

Company No: 8644532

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

RESOLUTION IN WRITING

of

BM TOPCO LIMITED

(the "Company")

Passed on 17 July 2014

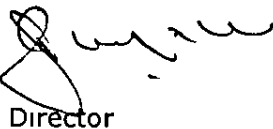
By a written resolution agreed to in accordance with Chapter 2 of Part 13 of the Companies Act 2006 by or on behalf of the required number of the members of the Company who, at the date of circulating the resolution, were entitled to vote on the resolution the following resolution of the Company were duly passed as a special resolutions as detailed below.

RESOLUTION

As a special resolution

1. THAT, the Articles of Association of the Company attached to this written resolution be and are hereby adopted as the Articles of Association of the Company (the "Articles") in substitution for and to the exclusion of all existing Articles of Association of the Company.

Signed



Director

Dated

17 July 2014



Company No. 8644532

Articles of Association of BM Topco Limited

Incorporated 9 August 2013

Adopted by special resolution passed on 30 August 2013 and amended by
a special resolution passed on 17 July 2014

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

BM TOPCO LIMITED

Adopted by special resolution passed on 30 August 2013 and amended by a special resolution passed on 17 July 2014

1. **PRELIMINARY**

The model articles of association for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 in force on the date when these Articles become binding on the Company ("Model Articles") (a copy of which is annexed) apply to the Company except in so far as they are excluded or varied by these Articles.

2. **INTERPRETATION**

2.1 In these Articles the following expressions have the following meanings unless inconsistent with the context:

"2006 Act" the Companies Act 2006 (as amended from time to time)

"A/C Economic Entitlement" where the A/C Economic Entitlement is referred to in these Articles, the holders of A Ordinary Shares, C1 Ordinary Shares and C2 Ordinary Shares shall be entitled to the following percentages of the relevant amounts due to the members of the Company as a whole:

(a) during any period in which **Article 14.4** has not been triggered (or if **Article 14.4** has been triggered but **Article 14.4.2.3** applies):

(i) the holders of A Ordinary Shares, should no C2

Ordinary Shares be in issue:
47.143%;

- (ii) the holders of A Ordinary Shares, should the entire C2 Allocation have been taken up: 42.857%;
- (iii) the holders of A Ordinary Shares, should part but not all of the C2 Allocation have been taken up a pro rata percentage calculated on a straight line basis between 42.857% and 47.143%;
- (iv) the holders of C1 Shares: 2.857%;
- (v) the holders of C2 Shares. 0% if no C2 Shares are in issue, 4.286% if the entire C2 Allocation has been taken up, and a pro rata percentage calculated on a straight line basis between 0% and 4.286% if the C2 Allocation has been taken up in part;

(b) if **Article 14.4.2.1** applies:

- (i) the holders of A Ordinary Shares, should no C2 Ordinary Shares be in issue. 66%;
- (ii) the holders of A Ordinary Shares, should the entire C2 Allocation have been taken up: 60%,
- (iii) the holders of A Ordinary Shares, should part but not all of the C2 Allocation have been taken up a pro rata

percentage calculated on a straight line basis between 60% and 66%,

(iv) the holders of C1 Shares: 4%;

(v) the holders of C2 Shares: 0% if no C2 Shares are in issue, 6% if the entire C2 Allocation has been issued, and a pro rata percentage calculated on a straight line basis between 0% and 6% if the C2 Allocation has been taken up in part;

(c) if **Article 14.4.2.2** applies, the percentages applicable to the A Ordinary Shares, the C1 Ordinary Shares and the C2 Ordinary Shares shall be calculated on a pro rata, straight line basis between those percentages set out at (a) and (b);

in each case subject to, as the case may be, any further dilution or increase in the number of Shares of a particular class in issue in accordance with these Articles, provided that prior to the operation of **Article 14.4** as set out above, (i) the maximum A/C Economic Entitlement of the C1 Ordinary Shares shall be 2.857%, and (ii) the maximum A/C Economic Entitlement of the C2 Ordinary Shares shall be 4.286%,

"A Ordinary Shares"

the A ordinary shares of £0.01 each of the Company having the rights set out in **Article 14** in respect of Shares of that class

"acting in concert"

the meaning set out in the City Code on Takeovers and Mergers for the time being

"Allocation Notice"

as the context requires, has the meaning given to that term in **Article 21.10** or **Article 23.13**

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| "Articles" | these Articles of Association as amended, supplemented, varied or replaced from time to time |
| "Auditors" | the auditors to the Company for the time being |
| "B Ordinary Shares" | the B Ordinary Shares of £0.01 each of the Company having the rights set out at Article 14 in respect of Shares of that class |
| "Bad Leaver" | any Leaver who is not a Good Leaver |
| "Bidco" | BM Bidco Limited (registered in England and Wales under number 8645269) |
| "Board" | the board of directors of the Company from time to time |
| "Bodrum Director" | a director appointed pursuant to Article 10.3 |
| "Bodrum Majority" | the holders of not less than 75 per cent. by nominal value of the B Ordinary Shares for the time being (whether through nominees or otherwise) |
| "Business Day" | any day (other than a Saturday or Sunday) on which banks are open in London for normal banking business |
| "C Ordinary Shares" | the C1 Ordinary Shares and the C2 Ordinary Shares |
| "C1 Ordinary Shares" | the C1 Ordinary Shares of £0.01 each in the capital of the Company having the rights set out at Article 14 in respect of shares of that class and which shall be created by the conversion of a corresponding amount of A Ordinary Shares |
| "C2 Allocation" | 4286 C2 Ordinary Shares |
| "C2 Ordinary Shares" | the C2 Ordinary Shares of £0.01 each in the capital of the Company having the rights set out at Article 14 in respect of shares of that class and which shall be created by the conversion of a corresponding amount of A |

Ordinary Shares

"Campylobacter Patent Application"

means the patent application number 1109454.7 submitted by Bernard Matthews Limited seeking patent protection for a technological process pursuant to which cryogenic gas blasts the surface of poultry before allowing it to return to room temperature in order to reduce the proliferation of campylobacter on poultry carcasses

"Called Shareholders"

has the meaning given to that term at **Article 22.5**

"Called Shares"

the meaning given to that term at **Article 22.5**

"Cash Equivalent"

- (a) where the consideration comprises listed securities, the average of the middle market prices at which transactions took place over the 5 dealing days prior to the Exit Date; or
- (b) where the consideration comprises loan notes, loan stock or other debt instruments guaranteed unconditionally by an authorised UK bank, the face value thereof; or
- (c) where the consideration comprises unlisted securities or other instruments not guaranteed as aforesaid, such amount as the Investor Majority and the Bodrum Majority shall agree to be the value thereof, or
- (d) where the consideration comprises future, fixed or contingent payments, such amount as the Investor Majority and the Bodrum Majority shall agree to be the present value thereof;

provided that if an Investor Majority and the Bodrum Majority shall not be able to agree the value of the Cash Equivalent in accordance with the above provision then the dispute shall be referred to the Independent Accountants

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| | who shall determine the dispute in accordance with Article 32 |
| "Compulsory Sale Price" | the meaning given to that term at Article 23.5 |
| "Compulsory Vendor" | means a person required to transfer his Shares pursuant to Article 23 |
| "Controlling Interest" | an interest (as defined in sections 820 to 825 of the 2006 Act) in Shares conferring in aggregate more than 50 per cent of the total voting rights normally exercisable at a general meeting of the Company |
| "Deemed Transfer Notice" | the meaning given to that term at Article 23 |
| "Default Event" | has the meaning given to it in the Management Agreement |
| "Deferred Shares" | the Deferred Shares of £0.01 each of the Company having the rights set out at Article 14 in respect of Shares of that class |
| "Drag Along Notice" | the meaning given to that term at Article 22.5 |
| "Drag Along Option" | the meaning given to that term at Article 22.5 |
| "Employee Trust" | any trust established by the Company for the benefit of employees and/or any of the persons referred to in section 1166 of the 2006 Act and which has been approved by the Investor Majority |
| "electronic address" | any address or number used for the purposes of sending or receiving documents or information by electronic means |
| "Equity Shares" | the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares but excluding, on a Listing, any Ordinary Shares issued at the time of the Listing in order to raise money for the Company for whatever reason |
| "Excess Sale Shares" | as the context requires, has the meaning given to that term at Article 21.7.2 and Article 23.10.2 |

"Exit"

a Relevant Sale, Relevant Asset Sale, or a Listing

"Exit Capitalisation"

- (a) the aggregate amount paid (or the Cash Equivalent thereof) in respect of the Equity Shares less the costs of the Relevant Sale ; or
- (b) the capitalisation of the Equity Shares at the price per share at which A Ordinary Shares (or the Shares into which A Ordinary Shares convert prior to the Listing) are sold (in any offer for sale, placing tender offer or otherwise) in the Listing, or if there is no such sale, the valuation of the Equity Shares at the Exit Date made by the Company's brokers less in each case the costs of the Listing, or
- (c) on a Relevant Asset Sale, the consideration paid (or the Cash Equivalent thereof) for the assets subject to the Relevant Asset Sale plus the consolidated net asset value of all other assets of the Company and its subsidiaries not subject to the Relevant Asset Sale as agreed by the Investor Majority and the Bodrum Majority less any costs of the Relevant Asset Sale not borne by the Company or its subsidiary For the avoidance of doubt, the proceeds from the sale of any assets remaining in the Group following the Relevant Asset Sale shall be distributed in accordance with the Relevant Percentage calculated at the time of the Relevant Asset Sale;

plus in each paragraph, any net proceeds (which shall include the deduction of any costs of commercialisation of the campylobacter patent the subject of the Campylobacter Patent Application) whether by way of licence fees or sale value that the Group has received prior to

the Exit Date from the commercialisation of the campylobacter patent the subject of the Campylobacter Patent Application

Provided that if an Investor Majority and the Bodrum Majority shall not be able to agree the value of the Exit Capitalisation then the dispute shall be referred to the Independent Accountants who shall determine the dispute in accordance with **Article 32**

"Exit Date"

the date when the Exit completes or becomes effective

"Facility Agreement"

means a syndicated senior facility agreement dated 11 June 2007 (as amended and restated on 7 June 2010, 23 July 2012, 7 March 2013 and as further amended and restated on the date of these Articles) between, amongst others, Bernard Matthews Limited as borrower and Burdale Financial Limited as lender, arranger, agent and security agent

"Facility Documents"

the Facility Agreement and all documents to be entered into pursuant to the terms of those agreements as the same may be amended, supplemented, varied or replaced from time to time

"Fair Value"

for the purposes of these Articles means the amount agreed between the Board (with Investor Consent) and the Seller or, in the absence of agreement within 15 Business Days of the date of the Deemed Transfer Notice, as may be determined by the Independent Accountants in accordance with **Article 24**

"Family Member"

the wife or husband or civil partner (or widow or widower or surviving civil partner), children and grandchildren (including step and adopted children and grandchildren) of a holder

"Family Trust"

in relation to a holder, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for

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| | the benefit of that holder or any of his Family Members and under which no power of control over the voting powers conferred by any such Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such holder or any of his Family Members |
| "Financial Year" | shall in respect of the Company have the meaning defined by section 390 of the 2006 Act |
| "FSMA" | the Financial Services and Markets Act 2000 (as amended from time to time) |
| "Good Leaver" | <p>(a) a person who is a Leaver as a result of.</p> <p>(i) death, or</p> <p>(ii) Serious Ill Health, and</p> <p>(b) any Leaver whom the Board, with Investor Consent, determines is a Good Leaver</p> |
| "Group" | the Company and each of its subsidiaries from time to time and references to "member of the Group" and "Group Company" is to be construed accordingly |
| "holder" | in respect of any Share, the person or persons for the time being registered by the Company as the holders of that Share but disregarding any Shares held by the Company in treasury and "shareholder" shall be interpreted accordingly |
| "Independent Accountant" | means either (i) an independent firm of chartered accountants agreed between the Investor Majority and the Bodrum Majority; or (ii) in the absence of agreement as to the identity of such independent firm within 5 Business Days of either party notifying the other of its wish to appoint an independent firm, a specific member of an independent firm |

of chartered accountants of international repute to be nominated on the application of either party by the President for the time being of the Institute of Chartered Accountants of England and Wales

"Intercreditor Agreement"

means the intercreditor deed dated 11 June 2007 (as initially amended on 20 October 2009, subsequently amended and restated on 23 July 2012 and further amended and restated on or about the date of this Instrument) made between, amongst others, (i) the security trustee and the obligors under the Facility Agreement; and (ii) the holder of 20% secured loan notes 2019 issued by Bidco on the date of these Articles

"Investor Associate"

members of an Investor Group and any company or fund (including any unit trust or investment trust) or partnership (including a limited partnership) which is advised, or the assets of which are managed, (whether solely or jointly with others) from time to time by any Investor or any member of its Investor Group or by any person who advises or manages the assets (or some material part thereof) of that Investor or any member of its Investor Group

"Investor Consent"

the consent in writing of the Investor Majority

"Investor Director"

a director appointed pursuant to **Article 10.1**

"Investor Group"

in relation to each Investor:

- (a) the Investor or any subsidiary or holding company of the Investor or subsidiary of a holding company of the Investor (each a **"Relevant Person"**); or
- (b) any partnership (or the partners in any such partnership) of which any Relevant Person is general partner, manager, consultant or adviser; or
- (c) any unit trust or other fund of which

any Relevant Person is trustee, manager, consultant or adviser; or

- (d) any unit trust, partnership or other fund, the managers of which are advised by any Relevant Person; or
- (e) any nominee or trustee of any Relevant Person; or
- (f) any person or firm, authority or organisation (whether or not incorporated) which is the successor in title to, or in whom is vested, or by whom responsibility is assumed for the whole or a substantial part of the functions, assets and liabilities of a Relevant Person including any person who becomes a manager or adviser of an Investor in place of or in addition to such Investor; or
- (g) any co-investment scheme, being a scheme under which certain officers, employees or partners of a Relevant Person or its adviser or manager are entitled or required (as individuals or through a body corporate or any other vehicle) to acquire shares which the Relevant Person would otherwise acquire or has acquired

"Investor Majority"

the holders of not less than 75 per cent by nominal value of the A Ordinary Shares for the time being (whether through nominees or otherwise)

"Investor Sellers"

the meaning given to that term in **Article 22.5**

"Investor Sellers' Shares"

the meaning given to that term in **Article 22.5**

"Investor's Return"

has the meaning set out in **Article 14.4**

"Investors"

the "Rutland Investors" as defined in the Management Agreement (including any additional or replacement "Rutland Investor"

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| | who is joined as a "Rutland Investor" in a deed of adherence executed in accordance with the Management Agreement) |
| "Issue Price" | in respect of a Share, the aggregate of the amount paid up (or credited as paid up) in respect of the nominal value and any share premium |
| "Joint Election" | a joint election under section 431 of the Income Tax (Earnings and Pensions) Act 2003 in a form approved by the Investors, such approval being evidenced by the delivery of Investor Consent |
| "Leaver" | <p>a shareholder, other than a B Ordinary Shareholder in respect of their B Ordinary Shares, who:</p> <ul style="list-style-type: none"> (a) is an individual; and (b) is a director or employee of a member of the Group; and (c) ceases to hold such office or employment or consultancy and as a consequence is no longer a director or employee or consultant of any member of the Group |
| "Listing" | the admission by the Financial Conduct Authority in its capacity as the UK Listing Authority of any Share to the Official List of London Stock Exchange plc or the admission by London Stock Exchange plc of any Share to trading on AIM, a market of the London Stock Exchange plc or the admission by any recognised investment exchange of any Share, and, in each case, such admission becoming effective |
| "Loan Note Instrument" | the instrument constituting the Loan Notes to be entered into by Bidco on or about 30 August 2013 as the same may be amended, supplemented, varied or replaced from time to |

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| | time |
| "Loan Notes" | the £24,999,500 subordinated secured Loan Notes 2019 of Bidco to be constituted by the Loan Note Instrument |
| "Management Agreement" | the Management Agreement dated 30 August 2013 and made inter alia between the Company, the Investors, Alan Jamieson and the Bodrum Existing Shareholders (as defined therein) as the same may be amended, supplemented, varied or replaced from time to time |
| "Manager Agreement" | The Manager Agreement to be dated on or around the date of adoption of these amended Articles and made inter alia between the Company, the Investors, Alan Jamieson, Robert Burnett and Bidco as the same may be amended, supplemented, varied or replaced from time to time |
| "Member Applicant" | as the context requires, has the meaning given to that term in Article 21.10 or Article 23.13 |
| "Offer Notice" | as the context requires, has the meaning given to that term at Article 21.5 or Article 23.8 |
| "Proportionate Entitlement" | as the context requires, has the meaning given to that term in Article 21.6.2 or Article 23.9.2 |
| "recognised investment exchange" | the meaning given to the expression in section 285(1) FSMA |
| "Relevant Asset Sale" | means a sale of the whole or substantially the whole of the trading assets or trading subsidiaries of the Group |
| "Relevant Cash Inflows" | means in relation to an Exit: <ul style="list-style-type: none"> (a) the Exit Capitalisation attributable to the A Ordinary Shares and any C Ordinary Shares, (b) all repayments, pre-payments |

redemptions or repurchases of the Loan Notes and/or the A Ordinary Shares and/or the C Ordinary Shares,

- (c) all dividends or other distributions paid on the A Ordinary Shares and/or the C Ordinary Shares; and
- (d) (to the extent not already taken account of under (b)) all interest paid on the Loan Notes,

in each case on or prior to the Exit Date

"Relevant Cash Outflows"

means the price (including any premium paid) on the allotment and issue or other acquisition of the A Ordinary Shares and the subscription price for the Loan Notes and any other further monies paid whether by way of any further subscription of "A" Ordinary Shares or Loan Notes

"Relevant Condition"

the meaning given to the expression in **Article 17.6**

"Relevant Conversion Number"

such number of B Ordinary Shares which, if converted on the Exit Date into Deferred Shares, would ensure that the number of B Ordinary Shares which if expressed as a percentage of the number of Equity Shares (after such conversion) would equal the Relevant Percentage

"Relevant Percentage"

has the meaning set out in **Article 14.4**

"Relevant Sale"

means a Sale of the entire issued share capital of the Company

"Sale"

the transfer (other than a transfer permitted under **Articles 20.1, 20.2, 20.3.1 and 20.3.2**) of any interest in Shares to any person (whether by one transaction or by a series of transactions) resulting in that person alone or together with persons acting in concert with such person having the right to exercise a

Controlling Interest

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| "Sale Shares" | as the context requires, has the meaning given to that term at Article 21.1.1 |
| "Seller" | a holder who wishes, or is required, to transfer any Share or any beneficial interest therein to a person to whom Article 20 does not apply |
| "Serious Ill Health" | for the purpose of these Articles means an illness or disability certified by a general medical practitioner (nominated or approved by the Investor Majority) as rendering the departing person permanently incapable of carrying out his role as an employee and/or director save where such incapacity has arisen as a result of the abuse of drugs or alcohol |
| "Shares" | shares in the capital of the Company (other than the Deferred Shares) |
| "Statutes" | the Companies Act as defined in section 2 of the 2006 Act and every other statute, order, regulation, instrument or other subordinate legislation for the time being in force relating to companies and affecting the Company |
| "Tag Along Offer" | the meaning given to that term at Article 22.3 |
| "Transfer Event" | the meaning given to that term at Article 23.1 |
| "Transfer Notice" | the meaning given to that term at Article 21.1 |
| "Transfer Price" | the meaning given to that term at Article 21.1.3 |
| "Warehouse" | any or all of the Company, an Employee Trust or employees or prospective employees of any Group Company in such numbers and proportions of Shares as the Board may determine with Investor Consent |

- 2.2 Unless the context otherwise requires, words and expressions contained in these Articles bear the same meaning as in the Statutes (but excluding any statutory modification not in force when these Articles become binding on the Company).

- 2.3 References to any statute or statutory provision include, unless the context otherwise requires, a reference to that statute or statutory provision as modified, replaced, re-enacted or consolidated and in force from time to time and any subordinate legislation made under the relevant statute or statutory provision.
- 2.4 Reference to a "**subsidiary**" or "**holding company**" will have the meanings defined by section 1159 CA 2006 and for the purposes of section 1159(1) a company (the first company) shall be treated as a member of another company if:
- 2.4.1 any of its subsidiaries is a member of that other company; or
 - 2 4 2 any shares in that other company are held by a person acting on behalf of the first company or any of its subsidiaries, or
 - 2 4 3 any shares in that other company are registered in the name of a person (or its nominee) by way of security or in connection with the granting of security over those shares by the first company
- 2.5 Where the word "**address**" appears in these Articles it is deemed to include postal address and, where applicable, electronic address.
- 2.6 Words signifying the singular number only include the plural number and vice versa.

PROCEEDINGS OF DIRECTORS

3 UNANIMOUS DECISIONS OF DIRECTORS

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. Model Article 8(2) shall not apply to the Company.

4. CALLING A DIRECTOR'S MEETING

- 4.1 Any director may call a directors' meeting by giving not less than 7 days' notice of the meeting (or such lesser notice as all the directors may agree) together with a written agenda identifying the matters to be raised at such meeting to all other directors or by authorising the company secretary (if any) to give such notice. Model Article 9(1) shall not apply to the Company.
- 4.2 Notice of a directors' meeting shall be given to each director in writing. Model Article 9(3) shall not apply to the Company.

5 REMOVAL OF DIRECTORS

The office of any director shall be vacated if

- 5.1 (in the case of an executive director only) he shall, for whatever reason, cease to be employed by the Company or any other member of the Group and he does not remain an employee of any other Group Company, or
- 5.2 (other than in the case of an Investor Director and the Bodrum Director) all the other directors or an Investor Majority request his resignation in writing,

and the provisions of Model Article 18 shall be extended accordingly

6. PARTICIPATION IN DIRECTORS' MEETINGS

- 6.1 Subject to these Articles, directors participate in a directors' meeting, or part of a directors' meeting, when
 - 6.1.1 the meeting has been called and takes place in accordance with these Articles; and
 - 6.1.2 they can each simultaneously communicate with and to the others participating in the meeting any information or opinions they have on any particular item of the business of the meeting.
- 6.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or, subject to **Article 6.1.2**, how they communicate with each other.
- 6.3 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.
- 6.4 Model Article 10 shall not apply to the Company.
- 6.5 Model Article 9(2)(c) shall be amended by the insertion of the word "simultaneously" after the words "how it is proposed that they should" and before the words "communicate with each other during the meeting".

7. QUORUM FOR DIRECTORS' MEETINGS

- 7.1 The quorum for directors' meetings shall throughout each meeting be two directors one of whom must, subject to **Article 7.2**, be an Investor Director and one must be a Bodrum Director save where a meeting has been adjourned due to a lack of a quorum whereupon at the rescheduled meeting the quorum requirement shall be two of which one must be an Investor Director

7.2 In relation to any meeting of the directors to consider whether to authorise a conflict of interest of the Investor Director and/or the Bodrum Director (as the case may be, the "Relevant Director"):

7.2.1 it shall not be necessary for the Relevant Director to be present in person or by proxy in order to constitute a quorum;

7.2.2 the meeting shall not deal with any other business other than that of the consideration of the conflict of interest of the Relevant Director; and

7.2.3 the quorum for such meeting shall be one and Model Article 11(2) is varied accordingly.

7.3 If a quorum is not present within 30 minutes from the time specified in the relevant notice of the meeting or if during the meeting a quorum ceases to be present, the meeting shall be adjourned to a time, to be agreed by an Investor Director or the Investor Majority (which may be a time on the same day) and any two directors (provided one is an Investor Director (if appointed)) present at the adjourned meeting shall constitute a quorum.

8. **DIRECTORS' INTERESTS**

8.1 Subject to these Articles and the 2006 Act, and provided that he has disclosed to the directors the nature and extent of any interest of his, a director (including an Investor Director) notwithstanding his office, but, in the case of directors other than an Investor Director, subject always to obtaining Investor Consent:

8.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;

8.1.2 may hold any other office or employment with the Company (other than the office of Auditor),

8.1.3 may be a director or other officer of, or employed by, or be a party to any transaction or arrangement with or otherwise interested in any body corporate in which the Company is in any way interested;

8.1.4 may, or any firm or company of which he is a member or director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested (other than as Auditor); and

8.1.5 shall not be accountable to the Company for any benefit which he receives or profits made as a result of anything permitted by **Articles 8.1.1 to 8.1.4** and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit

8.2 Except for a vote under section 175(4) of the 2006 Act authorising any conflict of interest which the director or any other interested director may have or where the terms of authorisation of such conflict of interest provide that the director may not vote in situations prescribed by the Board when granting such authorisation, a director will be entitled to participate in the decision making process for voting and quorum purposes on any of the matters referred to in **Articles 8.1.1 to 8.1.4** (inclusive) and in any of the circumstances set out in Model Articles 14(3) and 14(4).

8.3 For the purposes of **Article 8.1**

8.3.1 a general notice to the Board that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;

8.3.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his, and

8.3.3 an interest of a person who is for any purpose of the Statutes (excluding any statutory modification not in force at the date of adoption of these Articles) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director.

8.4 Model Articles 14(1), 14(2) and 14(5) shall not apply to the Company.

9. **AUTHORISATION OF DIRECTORS' CONFLICTS OF INTEREST**

9.1 Any approval of a conflict of interest (other than a conflict of interest of an Investor Director or the Chairman) pursuant to **Article 8** will be subject, in addition to board authorisation pursuant to section 175 of the 2006 Act, to obtaining Investor Consent who may specify that certain conditions be attached to such authorisation. Any such board authorisation pursuant to section 175 of the 2006 Act which is given without obtaining Investor Consent or without such conditions attaching to the authorisation as specified by the Investor Majority will be ineffective.

9.2 Any conflict of interest of an Investor Director or the Chairman may be authorised either by way of authorisation of the Board as set out at section 175 of the 2006 Act or by way of resolution of the holders. Any refusal of the Board

to authorise such conflict of interest will not in any way affect the validity of a resolution of the holders to authorise such conflict of interest.

- 9.3 An Investor Director will not be in breach of his duty under sections 172, 173 and 175 of the 2006 Act or the authorisation given by this **Article 9** by reason only that he receives confidential information from a third party relating to a conflict of interest which has been authorised by this **Article 9** and either fails to disclose it to the directors or fails to use it in relation to the Company's affairs
- 9.4 Subject to **Article 9.5**, an Investor Director and the Bodrum Director shall be entitled to supply details of any business transacted at meetings of directors and/or committee of the Company and any other information obtained by him in his capacity as a director, to the holder(s) by whom he was appointed and/or to that holder's professional advisers but only on a confidential basis.
- 9.5 If any information or documentation obtained by an Investor Director and/or the Bodrum Director in respect of the Company or the Group is protected by legal professional privilege or litigation privilege it shall not be disclosed to the relevant holders in accordance with **Article 9.4** unless, in the opinion of the Board, that information or documentation can be disclosed on terms established by the Board without prejudicing the rights to legal professional privilege or litigation privilege.

10. **INVESTOR DIRECTORS, BODRUM DIRECTOR AND CHAIRMAN**

- 10.1 An Investor Majority may from time to time appoint any person to be a director with the title of investor director (the "**Investor Director**" which expression shall, where the context so permits, include a duly appointed alternate of such a director) and from time to time remove an Investor Director from office. There shall not be more than two Investor Directors in office at the same time
- 10.2 Any appointment or removal of an Investor Director shall be in writing served on the Company signed by an Investor Majority and shall take effect at the time it is served on the Company or produced to a meeting of the Board, whichever is earlier. Any such appointment or removal by a corporation may be signed on its behalf by its duly authorised representative.
- 10.3 A Bodrum Majority may from time to time appoint any person to be a director with the title of Bodrum director (the "**Bodrum Director**" which expression shall, where the context so permits, include a duly appointed alternate of such a director) and from time to time remove the Bodrum Director from office. There shall not be more than one Bodrum Director in office at the same time.
- 10.4 Any appointment or removal of a Bodrum Director shall be in writing served on the Company signed by the Bodrum Majority and shall take effect at the time it

is served on the Company or produced to a meeting of the Board, whichever is earlier.

- 10.5 Notice of meetings of the Board shall be served on any Investor Director who is absent from the United Kingdom at the addresses for service of notice on each Investor under the Management Agreement.
- 10.6 Upon written request by an Investor Majority the Company shall procure that the Investor Directors are forthwith appointed as directors of any other member of the Group, to any committee of the Board or the board of any member of the Group
- 10.7 Upon written request by a Bodrum Majority the Company shall procure that the Bodrum Director is forthwith appointed as a director of any other member of the Group, to any committee of the Board or the board of any member of the Group provided in each case that there is an Investor Director already appointed as a director of such member or to such committee as the case may be.
- 10.8 Where any decision is to be made by any member of the Group in relation to the exercise, enforcement or waiver of its rights under the Acquisition Agreement (as defined in the Management Agreement) or against any holder of B Ordinary Shares or C Ordinary Shares or any director or person connected with any such holder or director, any such decision shall be within the exclusive power of the Investor Directors (to the exclusion of the other directors) who shall have (without limitation) exclusive authority in relation to the conduct of any proceedings of whatever nature arising in connection with any such rights and no other director shall have power to settle or compromise any such claim.
- 10.9 An Investor Majority may from time to time, having first notified the Bodrum Majority, appoint any person to be a director and the chairman of the Board (the "**Chairman**") and remove from the office of Chairman and director a person so appointed. **Article 10.2** shall apply to any such appointment or removal mutatis mutandis Model Article 12 shall be modified accordingly. The fee payable to the Chairman shall be at such rate agreed between the Board and the Chairman and, in the absence of agreement, shall be determined by the Investor Directors.

11 **CASTING VOTE**

- 11.1 Reference in Model Article 13(1) to "chairman or other director chairing the meeting" shall be construed as a reference to the "Investor Directors" for so long as one is appointed.
- 11.2 Reference in Model Article 13(2) to "chairman or other director" shall be construed as a reference to the "Investor Directors" for so long as one is appointed

12. ALTERNATE DIRECTORS

12.1 Appointment and removal of alternates

12.1.1 Any director (the "**appointor**") may appoint as an alternate director any other director, or, with Investor Consent, any other person, to:

12.1.1.1 exercise that director's powers; and

12.1.1.2 carry out that director's responsibilities,

in relation to participation in directors' meetings and the taking of decisions by the directors in the absence of the alternate director's appointor

12.1.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.

12.1.3 The notice must:

12.1.3.1 identify the proposed alternate director; and

12.1.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate director that the proposed alternate director is willing to act as the alternate director of the director giving the notice

12.2 Rights and responsibilities of alternate directors

12.2.1 An alternate director has the same rights, in relation to participation in directors' meetings and the taking of decisions by the directors and in relation to directors' written resolutions, as the alternate director's appointor.

12.2.2 An alternate director may act as an alternate director for more than one appointor

12.2.3 Except if these Articles specify otherwise, alternate directors

12.2.3.1 are deemed for all purposes to be directors;

12.2.3.2 are liable for their own acts and omissions;

12.2.3.3 are subject to the same restrictions as their appointors; and

12.2.3.4 are not deemed to be agents of or for their appointors,

and, each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member

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

12.2.4.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating); and

12.2.4.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate).

No alternate director may be counted as more than one director for such purposes

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

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

12.3 Termination of alternate directorship

12.3.1 An alternate director's appointment as alternate terminates:

12.3.1.1 when the alternate director's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

12.3.1.2 on the occurrence in relation to the alternate director of any event which, if it occurred in relation to the alternate director's appointor, would result in the termination of the appointor's appointment as a director,

12.3.1.3 on the death of the alternate director's appointor; or

12.3.1.4 when the alternate director's appointor's appointment as a director terminates.

13 **ALTERNATE DIRECTORS' EXPENSES**

Model Article 20 shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur"

SHARE RIGHTS

14. **SHARE RIGHTS**

The rights attached to the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares and the Deferred Shares are as set out below:

14.1 **Dividends**

14.1.1 Provided that no Loan Notes are outstanding and any such payment is permitted under the Intercreditor Agreement, any profits which the Company determines to distribute in respect of any Financial Year shall, subject to the approval of the holders in general meeting and Investor Consent, be applied:

14.1.1.1 subject to the provisions of **Article 14.4**, as to 50% amongst the holders of B Ordinary Shares then in issue pari passu according to the number of such Shares held by them respectively; and

14.1.1.2 as to the remainder, amongst the holders of the A Ordinary Shares and C Ordinary Shares then in issue pari passu according to the number of such Shares held by them respectively as if they constituted one class of Share, but adjusted to reflect the A/C Economic Entitlement.

14.1.2 The Deferred Shares shall have no right to participate in any dividend.

14.2 **Capital**

On a return of capital on liquidation or capital reduction or otherwise but excluding in all cases an Exit, the surplus assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority:

14.2.1 firstly, in paying to each holder of A Ordinary Shares and each holder of B Ordinary Shares

14.2.1.1 any dividends on the A Ordinary Shares or the B Ordinary Shares (as the case may be) held by him which have been declared in accordance with **Article 14.1** but are unpaid, then

- 14.2.1.2 an amount equal to the Issue Price of all the A Ordinary Shares or the B Ordinary Shares (as the case may be) held by him; and
- 14.2.2 secondly, in paying to each holder of C Ordinary Shares:
 - 14.2.2.1 any dividends on the C Ordinary Shares held by him which have been declared in accordance with **Article 14.1** but are unpaid; then
 - 14.2.2.2 an amount equal to the Issue Price of all the C Ordinary Shares held by him;
- 14.2.3 thereafter but subject to any payment pursuant to **Article 14.2.4**, in distributing the balance of such assets amongst the holders of the A Ordinary Shares, the B Ordinary Shares and/or the C Ordinary Shares held by them respectively (pari passu as if they constituted one class of Share, but adjusted to reflect the A/C Economic Entitlement); and
- 14.2.4 following each holder of A Ordinary Shares and B Ordinary Shares receiving £100,000 on each of their A Ordinary Shares and B Ordinary Shares, the holders of Deferred Shares shall be entitled to receive £0.0001 per Deferred Share held but no more in respect of such Shares.

14.3 Voting

- 14.3.1 Subject to any rights or restrictions for the time being attached to any class or classes of Shares each holder of A Ordinary Shares and/or B Ordinary Shares and/or C1 Ordinary Shares shall be entitled to receive notice of, and to attend and speak, at any general meeting and at any separate class meeting of the Company for Shares of the class they hold and:
 - 14.3.1.1 on a written resolution (other than a written class resolution) voting rights shall be calculated on the A Ordinary Shares, the B Ordinary Shares and the C1 Ordinary Shares in accordance with **Articles 14.3.3**, 14.3.4 and **14.3.5**;
 - 14.3.1.2 at a general meeting, a holder who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative or by proxy shall:
 - (a) on a show of hands, shall have one vote; and

- (b) on a poll, such holder's voting entitlement shall be calculated in accordance with **Articles 14.3.3**, 14.3.4 and **14.3.5**;
- 14.3.1.3 on a written class resolution each holder of shares of that class shall have one vote per such share; and
- 14.3.1.4 at a class meeting, a holder who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative or by proxy shall:
 - (a) on a show of hands, have one vote; and
 - (b) on a poll, shall have one vote per share of that class he holds
- 14.3.2 C2 Ordinary Shares and the Deferred Shares shall have no voting rights.
- 14.3.3 For the purposes of **Articles 14.3.1.1** and **14.3.1.2(b)** the holders of the A Ordinary Shares in issue at the relevant time of voting shall be entitled in aggregate as a class to 65% of all votes capable of being cast by all the shareholders at that time and each A Ordinary Share shall be credited with its pro rata share of such 65% voting rights with a holder's aggregate voting entitlement in respect of that holder's A Ordinary Shares being rounded down to the nearest whole number in the event of fractional entitlement.
- 14.3.4 For the purposes of **Articles 14.3.1.1** and **14.3.1.2(b)** the holders of the B Ordinary Shares in issue at the relevant time of voting shall be entitled in aggregate as a class to 30% of all votes capable of being cast by all the shareholders at that time and each B Ordinary Share shall be credited with its pro rata share of such 30% voting rights with a holder's aggregate voting entitlement in respect of that holder's B Ordinary Shares being rounded down to the nearest whole number in the event of fractional entitlement.
- 14.3.5 For the purposes of **Articles 14.3.1.1** and **14.3.1.2(b)** the holders of the C1 Ordinary Shares in issue at the relevant time of voting shall be entitled in aggregate as a class to 5% of all votes capable of being cast by all the shareholders at that time and each C1 Ordinary Share shall be credited with its pro rata share of such 5% voting rights with a holder's aggregate voting entitlement in respect of that holder's C1 Ordinary Shares being rounded down to the nearest whole number in the event of fractional entitlement.

- 14.3.6 Each holder shall be entitled to appoint more than one proxy to exercise all or any of his rights to attend and to speak and vote at a general meeting or at a separate class meeting of the Company provided that each proxy is appointed to exercise the rights attached to a different Share or Shares held by such holder.
- 14.3.7 If more than one proxy is appointed in respect of a different Share or Shares by a holder in accordance with **Article 14.3.2** but the document appointing the proxies does not specify to which Share or Shares the appointment relates, then the person first named as proxy in such document shall be the only proxy for such holder entitled to attend and vote at the relevant general meeting or separate class meeting
- 14.3.8 The provisions of **Article 14.3.9** shall apply
- 14.3.8.1 if, at any time without Investor Consent, any holder (other than an Investor) or any former holder has transferred Shares in breach of the provisions of these Articles;
- 14.3.8.2 if, at any time without Investor Consent, any holder (other than an Investor) is in material breach of the provisions of these Articles and/or the Management Agreement or any former holder (if still bound by the Management Agreement) is in material breach of the provisions of the Management Agreement;
- 14.3.8.3 if any holder of C Ordinary Shares becomes a Leaver; or
- 14.3.8.4 if any holder has served a Transfer Notice pursuant to **Article 21** (Voluntary Transfers) in respect of any B Ordinary Shares and/or C Ordinary Shares.
- 14.3.9 If any of the circumstances stated at **Article 14.3.8** have occurred:
- 14.3.9.1 the Shares which such holder holds or to which he is entitled; and
- 14.3.9.2 any Shares formerly held by such holder which have been transferred either in breach of the provisions of these Articles or in accordance with **Article 20** (Permitted Transfers),
- shall cease to entitle the holder thereof (or any proxy) to receive notice of or to attend and vote (whether on a show of hands or on a poll) at any general meeting or at any separate class meeting of the Company

or to be entitled to receive any further Shares issued by way of rights issue (or otherwise) from the date of any breach referred to at **Articles 14.3.8.1** and **14.3.8.2**, the date a Leaver becomes a Leaver in accordance with **Article 23.4** or the date upon which a Transfer Notice is served pursuant to **Article 21** (as the case may be).

14.3.10 The provisions of **Article 14.3.9** shall continue to apply:

14.3.10.1 in the case of **Articles 14.3.8.1** or **14.3.8.2** applying, for so long as such breach subsists;

14.3.10.2 in the case of **Article 14.3.8.3** or **14.3.8.4** applying, until such time as the relevant B Ordinary Shares and/or C Ordinary Shares have been transferred pursuant to the provisions of **Articles 21** and/or **23** (as the case may be); and

14.3.10.3 notwithstanding any other provisions in these Articles, if any holder of B Ordinary Shares and/or C Ordinary Shares retains any B Ordinary Shares and/or C Ordinary Shares after the operation in full of the provisions of **Article 23** whilst such holder (or any person who has acquired such Shares under a permitted transfer (directly or indirectly) under **Article 20.2**) continues to hold such Shares

14.4 Conversion

14.4.1 Immediately prior to any Exit, the Relevant Conversion Number of B Ordinary Shares shall be forthwith converted into an equal number of Deferred Shares such that the B Ordinary Shareholders shall become entitled as a class to the Relevant Percentage of the Exit Capitalisation (for the avoidance of doubt, the percentage in **Article 14.1.1** in respect of any dividend or other distribution to holders of B Ordinary Shares thereafter declared shall be adjusted to match the Relevant Percentage). If there is more than one holder of B Ordinary Shares at the time of conversion then such conversions shall take place pro rata as nearly as may be to the holding of each such holder (rounding down for fractional entitlements). Following conversion pursuant to this Article, the proceeds from an Exit shall be distributed as follows:

14.4.1.1 as to the Relevant Percentage of the Exit Capitalisation to the holders of B Ordinary Shares *pari passu* according to the number of such Shares held by them respectively; and

14.4.1.2 as to the balance thereof to the holders of A Ordinary Shares and C Ordinary Shares *pari passu* according to the

number of such Shares held by them respectively as if they constituted one class of Share,

but adjusted to reflect the A/C Economic Entitlement.

14.4.2 The Relevant Percentage will be:

14.4.2.1 30% if the Investor's Return is 3 or below on the Exit Date; or

14.4.2.2 Y% if the Exit Capitalisation is such that it exceeds the Exit Capitalisation required to produce an Investor's Return of 3 but is such that it is less than the Exit Capitalisation required to produce an Investor's Return of 4 where:

"Y" is a figure equal to:

$$Y = 50.00 - (20.00 \times (4 - IC))$$

"IC" is the Investor's Return on the Exit Date, or

14.4.2.3 50% if the Investor's Return is 4 or more on the Exit Date or if the Exit Date is before the first anniversary of the date of these Articles.

14.4.2.4 Investor's Return shall be calculated as the total amount all Relevant Cash Inflows divided by the total amount of all Relevant Cash Outflows at the Exit Date (the "**Investor's Return**").

For the purpose of calculating the Relevant Cash Inflows, the Exit Capitalisation attributable to the A Ordinary Shares shall be calculated following operation of the ratchet set out in **Article 14.4**. For the avoidance of doubt, the calculations of the Exit Capitalisation attributable to the A Ordinary Shares and the Relevant Percentage are iterative calculations to be carried out to the nearest 0.001%.

15 FACILITY DOCUMENTS

The payment of any dividends or redemption or any capital repayment in respect of any Shares shall be subject to any provisions restricting the same in the Facility Documents.

16. **SALE OF THE SHARE CAPITAL OF THE COMPANY**

- 16.1 In the event of a Sale then, notwithstanding anything to the contrary in the terms and conditions governing such Sale the selling holders (immediately prior to such Sale) shall procure that the consideration (whenever received) shall be paid into a designated trustee account and shall be distributed amongst such selling holders pursuant to **Article 14.4**.
- 16.2 Immediately prior to and conditionally upon a Listing all holders shall enter into such reorganisation of the share capital of the Company as they may agree to ensure that the amounts referred to in **Article 14.4** are allocated between the holders of the Shares the subject of such Listing in the same proportions as the provisions of **Article 14.4** would provide in distributing the proceeds of a Sale to all holders selling Shares in connection with such Sale

17 **VARIATION OF RIGHTS**

- 17.1 Subject to **Article 17.2**, the class rights attached to classes of Share may from time to time (whether or not the Company is being wound up) be varied or abrogated with the consent in writing of the holders of at least three-quarters in nominal value of the issued Shares of that class or with the sanction of a special resolution passed at a separate class meeting of the holders of that class or, in relation to the variation or abrogation of the A Ordinary Shares, with Investor Consent
- 17.2 In the case of A Ordinary Shares or B Ordinary Shares or C1 Ordinary Shares or C2 Ordinary Shares, if the Relevant Condition is satisfied, the class rights attaching to A Ordinary Shares and/or B Ordinary Shares and/or C1 Ordinary Shares and/or C2 Ordinary Shares may be varied or abrogated with the consent in writing of the holders of over one-half in nominal value of the issued Shares of that class (excluding any Shares held by the Company as treasury shares) or with the sanction of an ordinary resolution passed at a separate class meeting of the holders of that class.
- 17.3 For each such separate class meeting referred to in **Articles 17.1** and **17.2**, all the provisions of these Articles relating to general meetings of the Company (and to the proceedings at such general meetings) shall apply mutatis mutandis, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative and holding or representing not less than one-third in nominal value of the issued Shares of the relevant class (excluding any Shares held by the Company as treasury shares), that every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by him and that any holder of Shares of the class present in person or by proxy or (being a corporation) by a duly authorised representative may demand a poll. For the

purpose of this Article one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting

17 4 The rights attached to A Ordinary Shares shall, with the intent that this **Article 17.4** shall create class rights attaching to such class of Share for the purposes of **Article 17.1**, be deemed to be varied by any of the actions referred to below each of which will require Investor Consent The actions are:

17 4.1 any variation (including any increase) in the issued share capital of the Company or any Group Company or the creation or the granting of any options or other rights to subscribe for, or convert into, Shares or shares of any Group Company or the variation of the rights attaching to the Shares or shares of any Group Company;

17.4.2 the reduction of the Company's share capital, share premium account, capital redemption reserve or any other reserve or the purchase by the Company of any of its own Shares;

17 4.3 the holding of any Shares by the Company in treasury and the transfer by the Company of any such Shares out of treasury (save for those transfers of Shares out of treasury as specified at **Article 20.2.8**);

17.4 4 the amendment of any provisions of the Articles or the articles of association of any Group Company,

17 4 5 the redemption of any Loan Notes of the Company other than on a redemption in accordance with the terms of the Loan Notes,

17.4.6 the capitalisation of any undistributed profits (whether or not the same are available for distribution and including profits standing to the credit of the reserve) or any sums standing to the credit of the share premium account or capital redemption reserve fund of the Company;

17.4.7 the taking of any steps to wind up the Company or any other Group Company;

17.4.8 any disposal of the whole or substantially the whole of the business of the Company or any Group Company or any of the shares in any Group Company;

17 4.9 the declaration, making or payment of any dividend or other distribution to holders other than as expressly permitted under the Articles;

17.4.10 any change in the accounting reference date of the Company;

- 17.4.11 the appointment or removal of the Auditors (other than the reappointment of the existing Auditors);
 - 17.4.12 the appointment or removal of any director or chairman of the Company;
 - 17.4.13 the acquisition of any interest in any share in the capital of any company by any Group Company;
 - 17.4.14 the establishment of or variation to any employee share option scheme,
 - 17.4.15 the calling of a meeting of the Company to effect or approve any matter which would by virtue of this Article be a variation of the class rights of the A Ordinary Shares;
 - 17.4.16 the creation by any Group Company of any mortgage, charge, pledge, lien, encumbrance or other security interest (excluding an interest arising by operation of law in the ordinary course of business or as required by the Facility Documents);
 - 17.4.17 all incurrence of any indebtedness other than in the ordinary course of business, or
 - 17.4.18 any Listing.
- 17.5 None of the following events shall constitute a variation or abrogation of the class rights attaching to any class of Shares other than the class rights of the holders of A Ordinary Shares:
- 17.5.1 the allotment of any Shares which will rank *pari passu* in all respects with any existing class of Shares,
 - 17.5.2 an offer to the holders of any class of Shares of the right to receive new Shares of that class, credited as fully paid, instead of the whole or any part of a cash dividend specified by the Board; or
 - 17.5.3 any amendment to these Articles where authorised by special resolution of the Company
- 17.6 For the purposes of this **Article 17**, the Relevant Condition is the proposed variation, amendment or replacement of the class rights attaching to A Ordinary Shares and/or B Ordinary Shares and/or C1 Ordinary Shares and/or C2 Ordinary Shares (taking into account any other proposed variation, amendment or replacement of the class rights attached to the A Ordinary Shares and/or the B Ordinary Shares and/or C1 Ordinary Shares and/or C2 Ordinary Shares which

is to be made at the same time) is not discriminatory as between A Ordinary Shares, B Ordinary Shares, C1 Ordinary Shares and C2 Ordinary Shares

18 ALLOTMENT OF SHARES

18.1 The directors shall not (i) without the authority of the Company given in general meeting or by way of a written resolution pursuant to section 288 of the 2006 Act and (ii) any consent required under **Article 17.4.1** allot any Shares. Any person to whom any Shares are allotted shall, in conjunction with such allotment, enter into a Joint Election if required to do so by the Investor Majority and a deed of adherence if so required by the Management Agreement.

18.2 If the Company proposes to issue new Shares (the "**New Shares**") (other than an issue to a third party lender to the Group), it shall serve a notice ("**Issue Notice**") on each shareholder (other than a Compulsory Vendor) specifying:

18.2.1 the terms of the issue of New Shares, including the issue, exercise or conversion price per New Share (or the means by which the price will be calculated),

18.2.2 the total number of New Shares to be issued;

18.2.3 the date on which subscription monies for the New Shares shall be paid to the Company; and

18.2.4 whether a shareholder may only elect to take up New Shares if it also acquires a specified proportion of loan notes/other securities.

18.3 The notice specified in **Article 18.2** shall invite each holder to state, in writing within 10 Business Days from the date of such notice (which date shall be specified therein), whether he/it is willing to subscribe for any, and if so, how many Shares.

18.4 The Shares proposed to be issued pursuant to **Article 18.2** shall be issued to, a holder accepting the offer, in the same proportion (as nearly as may be) to the proportion which Shares held by such holder bear to the total number of Shares held by all such holders accepting such offer ("**Proportionate Element**") provided that such holder shall not be allocated more Shares than he shall have stated himself willing to take. It shall be open to each such holder to specify if he/it is willing to subscribe for Shares in excess of his Proportionate Element ("**Additional Shares**") and, if the holder does so specify, he shall state the number of Additional Shares.

18.5 Within three Business Days of the expiry of the invitation made pursuant to the notice given under **Article 18.2** (or sooner if all holders have responded to the invitation and all the Shares proposed to be issued have been accepted in the

manner provided for in **Article 18.4**), the Board shall allocate the Shares in the following manner:

- 18.5.1 if the total number of Shares applied for is equal to or less than the available number of Shares to be issued the Company shall allocate the number applied for in accordance with the applications, or
- 18.5.2 if the total number of Shares applied for is more than the available number of Shares to be issued, each holder shall be allocated his Proportionate Element (or such lesser number of Shares to be issued for which he may have applied); and
- 18.5.3 applications for Additional Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each holder applying for Additional Shares in his/its Proportionate Element,

and in either case the Company shall forthwith give notice of each such allocation (an "**Issue Notice**") to each of the persons to whom Shares are to be issued (a "**Member Subscriber**") and shall specify in the Issue Notice the time (being not later than 10 Business Days after the date of the Issue Notice) at which the allotment of the Shares shall be made.

- 18.6 Upon such allocations being made as set out in **Article 18.5**, the Board shall be bound, on payment of the subscription price, to issue the Shares comprised in the Issue Notice to the Member Subscriber named therein at the time therein specified free from any lien, charge or encumbrance.
- 18.7 If any Share is allotted to a holder holding Shares of a different class, such Shares shall as on and from the time of registration of the allotment of that Share in the register of members of the Company be immediately redesignated as a Share of the same class as those already held by that holder prior to such allotment. For the avoidance of doubt, B Ordinary Shares shall be allotted only to the holders of B Ordinary Shares as at the date of these Articles.
- 18.8 In accordance with section 567(1) and (2) of the 2006 Act, sections 561(1) and 562(1) to (5) (inclusive) of the 2006 Act shall not apply to the Company.
- 18.9 References in **Articles 18** to the allotment of shares do not include the transfer of any Shares by the Company out of treasury by way of sale or transfer.
- 18.10 Model Article 21 shall not apply to the Company.
- 18.11 No issue of C Ordinary Shares will take place to employees of any Group Company unless with the consent of the Bodrum Majority (such consent not be unreasonably withheld or delayed)

TRANSFER OF SHARES

19 GENERAL

19.1 No transfer of any Share shall be made or registered unless such transfer complies with the provisions of these Articles and the transferee has first entered into a Joint Election (if relevant to the transferee) if required to do so by the Investor Majority and a deed of adherence if so required by the Management Agreement. Subject thereto, the Board shall sanction any transfer so made unless (i) the registration thereof would permit the registration of a transfer of Shares on which the Company has a lien (ii) the transfer is to a minor or (iii) the Board is otherwise entitled to refuse to register such transfer pursuant to these Articles

19.2 For the purposes of these Articles the following shall be deemed (but without limitation) to be a transfer of Shares

19.2.1 any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of Shares that a Share be allotted, issued or transferred to some person other than himself; and

19.2.2 any sale or any other disposition of any legal or equitable interest in a Share (including any voting right attached to it), (i) whether or not by the relevant holder, (ii) whether or not for consideration, and (iii) whether or not effected by a written instrument.

20. PERMITTED TRANSFERS

Notwithstanding the provisions of any other Article save for this **Article 20**, the transfers set out in this **Article 20** shall be permitted without restriction and the provisions of **Articles 21** (Voluntary Transfers) and **22** (Change of Control) shall have no application in respect of any such transfer or transfers.

20.1 Permitted transfers by Investors

20.1.1 Any Investor who is a body corporate ("**Original Holder**") shall be entitled to transfer all or any of its Shares to any other body corporate which is for the time being its subsidiary or holding company or another subsidiary of its holding company (each such body corporate being a "**Related Company**") but if a Related Company whilst it is a holder of such Shares ceases to be a Related Company of the Original Holder it shall, within 15 Business Days of so ceasing, transfer the Shares held by it to the Original Holder or any Related Company of the Original Holder and failing such transfer the holder shall be deemed to have given a Transfer Notice pursuant to **Article 23**.

- 20.1.2 Any Investor may transfer all or any of its Shares to an Investor Associate or to any other member of its Investor Group
- 20.1.3 Any Investor may transfer Shares to any partner of a limited partnership (or their nominees) acting in such capacity (provided such transfer is made in accordance with the fund or partnership agreement governing such entity or partnership) or to the holders of units in a unit trust (or their nominees) on a distribution in kind or otherwise under the relevant partnership agreement or trust deed
- 20.1.4 Any Shares which are held by an Investor on behalf of any collective investment scheme (within the meaning of section 235 of FSMA), may be transferred to participants (within the meaning of that section), in the scheme in question.
- 20.1.5 Any Investor may transfer any Shares to the beneficial owner of the Shares, including, without limitation, to any person who becomes a general partner, nominee or trustee for a limited partnership, unit trust or investment trust in place of, or in addition to, such Investor
- 20.1.6 Any Investor may transfer A Ordinary Shares to an employee or director of any Group Company Such A Ordinary Shares shall automatically convert in to C1 Ordinary Shares or C2 Ordinary Shares (at the Investor's discretion) on the date of the stock transfer form which transfers such A Ordinary Shares to such employee or director.

20.2 Permitted Transfers by non-Investors

- 20.2.1 Subject to **Articles 20.2.2 to 20.2.6** inclusive, any holder who is an individual may at any time transfer Shares held by him to a person or persons shown to the reasonable satisfaction of the Board to be:
 - 20.2.1.1 a Family Member of his, or
 - 20.2.1.2 trustees to be held under a Family Trust in relation to that individual; or
 - 20.2.1.3 to a bare nominee or trustee acting at all times on the sole instruction of that holder, and by the nominee to the original transferring holder or to another bare nominee or trustee for that holder.

For the avoidance of doubt the personal representatives of the Bernard Trevor Matthews' estate may at any time transfer Shares held by them and forming part of such estate to a person or persons shown, to the reasonable satisfaction of the Board, to be a Family Member of Bernard

Trevor Matthews (deceased), notwithstanding the fact that Bernard Trevor Matthews (deceased) was not himself a holder of Shares and further and for this purpose, the definition of Family Member shall be construed and interpreted such as to mean a Family Member of Bernard Trevor Matthews (deceased).

20.2.2 Subject to **Article 20.2.4**, no Shares shall be transferred under **Article 20.2.1** by an individual who previously acquired those Shares by way of transfer under **Article 20.2.1** save to another individual who is a Family Member of the original holder of such Shares or to trustees to be held under a Family Trust in relation to the original holder of such Shares

20.2.3 No transfer of Shares shall be made by a holder under **Article 20.2.1**:

20 2 3 1 unless in the case of a transfer under **Article 20.2.1.2**, Investor Consent has been provided to the Company that the Investors are satisfied

(a) that none of the costs incurred in establishing or maintaining the relevant Family Trust will be payable by any member of the Group; and

(b) with the terms of the instrument constituting such trust and with the identity of the trustees.

20.2.4 Where Shares are held by trustees under a Family Trust:

20 2 4.1 those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that Family Trust whose identity has been approved by an Investor Consent;

20 2 4 2 those Shares may at any time be transferred by those trustees to the settlor of that trust or any person to whom that settlor could have transferred them under **Article 20.2.1** if he had remained the holder of them, and

20.2.4.3 if any of those Shares cease to be held under a Family Trust (other than by virtue of a transfer made under **Articles 20.2.4.1** or **20.2.4.2**), the trustees shall be deemed to have given a Transfer Notice in respect of all the Shares then held by those trustees pursuant to **Article 23**

20.2.5 If:

20.2.5.1 any person has acquired Shares as a Family Member of a holder by way of one or more transfers permitted under this **Article 20.2**; and

20.2.5.2 that person ceases to be a Family Member of that holder;

that person shall forthwith transfer all the Shares then held by that person back to that holder, for such consideration as they agree, within 15 Business Days of the cessation, or, failing such transfer within that period, shall be deemed to have given a Transfer Notice in respect of all the Shares then held by that person pursuant to **Article 23**

20.2.6 Subject to the provisions of **Article 23**, if the personal representatives of a deceased holder are permitted under these Articles to become registered as the holders of any of the deceased holder's Shares and elect to do so, those Shares may at any time be transferred by those personal representatives under **Article 20.2** to any person to whom the deceased holder could have transferred such Shares under this Article if he had remained the holder of them. No other transfer of such Shares by personal representatives shall be permitted under this **Article 20**.

20.2.7 The trustees of any Employee Trust may sell or transfer any C Ordinary Shares held by them to the beneficiaries of such Employee Trust with Investor Consent.

20.2.8 The Company may sell or transfer any Shares held by it as treasury shares to such person or persons identified by the Investors with Investor Consent.

20.3 **Permitted Transfers by all Shareholders**

20.3.1 Subject to **Article 17.4.2** any holder may at any time transfer any Shares, in accordance with the provisions of the Statutes, to the Company.

20.3.2 Any holder may at any time transfer all or any of his Shares or all or any of his Deferred Shares to any other person with Investor Consent and the consent of the Bodrum Majority

20.3.3 Any Shares may be transferred pursuant to **Articles 22.1 to 22.4** (Tag along) and/or **Articles 22.5 to 22.10** (Drag along).

21. **VOLUNTARY TRANSFERS**

21.1 Except as permitted under **Article 20**, any Seller who wishes to transfer Shares shall give notice in writing (the "**Transfer Notice**") to the Company of his wish specifying

21.1.1 the number and classes of Shares (the "**Sale Shares**") which he wishes to transfer,

21.1.2 the name of any third party to whom he proposes to sell or transfer the Sale Shares, and

21.1.3 the price at which he wishes to transfer the Sale Shares (the "**Transfer Price**")

21.2 The Seller may state in the Transfer Notice that he is only willing to transfer all the Sale Shares in which case no Sale Shares can be sold unless offers are received for all of them

21.3 No Transfer Notice once given in accordance with these Articles shall be withdrawn unless the Seller is obliged to procure the making of an offer under **Articles 22.1 to 22.4** and is unable to procure the making of such an offer or the Investor Majority approves such withdrawal. In that event the Seller shall be entitled to withdraw such Transfer Notice without liability to any person, prior to completion of any transfer save that where the Investor Majority approves such withdrawal, the Seller shall bear all costs relating to such Transfer Notice.

21.4 The Transfer Notice shall constitute the Company the agent of the Seller for the sale of the Sale Shares upon the following terms:

21.4.1 the price for each Sale Share is the Transfer Price; and

21.4.2 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them.

21.5 Within five Business Days of the receipt by the Company of a Transfer Notice, the Sale Shares referred to therein shall be offered by the Company to the holders (other than the Seller) in accordance with the following order of priorities (the "**Offer Notice**"):

21.5.1 in the first instance to all persons in the category set out in the corresponding line in column (2) in the table below; and

21.5.2 to the extent not accepted by persons in column (2), to all persons in the category set out in the corresponding line in column (3) in the table below, subject to such Sale Shares being converted immediately

following the transfer into the class of Shares held by the relevant holder prior to transfer pursuant to this **Article 21.5**.

| (1) Class of Sale Shares | (2) First Offer to | (3) Second Offer to |
|---|-------------------------------|--------------------------------|
| A Ordinary Shares | Holders of A Ordinary Shares | Holders of B Ordinary Shares |
| B Ordinary Shares | Holders of B Ordinary Shares | Holders of A Ordinary Shares |
| C1 Ordinary Shares | Warehouse | Holders of C Ordinary Shares |
| C2 Ordinary Shares | Warehouse | Holders of C Ordinary Shares |

21.6 Subject always to the order of priorities set out in **Article 21.5**, the Sale Shares shall

21 6 1 in respect of any offer of Sale Shares to the Warehouse, be treated as offered in such numbers and proportions as the Investor Majority shall direct; and

21 6 2 in all other cases, be treated as offered on terms that, in the event of competition, the Sale Shares offered shall be sold to a holder accepting the offer in the same proportion (as nearly as may be) to the proportion which Shares held by such holder bear to the total number of Shares held by all such holders accepting such offer (the "**Proportionate Entitlement**").

21.7 Each holder may state in writing within 20 Business Days from the date of an Offer Notice (which date shall be specified therein) whether he is willing to purchase

21.7.1 some or all of his Proportionate Entitlement, and

21 7.2 the number of Sale Shares in excess of his Proportionate Entitlement ("**Excess Sale Shares**") he is willing to purchase (if any).

21 8 Any acceptance of Sale Shares comprised in an Offer Notice by the Company (as the Warehouse) is conditional upon the Company having satisfied on or before the date of completion:

21.8 1 the requirements of the Statutes to purchase the Sale Shares in question; and

21 8.2 any requirement for consent under **Article 17**.

21.9 If any Sale Shares accepted by the Company cannot be bought back at completion by the Company because it is unable to comply with **Articles 21.8.1** and/or **21.8.2**, then this **Article 21** shall take effect as if no acceptance was given by the Company.

21 10 Within three Business Days of the expiry of the Offer Notice period set out in **Article 21.7** (or sooner if all holders have responded to the invitation and all the Sale Shares shall have been accepted in the manner provided in **Article 21.7**), the Board shall allocate the Sale Shares in the order of priorities set out in **Article 21.5** and subject thereto in the following manner:

21.10.1 if the total number of Sale Shares applied for is equal to or less than the available number of Sale Shares the Company shall allocate the number applied for in accordance with the applications; or

21.10.2 if the total number of Sale Shares applied for is more than the available number of Sale Shares:

21.10.2.1 each holder shall be allocated his Proportionate Entitlement (or such lesser number of Sale Shares for which he may have applied) in the order of priorities set out in **Articles 21.5.1** and **21.5.2**; and

21.10.2.2 applications for Excess Sale Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each holder applying for Excess Shares in the proportion which Shares held by such holder bears to the total number of Shares held by all such holders applying for Excess Sale Shares provided that such holder shall not be allocated more Excess Sale Shares than he shall have stated himself willing to take,

and in either case the Company shall forthwith give notice of each such allocation (an "**Allocation Notice**") to the Seller and each of the persons to whom Sale Shares have been allocated (a "**Member Applicant**") and shall specify in the Allocation Notice the place and time (being not later than

10 Business Days after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed

21.11 Subject to **Article 21.12**, upon such allocations being made as set out in **Articles 21.5 to 21.10** (inclusive)

21.11.1 the Seller shall be bound, on payment of the Transfer Price, to transfer the Sale Shares comprised in the Allocation Notice to the Member Applicants named therein at the time and place therein specified free from any lien, charge or encumbrance;

21.11.2 if the Seller makes default in so doing, the Company, or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed agent or attorney on behalf of the Seller with full power to give, execute, complete and deliver in the name and on behalf of the Seller:

21.11.2.1 a transfer of the relevant Sale Shares to the Member Applicant; and

21.11.2.2 all such consents, written resolutions and proxies as the appointed agent or attorney shall consider to be necessary or desirable for the purposes of any general meeting of the Company relating to or associated with or required to enable the sale of the Sale Shares to proceed;

21.11.3 the Company may receive and give a good discharge for the purchase money on behalf of the Seller and (subject to the transfer being duly stamped) enter the name of the Member Applicant in the register of members as the holder or holders by transfer of the Sale Shares so purchased by him or them, and

21.11.4 the Company shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Seller until he shall deliver up his certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate) to the Company when he shall thereupon be paid the purchase money.

21.12 If the provisions of **Article 21.2** apply and if the total number of Shares applied for by Member Applicants is less than the number of Sale Shares then the Allocation Notice shall refer to such provision and shall contain a further invitation, open for 10 Business Days, to those persons to whom Sale Shares have been allocated to apply for further Sale Shares and completion of the sales

in accordance with the preceding paragraphs of this **Article 21** shall be conditional upon all Sale Shares being sold.

21.13 In the event of all the Sale Shares not being sold under the preceding paragraphs of this **Article 21** the Seller may, at any time within three calendar months after receiving confirmation from the Company that the pre-emption provisions herein contained have been exhausted, transfer all the Sale Shares (if **Article 21.2** does apply) or any Sale Shares which have not been sold (if **Article 21.2** does not apply) to any person or persons at any price not less than the Transfer Price provided that:

21.13.1 the Board shall refuse registration of the proposed transferee unless the Company has Investor Consent to the transfer of the Sale Shares,

21.13.2 if the provisions of **Article 21.2** applied to the Transfer Notice, the Seller shall not be entitled, save with the written consent of all the other holders, to sell hereunder only some of the Sale Shares comprised in the Transfer Notice to such person or persons;

21 13.3 any such sale shall be a bona fide sale and the Board may request such information as it reasonably deems necessary to satisfy itself that the Sale Shares are being sold in pursuance of a bona fide sale for not less than the Transfer Price without any deduction, rebate or allowance whatsoever to the Buyer and, if not so satisfied, may refuse to register the instrument of transfer, and/or

21 13 4 the Board shall refuse registration of the proposed transferee if such transfer obliges the Seller to procure the making of an offer in accordance with **Articles 22.1** to **22.4**, until such time as such offer has been made and, if accepted, completed.

22. **CHANGE OF CONTROL**

Tag along

22.1 Subject to **Article 22.2**, if the effect of any transfer of Shares, having exhausted the provisions of **Article 21** in respect of such transfer, by a Seller would, if completed, result in the transferee together with persons acting in concert or connected with that transferee obtaining a Controlling Interest, the Seller shall procure the making by such transferee of a Tag Along Offer to all of the other holders. Every holder or recipient of such offer, on receipt of a Tag Along Offer, shall be bound within 20 Business Days of the date of such offer (or within such longer period as the offer may specify) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer). Until such Tag Along Offer has been made and completed the Board shall not sanction the making and registration of the relevant transfer or transfers.

22.2 The provisions of **Articles 22.1** and **22.5** shall not apply to any transfer of Shares:

22.2.1 pursuant to **Article 20** (other than **Article 20.3.3**); and/or

22.2.2 to any person who was an original party to the Management Agreement or the Manager Agreement.

22.3 **"Tag Along Offer"** means an unconditional offer, open for acceptance for not less than 20 Business Days, to purchase (i) Shares held by the recipients of a Tag Along Offer and (ii) any Shares for which such recipients may subscribe, free from all liens, charges and encumbrances, in each case (A) at a price per Share equal to the highest price per Share but adjusted in accordance with the A/C Economic Entitlement (if relevant) (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by any transferee referred to in **Article 22.1** (or any person with whom such transferee is connected with or with whom such transferee is acting in concert) for Shares (inclusive of the Shares giving rise to the obligation to make the Tag Along Offer) within the period of one year ending on the proposed date of completion of such transfer of Shares and (B) on the same (or no more onerous) terms and conditions as applying to the Seller and (C) on the same completion date as the Seller has agreed with the transferee.

22.4 In the event of disagreement, the calculation of the relevant Tag Along Offer price shall be referred to the Independent Accountants and **Articles 32.1** and **32.2** shall apply.

Drag along

22.5 If holders of the A Ordinary Shares (in **Articles 22.5** and 22.6, the **"Investor Sellers"**) wish to transfer all their Shares (**"Investor Sellers' Shares"**) to any independent third party (the **"Buyer"**), pursuant to the terms of a bona fide arms length transaction, provided the provisions of **Article 21** have been complied with in full, the Investor Sellers shall also have the option (the **"Drag Along Option"**), exercisable by the Investor Sellers giving written notice to that effect (a **"Drag Along Notice"**), to require all other holders and any persons who would become holders upon the exercise of any options, warrants or other rights to subscribe for Shares which exist at the date the Drag Along Notice is given (the **"Called Shareholders"**), to transfer with full title guarantee all their Shares (including any such Shares issued or to be issued pursuant to any options, warrants or rights to subscribe existing at the date the Drag Along Option is exercised) (together the **"Called Shares"**) to the Buyer, or as the Buyer directs. The Drag Along Option must provide for terms such that the sale and purchase of the Called Shares and the Investor Sellers' Shares will be

completed at the same time. A Drag Along Notice shall be given by the Investor Sellers to each Called Shareholder and shall specify:

- 22.5.1 that the Called Shareholders are, or will, in accordance with this **Article 22.5** and **Articles 22.6** and **22.7** and, be required to transfer with full title guarantee all their Called Shares free from all liens, charges and encumbrances,
 - 22.5.2 the price at which the Called Shares are to be transferred (which shall be an equal price per Share as the price payable for each of the Investor Sellers' Shares but adjusted in accordance with the A/C Economic Entitlement (if relevant)) Such price may be satisfied in cash, securities or otherwise in any combination thereof and the manner of satisfaction shall be stated in the Drag Along Notice and shall be in the same combination as between the Called Shares (to the extent these are B Ordinary Shares or any other Shares held by the holders of the B Ordinary Shares) and the Investor Sellers' Shares;
 - 22.5.3 the documents required to be executed by the Called Shareholder, the time period within which those documents should be delivered to the Company,
 - 22.5.4 the terms and conditions on which the Called Shares are to be transferred (which shall be the same (or no more onerous) than those applying to the Investor Sellers); and
 - 22.5.5 the proposed date of completion of the sale of the Called Shares the subject of the Drag Along Notice.
- 22.6 Upon any person, following the issue of a Drag Along Notice, becoming a holder of Called Shares pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Called Shares (a "**New Member**"), a Drag Along Notice, on the same terms as the previous Drag Along Notice, shall be deemed to have been served upon the New Member who shall thereupon be bound to sell and transfer all such Called Shares acquired by him to the Buyer or as the Buyer may direct and the provisions of this **Article 22.6** shall apply mutatis mutandis to the New Member save that completion of the sale of such Called Shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Member or, if later, upon the date of completion under the previous Drag Along Notice.
- 22.7 If the Called Shareholders (or any of them which shall include any New Member) shall make default in transferring their Called Shares within any time period specified in the Drag Along Notice (including any Called Shares issued pursuant to any options, warrants or rights to subscribe existing at the date of the Drag Along Notice once exercised) in accordance with the provisions of any Drag

Along Notice and **Article 22.6**, the provisions of **Article 21.11** (references therein to the Seller, Sale Shares, Allocation Notice and Member Applicant being read as references to the holder making such default, the Called Shares in respect of which such default is made, the Drag Along Notice and the Buyer respectively) shall apply to the transfer of such Called Shares mutatis mutandis but the Transfer Price shall be the price offered for such Called Shares as set out in **Article 22.5**

22.8 A Drag Along Notice shall be served in accordance with **Article 33**.

22.9 A Drag Along Notice may be revoked at any time prior to the completion of the sale of the Called Shares of a Called Shareholder by the service of a written notice by the Investor Sellers on the Called Shareholder.

22.10 Notwithstanding the foregoing provisions of **Article 22.5** the Investor Sellers, having exercised the Drag Along Option, shall be required to transfer their Shares to the holders of the B Ordinary Shares instead of to the Buyer provided always that the holders of the B Ordinary Shares within 5 Business Days of being required to do so by the Investor Sellers, agree in writing with the Investor Sellers to purchase all of the Investor Sellers' Shares at the same price and on the same date and upon the same terms (including as to how the Loan Notes will be transferred or redeemed) as agreed with the Buyer and subsequently do so. Any failure by the holders of the B Ordinary Shares to so complete such purchase in accordance with the foregoing provisions of this **Article 22.10** shall cause their rights pursuant to this **Article 22.10** to immediately lapse and such rights shall thereafter no longer be capable of being exercised. For the avoidance of doubt, this shall not prejudice the exercise of this right by the holder of the B Ordinary Shares if the Drag Along Option is subsequently exercised by the holder of the A Ordinary Shares.

23. **COMPULSORY TRANSFERS**

23.1 In this **Article 23**, a "**Transfer Event**" means, in relation to any holder of Shares:

23.1.1 a holder who is an individual becoming bankrupt;

23.1.2 a holder making any arrangement or composition with his creditors generally,

23.1.3 a holder becoming a Leaver;

23.1.4 a holder attempting to deal with or dispose of any Share or any interest in it otherwise than in accordance with these Articles; and

- 23.1.5 a holder failing to make a transfer of Shares required by **Articles 20.1.1 or 20.2.5.**
- 23.2 Upon the happening of any Transfer Event, unless the Investor Majority notifies the Company otherwise, the holder in question and any other holder who has acquired Shares from him under a permitted transfer (directly or by means of a series of two or more permitted transfers) under **Article 20.2** or **Article 20.3.2** shall be deemed to have immediately given notice to the Company (a "**Deemed Transfer Notice**") in respect of all the Shares then held by him and which in the case of a transferee of Shares under **Article 20.3.2** were the Shares received directly or indirectly from the holder who is the immediate subject of the Transfer Event (the "**Sale Shares**"). A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have already been validly transferred pursuant to that Transfer Notice. The Sale Shares shall be sold together with all rights attaching thereto as at the date of the Transfer Event.
- 23.3 A Deemed Transfer Notice shall be deemed to have been given on the date of the relevant Transfer Event
- 23.4 For the purpose of **Article 23.1**, the date upon which a relevant holder becomes a Leaver shall be
- 23.4.1 where a contract of employment or directorship is terminated by the employer by giving notice to the employee of the termination of the employment or directorship, the date of that notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination);
- 23.4.2 where a contract of employment or directorship is terminated by the employee by giving notice to the employer of the termination of the employment or directorship, the date of that notice;
- 23.4.3 save as provided in **Article 23.4.1** where an employer or employee wrongfully repudiates the contract of employment and the other accepts that the contract of employment has been terminated, the date of such acceptance;
- 23.4.4 where a contract of employment is terminated under the doctrine of frustration, the date of the frustrating event, and
- 23.4.5 where a contract of employment or directorship is terminated for any reason other than in the circumstances set out in **Articles 23.4.1 to 23.4.4** (inclusive) above, the date on which the action or event giving rise to the termination occurs.

23.5 The price at which the Sale Shares shall be transferred pursuant to the Deemed Transfer Notice (the "**Compulsory Sale Price**") shall be.

23.5.1 in the case of a Good Leaver, their Fair Value,

23.5.2 in the case of a Bad Leaver, their Fair Value or, if less, their Issue Price; and

23.5.3 in all other cases, their Fair Value

23.6 No Deemed Transfer Notice once given in accordance with these Articles may be withdrawn unless the Investor Majority approves such withdrawal.

23.7 The Company shall be constituted as the agent of the Seller with effect from the date of the Deemed Transfer Notice for the sale of the Sale Shares upon the following terms:

23.7.1 the price for each Sale Share is the Compulsory Sale Price; and

23.7.2 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them.

23.8 Within five Business Days of the date of the Deemed Transfer Notice, the Shares deemed to be comprised in such Deemed Transfer Notice shall be offered by the Company to the holders (other than the Seller) in accordance with the following order of priorities (the "**Offer Notice**"):

23.8.1 in the first instance to all persons in the category set out in the corresponding line in column (2) in the table below; and

23.8.2 to the extent not accepted by persons in column (2), to all persons in the category set out in the corresponding line in column (3) in the table below, subject to such Shares being converted immediately following the transfer into the class of Shares held by the relevant holder prior to transfer pursuant to this **Article 23.8**:

| (1) Class of Sale Shares | (2) First Offer to | (3) Second Offer to |
|--------------------------------|---------------------------------|---------------------------------|
| A Ordinary Shares | Holders of A Ordinary Shares | Holders of B Ordinary Shares |
| B Ordinary Shares | Holders of B Ordinary Shares | Holders of A Ordinary Shares |

| | | |
|--------------------|-----------|------------------------------|
| C1 Ordinary Shares | Warehouse | Holders of C Ordinary Shares |
| C2 Ordinary Shares | Warehouse | Holders of C Ordinary Shares |

23.9 Subject always to the order of priorities set out in **Article 23.8**, the Sale Shares shall:

23.9.1 in respect of any offer of Sale Shares to the Warehouse, be treated as offered in such numbers and proportions as Investor Majority shall direct), and

23.9.2 in all other cases, be treated as offered on terms that, in the event of competition, the Sale Shares offered shall be sold to a holder accepting the offer in the same proportion (as nearly as may be) to the proportion which Shares held by such holder bear to the total number of Shares held by all such holders accepting such offer (the "**Proportionate Entitlement**").

23.10 Each holder may state in writing within 20 Business Days from the date of an Offer Notice (which date shall be specified therein) whether he is willing to purchase:

23.10.1 some or all of his Proportionate Entitlement, and

23.10.2 the number of Sale Shares in excess of his Proportionate Entitlement ("**Excess Sale Shares**") he is willing to purchase (if any).

23.11 Any acceptance of Sale Shares comprised in an Offer Notice by the Company (as the Warehouse) is conditional upon the Company having satisfied on or before the date of completion:

23.11.1 the requirements of the Statutes to purchase the Sale Shares in question; and

23.11.2 any requirement for consent under **Article 17**.

23.12 If any Sale Shares accepted by the Company cannot be bought back at completion by the Company because it is unable to comply with **Articles 23.11.1** and/or **23.11.2**, then this **Article 23** shall take effect as if no acceptance was given by the Company.

23.13 Within three Business Days of the expiry of the Offer Notice period set out in **Article 23.10** (or sooner if all holders have responded to the invitation and all

the Sale Shares shall have been accepted in the manner provided in **Article 23.10**), the Board shall allocate the Sale Shares in the order of priorities set out in **Article 23.8** and subject thereto in the following manner:

23.13 1 if the total number of Sale Shares applied for is equal to or less than the available number of Sale Shares the Company shall allocate the number applied for in accordance with the applications; or

23.13.2 if the total number of Sale Shares applied for is more than the available number of Sale Shares:

23.13.2.1 each holder shall be allocated his Proportionate Entitlement (or such lesser number of Sale Shares for which he may have applied) in the order of priorities set out in **Articles 23.8.1** and **23.8.2**; and

23.13.2.2 applications for Excess Sale Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each holder applying for Excess Shares in the proportion which Shares held by such holder bears to the total number of Shares held by all such holders applying for Excess Sale Shares provided that such holder shall not be allocated more Excess Sale Shares than he shall have stated himself willing to take,

and in either case the Company shall forthwith give notice of each such allocation (an "**Allocation Notice**") to the Seller and each of the persons to whom Sale Shares have been allocated (a "**Member Applicant**") and shall specify in the Allocation Notice the place and time (being not later than 10 Business Days after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed.

23.14 Upon such allocations being made as set out in **Articles 23.8** to **23.13** (inclusive):

23 14 1 the Seller shall be bound, on payment of the Compulsory Sale Price, to transfer the Sale Shares comprised in the Allocation Notice to the Member Applicants named therein at the time and place therein specified free from any lien, charge or encumbrance;

23 14.2 if the Seller makes default in so doing, the Company, or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed agent or attorney on behalf of the Seller with full power to give, execute, complete and deliver in the name and on behalf of the Seller:

23 14 2 1 a transfer of the relevant Sale Shares to the Member Applicant; and

23.14.2.2 all such consents, written resolutions and proxies as the appointed agent or attorney shall consider to be necessary or desirable for the purposes of any general meeting of the Company relating to or associated with or required to enable the sale of the Sale Shares to proceed;

23.14.3 the Company may receive and give a good discharge for the purchase money on behalf of the Seller and (subject to the transfer being duly stamped) enter the name of the Member Applicant in the register of members as the holder or holders by transfer of the Sale Shares so purchased by him or them, and

23 14 4 the Company shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Seller until he shall deliver up his certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate) to the Company when he shall thereupon be paid the purchase money.

23 15 In the event of all the Sale Shares not being sold under the preceding paragraphs of this **Article 23**, the Seller may not sell or transfer any remaining Sale Shares otherwise than in accordance with the provisions of **Articles 20, 21** or **22**.

24 **VALUATION OF SHARES**

24.1 In the event that the Independent Accountants are required to determine the price at which Shares are to be transferred pursuant to these Articles, the Company shall engage and instruct the Independent Accountants (which instructions shall be made as soon as practicable following the time it becomes apparent that a valuation pursuant to this **Article 24** is required), to give their written opinion as to the price which represents a fair value for such Shares on the following basis as between a willing seller and a willing buyer as at the date the Transfer Notice is given or, in the case of a Deemed Transfer Notice, on the date of the relevant Transfer Event.

24.2 In making such determination, the Independent Accountants shall not take any account of whether the relevant Shares comprise a majority or a minority interest in the Company nor the fact that transferability of such Shares is restricted by these Articles.

24.3 **Articles 32.1 and 32.2** shall apply to any determination under this Article by the Independent Accountants.

25. **COMPLIANCE**

25.1 For the purpose of ensuring (i) that a transfer of Shares is duly authorised under these Articles or (ii) that no circumstances have arisen whereby a Transfer Notice or a Deemed Transfer Notice is required to be or ought to have been given under these Articles or (iii) whether an offer is required to be or ought to have been made under **Article 22.1**, the Board may from time to time require any shareholder or past shareholder or the personal representatives, trustee in bankruptcy, receiver, administrative receiver, liquidator, administrator or similar officer of any shareholder or any person named as transferee in any transfer lodged for registration or such other person as the Board may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Board may reasonably think fit regarding any matter which they deem relevant to such purpose; including (but not limited to) the names, addresses and interests of all persons respectively having interests in the Shares from time to time registered in the holder's name.

25.2 Failing such information or evidence being furnished to enable the Board to determine to its reasonable satisfaction that no such Transfer Notice or Deemed Transfer Notice is required to be or ought to have been given, or that no offer is required to be or ought to have been made under **Article 22.1**, or that as a result of such information and evidence the Board is reasonably satisfied that such Transfer Notice or Deemed Transfer Notice is required to be or ought to have been given, or that an offer is required to be or ought to have been made under **Article 22**

25.2.1 where the purpose of the enquiry by the Board was to establish whether a Transfer Notice or a Deemed Transfer Notice is required to be or ought to have been given, then a Transfer Notice or a Deemed Transfer Notice shall be deemed to have been given by the holder of the relevant Shares in respect of such Shares, or

25.2.2 where the purpose of the enquiry by the Board was to establish whether an offer is required to be or ought to have been made under **Article 22.1**, then the Shares held by or on behalf of the person or persons connected with each other or acting in concert with each other (who has or have (as the case may be) obtained a Controlling Interest

as is referred to in **Article 22.1**), shall cease to entitle the holders thereof (or any proxy) :

- 25.2.2.1 to receive notice of any meeting, or
- 25.2.2.2 to any voting rights (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at a separate meeting of the class in question) otherwise attaching to such Shares; or
- 25.2.2.3 to any further Shares issued in right of such Shares or in pursuance of an offer made to the relevant holders,
- 25.2.2.4 to the extent that such person or persons shall only be able to control the percentage of the voting rights, attaching to Shares, which they controlled prior to their obligation arising to procure the making of such offer.

26. PURCHASE OF OWN SHARES

The Company is authorised to purchase its own shares with cash in accordance with section 692 of the 2006 Act.

27. TRANSMITTEES BOUND BY PRIOR NOTICES

Model Article 29 shall be amended by the insertion of the words ", or the name of any person nominated under Model Article 27(2)", after the words "the transmittee's name".

GENERAL MEETINGS

28. NOTICE OF GENERAL MEETINGS

28.1 Every notice convening a general meeting shall

- 28.1.1 comply with section 325(1) of the 2006 Act as to giving information to shareholders relating to their right to appoint proxies; and
- 28.1.2 be given in accordance with section 308 of the 2006 Act, that is in hard copy form, electronic form or by means of a website

28.2 A notice convening a general meeting (other than an adjourned meeting) must be called by at least 14 days notice but a general meeting can be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote at the meeting being a majority who together hold not less than 90 per cent. by nominal value of the Shares giving that right. The

notice must state the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting

29 PROCEEDINGS AT GENERAL MEETINGS

- 29.1 No resolution shall be voted on and no other business shall be transacted at any general meeting of the Company unless a quorum is present when such vote is taken or other business is transacted and no resolution or transaction shall be effective unless a quorum is so present. Two persons, being holders (one of whom must be a holder of A Ordinary Shares and one of whom must be a holder of B Ordinary Shares) present in person, by proxy or by duly authorised representative (if a corporation), shall be the quorum at any general meeting.
- 29.2 If a quorum is not present within half an hour from the time appointed for a general meeting or if, during any general meeting, a quorum ceases to be present, the general meeting shall stand adjourned to such time and date as the Investor Majority shall determine (which may be a time on the same date) at which adjourned general meeting the quorum shall be two persons, being holders (one of whom must be a holder of A Ordinary Shares) present in person, by proxy or by duly authorised representative (if a corporation). Model Article 41(1) to (5) inclusive shall not apply to the Company

30 WRITTEN RESOLUTIONS

- 30.1 The shareholders shall be entitled to pass written resolutions pursuant to Section 288 of the 2006 Act.
- 30.2 A written resolution, proposed in accordance with section 288(3) of the 2006 Act, will lapse if it is not passed before the end of the period of 28 days beginning with the circulation date.
- 30.3 For the purposes of this **Article 30** "circulation date" is the date on which copies of the written resolution are sent or submitted to members or, if copies are sent or submitted on different days, to the first of those days.

ADMINISTRATIVE ARRANGEMENTS

31. BORROWING POWERS

Subject to the terms of the Management Agreement, the Board may exercise all the powers of the Company to borrow money up to the amounts specified in the Facility Documents and the Loan Note Instrument and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to the provisions of the 2006 Act, to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party

32. **INDEPENDENT ACCOUNTANT AND THE AUDITORS**

Independent Accountant's determination

- 32.1 If any matter under these Articles is referred to the Independent Accountant for determination then the Independent Accountant shall act as experts and not as arbitrators or arbiters and their decision shall be final and binding on the Company and all the holders (in the absence of fraud or manifest error).
- 32.2 The Independent Accountant's costs in making any such determination referred to in **Article 32.1** shall be borne by the Company unless the Independent Accountant shall otherwise determine
- 32.3 The Independent Accountant where required by these Articles shall determine the valuation of Shares in accordance with **Article 24**.

Auditors' appointment and re-appointment

- 32.4 Auditors must be appointed for each financial year of the Company Other than the Company's first financial year, the appointment must be made in the period for appointing Auditors as defined in section 485 of the 2006 Act.
- 32.5 Auditors cease to hold office at the end of the next period for appointing Auditors unless and until they are re-appointed.

33. **COMPANY COMMUNICATION PROVISIONS**

33.1 Where:

33.1.1 a document or information is sent by post (whether in hard copy or electronic form) to an address in the United Kingdom; and

33.1.2 the Company is able to show that it was properly addressed, prepaid and posted,

it is deemed to have been received by the intended recipient 24 hours after it was posted.

33.2 Where:

33.2.1 a document or information is sent or supplied by electronic means, and

33.2.2 the Company is able to show that it was properly addressed,

it is deemed to have been received by the intended recipient immediately after it was sent.

33.3 Where a document or information is sent or supplied by means of a website, it is deemed to have been received by the intended recipient.

33 3.1 when the material was first made available on the website; or

33.3 2 if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website

33.4 Pursuant to section 1147(6) of the 2006 Act, subsections (2) (3) and (4) of that section shall be deemed modified by **Articles 33.1, 33.2 and 33.3.**

33.5 Subject to any requirements of the 2006 Act only such, documents and notices as are specified by the Company may be sent to the Company in electronic form to the address specified by the Company for that purpose and such documents or notices sent to the Company are sufficiently authenticated if the identity of the sender is confirmed in the way the Company has specified.

34. INDEMNITIES FOR DIRECTORS

34 1 Subject to, and so far as may be permitted by, the 2006 Act and without prejudice to any indemnity to which the person concerned may be otherwise entitled, the Company may indemnify every director, former director, alternate director, secretary or other officer of the Company or of any associated company (as defined in section 256 of the 2006 Act) shall be entitled to be indemnified by the Company against any liabilities incurred by him in the execution and discharge of his duties or the exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, including any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust in relation to anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director, former director, alternate director, secretary or other officer of the Company or of any associated company and against any such liability incurred by him in connection with the Company's activities as trustee of an occupational pension scheme as defined in section 235(6) of the 2006 Act.

34 2 Subject to the 2006 Act, the directors may purchase and maintain at the cost of the Company insurance cover for or for the benefit of every director, former director, alternate director, Auditor, secretary or other officer of the Company or of any associated company (as defined in section 256 of the 2006 Act) against any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust by him in relation to the Company (or such associated company), including anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director, former director, alternate director, Auditor, secretary or other officer of the Company or of any associated company

34.3 Subject to, and so far as may be permitted by, the 2006 Act, the Company shall be entitled to fund the expenditure of every director, alternate director or other officer of the Company incurred or to be incurred:

34.3.1 in defending any criminal or civil proceedings, or

34.3.2 in connection with any application under sections 661(3) or 661(4) or under section 1157 of the 2006 Act.

34.4 Model Articles 52 and 53 shall not apply to the Company.

35. **REGISTERED OFFICE**

The Company's registered office is to be situated in England and Wales.

2008 No. 3229

COMPANIES

The Companies (Model Articles) Regulations 2008

SCHEDULE 1

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY

SHARES

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PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

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

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

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

"chairman" has the meaning given in article 12;

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

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

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

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

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

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

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

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

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

"instrument" means a document in hard copy form;

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

"paid" means paid or credited as paid;

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

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

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

"shares" means shares in the company;

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

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

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

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

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

Liability of members

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

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

Directors' general authority

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

Shareholders' reserve power

4. (1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking specified action.

 (2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

Directors may delegate

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

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

Committees

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

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

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

Unanimous decisions

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

Calling a directors' meeting

9. (1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
- (2) Notice of any directors' meeting must indicate:
 - (a) its proposed date and time,
 - (b) where it is to take place; and
 - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- (3) Notice of a directors' meeting must be given to each director, but need not be in writing.
- (4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it

Participation in directors' meeting

- 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 two 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)
- (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.
- (c) may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - (d) must return the certificate which is to be replaced to the company if it is damaged or defaced, and
 - (e) 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 shareholders' 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.