referred to the chairman of the meeting, whose decision is final.

Poll votes

44. (1) A poll on a resolution may be demanded—
- (a) in advance of the general meeting where it is to be put to the vote, or
 - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- (2) A poll may be demanded by—
- (a) the chairman of the meeting;
 - (b) the Directors;
 - (c) two or more persons having the right to vote on the resolution; or
 - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- (3) A demand for a poll may be withdrawn if—
- (a) the poll has not yet been taken, and
 - (b) the chairman of the meeting consents to the withdrawal.
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

45. (1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which—
- (a) states the name and address of the shareholder appointing the proxy;
 - (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and
 - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- (4) Unless a proxy notice indicates otherwise, it must be treated as—
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

Delivery of proxy notices

46. (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

Amendments to resolutions

47. (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

PART 5 - ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

48. (1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

- (2) Subject to the articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.
- (3) A Director may agree with the company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

Company seals

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

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

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

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

- (a) any Director of the company;
- (b) the company secretary (if any); or
- (c) any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.

No right to inspect accounts and other records

50. Except as provided by law or authorised by the Directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder.

Provision for employees on cessation of business

51. The Directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

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

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

- (c) any other liability incurred by that Director as an officer of the company or an associated company.

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

- (3) In this article—

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant Director" means any Director or former Director of the company or an associated company.

Insurance

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

- (2) In this article—

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

Company No. 07796376

The Companies Act 2006
A Private Company Limited by Shares
Printed Copy of Written Resolutions

of

Plymouth Argyle Football Club Limited (Company)

The following special resolutions were duly passed on 24 July 2020 by way of written resolutions pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (**Act**): --

Special Resolutions:

1 Adoption of new articles of association

That the new articles of association in the form annexed to these Resolutions (**Articles**) be and are adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

2 Disapplication of pre-emption rights

That, subject to subject to the passing of Resolution 1 above and in accordance with article 18.2 of the Articles, the directors be and are generally and unconditionally authorised to allot equity securities (as defined in section 560 of the Act), pursuant to the authority conferred by article 17 of the Articles (and, accordingly, section 550 of the Act), as if the pre-emption rights set out in articles 18.2 and 18.3 of the Articles did not apply to any such allotment, provided that this power shall:

- a) be limited to the allotment of equity securities up to an aggregate nominal amount of £3,500,000 and comprising 3,500,000 ordinary shares of £1.00 each; and
- b) expire on the date that is three months after the passing of this Resolution (unless renewed, varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this Resolution has expired.

Signed:

Andrew parkinson

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Director

Date: 24 July 2020