

Company No: 08895474

**The Companies Act 2006
COMPANY LIMITED BY SHARES**

SPECIAL RESOLUTION

passed as a

WRITTEN RESOLUTION

of

MEININGER HOTELS LIMITED ("Company")

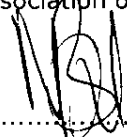
Passed the 4th day of MAY 2018

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 was duly passed:

SPECIAL RESOLUTION

THAT the Articles of Association attached to this resolution be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of Association of the Company.

Signed:



Director/Secretary

Dated: 4th MAY 2018



Company No. 08895474

Articles of Association of Meininger Hotels Limited

Incorporated 14 February 2014

Adopted by special resolution passed on 5 January 2017

Amended by special resolution passed on 4th May 2018

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

MEININGER HOTELS LIMITED

Adopted by special resolution passed on 4th May 2018

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 Proportion"	the number of A Ordinary Shares held by a holder of A Ordinary Shares divided by the aggregate total number of A Ordinary Shares then in issue
"A Ordinary Shares"	the A ordinary shares of £0.01 each of the Company having the rights set out in Article 5 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
"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
"Bad Leaver"	any Leaver who is not a Good Leaver
"Board"	the board of directors of the Company from time to time
"Board Consent"	the consent of the Board
"Business Day"	any day (other than a Saturday or Sunday) on which banks are open in London for normal banking business
"Called Shareholders"	has the meaning given to that term at Article 13.5

"Called Shares"	the meaning given to that term at Article 13.5
"Capital Contribution"	any capital contribution (other than the issue of further A Ordinary Shares) made by way of a fresh issue of shares in the Company including for the avoidance of doubt any issue of shares on a share for share basis
"Capital Contribution Amount"	the amount of any Capital Contribution made after 30 April 2013 multiplied by an annual compounded growth rate of 1.16 to run from the date the Capital Contribution is made until the date of any calculation of the Hurdle pursuant to Articles 6.1.1 or 7.2
"Compulsory Sale Price"	the meaning given to that term at Article 14.5
"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
"connected person"	the meaning given to that expression in section 993 of the Income Taxes Act 2007 and "connected with" shall be construed accordingly
"Deemed Transfer Notice"	the meaning given to that term at Article 14.3
"Distribution"	any dividend or other form of distribution of whatever nature (including any return of capital) which has been declared, made or paid
"Distribution Amount"	<i>the amount of any Distribution made by Meininger Holdings GmbH in September 2013 to its shareholders at that time, plus the amount of any Distribution to the Ordinary Shares made after 30 April 2013 in respect of which the holders of the A Ordinary Shares have not received a proportionate amount multiplied by an annual compounded growth rate of 1.16 to run from the date the Distribution Amount is paid until the date of any calculation of the Hurdle pursuant to Articles 6.1.1 or 7.2</i>
"Drag Along Notice"	the meaning given to that term at Article 13.5
"Drag Along Option"	the meaning given to that term at Article 13.5
"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 Ordinary Shareholder Majority
"electronic address"	any address or number used for the purposes of sending or receiving documents or information by electronic means
"Fair Value"	for the purposes of these Articles means the amount agreed between the Board, with Ordinary Shareholder 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 Valuers in accordance with

Article 23

"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 Ordinary Shareholder 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
"Holidaybreak"	Holidaybreak Limited a company registered in England with company number 02305562
"Holidaybreak 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 Holidaybreak
"Holidaybreak Listing"	the admission by the Financial Conduct Authority in its capacity as the UK Listing Authority of any share in the capital of Holidaybreak 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 in the capital of Holidaybreak, and, in each case, such admission becoming effective
"Holidaybreak Sale"	the transfer of any interest in the share capital of Holidaybreak to any independent third party (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 Holidaybreak Controlling Interest
"Hurdle"	<p>the Initial Hurdle measured at the date of any calculation pursuant to Articles 6.1.1 or 7.2</p> <p>(a) less any Distribution Amount;</p> <p>(b) plus any Capital Contribution Amount</p> <p>however the Hurdle can never be less than £1,000</p>

"Initial Hurdle"

€138,800,000 multiplied by an annual compound growth rate of 1.16 from 30 April 2013 with the first year to run from 30 April 2013 until 1 May 2014.

If the Initial Hurdle is calculated in a year at any date prior to 1 May it will be pro rated to the date of calculation such that the Initial Hurdle will be:

$$\text{Initial Hurdle} = ((A-B) \times (C/365)) + B$$

Where A is the Initial Hurdle calculated at the next 1 May following the date of calculation; B is the Initial Hurdle calculated at the 1 May preceding the date of the calculation and C is the number of days elapsed following the 1 May preceding the date of calculation up until the date of calculation

"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 Board

"Leaver"

a shareholder who:

- (a) is an individual; and
- (b) is or was previously a director or employee of a member of the Group; and
- (c) ceases to hold such office or employment and as a consequence is no longer a director or employee of any member of the Group

"Liquidity Event"

- (a) a Holidaybreak Sale; or
- (b) a Holidaybreak Listing; or
- (c) a Prometheon Sale; or
- (d) a Prometheon Listing

"Liquidity Realisation Value"

where a Liquidity Event has occurred the Market Value of the Shares as determined by the Board (or if the Board is unwilling to make such determination as determined by the Valuer in accordance with **Article 23**) applying the principles contained within the definition of Realisation Value to such Liquidity Event and in each case (where relevant) calculated as between a willing seller and a willing buyer as at the date of the Liquidity Event

"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
"Market Value"	the market value of all issued Shares (which shall include Shares deriving therefrom since their date of issue, including Shares deriving therefrom following any capital reorganisation effected prior to the calculation of Market Value)
"Ordinary Shareholder Consent"	the consent in writing of the Ordinary Shareholder Majority
"Ordinary Shareholder Majority"	the holder of not less than 50 per cent. by nominal value of the Ordinary Shares for the time being (whether through nominees or otherwise)
"Ordinary Sellers"	the meaning given to that term in Article 13.5
"Ordinary Sellers' Shares"	the meaning given to that term in Article 13.5
"Ordinary Shares"	the Ordinary Shares of £1.00 each of the Company having the rights set out at Article 5 in respect of Shares of that class
"Prometheon"	Prometheon Holdings (UK) Limited a company registered in England with company number 07689108
"Prometheon 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 Prometheon
"Prometheon Listing"	the admission by the Financial Conduct Authority in its capacity as the UK Listing Authority of any share in the capital of Prometheon 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 in the capital of Prometheon, and, in each case, such admission becoming effective
"Prometheon Sale"	the transfer of any interest in the share capital of Prometheon to any independent third party (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 Prometheon Controlling Interest
"recognised investment exchange"	the meaning given to the expression in section 285(1) FSMA
"Readily Convertible Securities"	shares which are listed on a public investment exchange
"Realisation"	<ul style="list-style-type: none"> (a) a Sale; (b) a Listing; (c) a Distribution following or in the context of

a Winding Up; or

(d) a Liquidity Event

"Realisation Value"

(a) the value of issued Shares (which shall include Shares deriving therefrom since their date of issue, including Shares deriving therefrom following any capital reorganisation effected prior to the Realisation) calculated as follows and on the basis that the relevant Realisation has been effected in accordance with its terms:

(i) in the event of a Sale

(A) if the Shares are to be sold by private treaty (as distinct from a public offer) and the consideration is a fixed cash sum payable in full on completion of the Sale, the total amount of such cash sum,

(B) if a written offer has been made for a cash consideration or, if the Sale is pursuant to any other public cash offer or public offer accompanied by a cash alternative, the total cash consideration or cash alternative price for all the Shares of the Company for which the offer is made,

(C) to the extent that the Sale includes an element of non-contingent and clearly quantified deferred consideration, its value shall be the present value of such deferred consideration as determined by the Ordinary Shareholder Majority or, in the absence of such determination prior to the Realisation, such value as it is reported on by the Valuers, in a report obtained for the purpose and addressed to the holders of the Shares,

(D) to the extent that the Sale includes an element of consideration which is contingent and/or unquantified then no value shall be ascribed thereto in determining the Realisation Value but the provisions of **Article 6.2** shall apply, and

(E) if and to the extent that (A) to (D) above are not applicable, the value of the relevant consideration as determined by the Ordinary Shareholder Majority or, in the absence of such determination prior to the Realisation, such value as it is reported on by the Valuers, in a report obtained for the purpose and addressed to the holders of the Shares;

(ii) in the event of a Listing, the market value of the Listing Shares determined by reference to the price per Share at which such Shares are to be offered for sale, placed or otherwise marketed pursuant to the

arrangements relating to the Listing, all as determined by the merchant bank or, if none the broker appointed by the Board to advise in connection with the Listing;

(iii) in the event of a Distribution following or in the context of a Winding Up the total amount of such Distribution,

(iv) in the event of a Liquidity Event as determined in accordance with **Article 7.2**; and

(b) in respect of any Sale, Listing, return of capital or Liquidity Event shall be calculated after the deduction of any relevant professional and related costs and fees borne or to be borne by the Company as determined by the Ordinary Shareholder Majority (acting reasonably)

"Refinancing"

the raising by the Company or any Group Company (including for these purposes any company that becomes a holding company of the Company or any Group Company) of equity finance (whether by way of the issue of shares, options over any rights in any share capital of the Company or any Group Company of whatsoever nature (other than options to be granted to employers or directors of any Group Company)) or debt finance (whether by bank facility or the issue of loan stock or otherwise but excluding hire purchase and operating lease commitments) in each case following 5 January 2017 for any purpose other than for working capital required in the ordinary course of business

"Sale"

the transfer (other than a transfer permitted under **Articles 12.2, 12.3.1 and 12.3.2**) 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

"Sale Shares"

has the meaning given to that term at **Article 14.3**

"Seller"

a holder who wishes, or is required, to transfer any Share or any beneficial interest therein to a person

"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 Ordinary Shareholder 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

"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 13.3
"Transfer Event"	the meaning given to that term at Article 14.1
"Valuers"	means any one of PricewaterHouseCoopers LLP, Deloitte LLP, EY LLP or KPMG LLP as selected by the Ordinary Shareholder Majority
"Unvested Proportion"	1 minus the Vested Proportion
"Vested Proportion"	<p>X/Y</p> <p>Where:</p> <p>X = the number of whole months between the date of issue of the Shares and the date the holder became a Leaver</p> <p>Y = the number of whole months between the date of issue of the Shares and the date of the Realisation</p>
"Warehouse"	any or all of the Company; the Ordinary Shareholder Majority; an Employee Trust; employees or prospective employees of any Group Company in such numbers and proportions of Shares as the Board may determine; or, any other party as determined by the Ordinary Shareholder Majority
"Winding Up"	means the passing up of any resolution for the winding up of a company, or any other return of capital (on liquidation, capital reduction or otherwise)
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 2006 Act 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. DIRECTORS’ INTERESTS

- 4.1 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 notwithstanding his office:

- 4.1.1 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;
- 4.1.2 may hold any other office or employment with the Company (other than the office of Auditor);
- 4.1.3 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;
- 4.1.4 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
- 4.1.5 shall not be accountable to the Company for any benefit which he receives or profits made as a result of anything permitted by **Articles 4.1.1 to 4.1.4** and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

- 4.2 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 4.1.1 to 4.1.4** (inclusive) and in any of the circumstances set out in Model Articles 14(3) and 14(4).

- 4.3 For the purposes of **Article 4.1**:

- 4.3.1 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;
- 4.3.2 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
- 4.3.3 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.

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

SHARE RIGHTS

5. SHARE RIGHTS

Save as otherwise provided in these Articles, the Ordinary Shares and the A Ordinary Shares shall be treated *pari passu* and as if they constituted one class of Share. The rights attached to the Ordinary Shares and the A Ordinary Shares are as follows:

5.1 Dividends

5.1.1 Subject to the provisions of the Statutes and the requirement to ensure the general prudent financial management of the Company at all times, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board.

5.1.2 Whilst the share capital of the Company is divided into different classes of shares, dividends may, subject to **Article 5.1.3** be recommended, declared and/or paid on all the Shares or all Shares of a particular class(es) (without the need to recommend, declare and/or pay any dividend or a dividend of the same amount on all classes of shares).

5.1.3 Notwithstanding the provisions of **Article 5.1.2** no dividend shall be recommended, declared and/or paid on all the A Ordinary Shares until a Distribution on the Ordinary Shares equal to the Hurdle has been received by the holders of Ordinary Shares following 30 April 2013.

5.2 Capital

On a return of capital on liquidation or capital reduction or otherwise, the surplus assets of the Company remaining after the payment of its liabilities shall be applied as if they were the proceeds from a Sale of the Shares of the Company pursuant to **Article 6**.

5.3 Voting

5.3.1 Each holder of Ordinary Shares shall be entitled to receive notice of, and to attend and speak, at any general meeting of the Company:

5.3.1.1 on a written resolution, each holder, shall have one vote in respect of each Share they hold; and

5.3.1.2 each 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, on a show of hands, have one vote each, and, on a poll, shall have one vote in respect of each Share they hold.

5.3.2 The holders of the A Ordinary Shares shall not be entitled to receive notice of, nor to attend, speak or vote at any general meeting of the Company.

6. SALE OF THE SHARE CAPITAL OF THE COMPANY

6.1 In the event of a Sale then, subject to **Articles 6.2** and **6.5** and 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 Realisation Value shall be paid into

a designated trustee account and shall be distributed amongst such selling holders as follows:

- 6.1.1 to each holder of Ordinary Shares their proportion (calculated by reference to the aggregate number of Ordinary Shares held by a holder divided by the total number of Ordinary Shares then in issue) of the sum calculated in accordance with column (2) of the table below; and
- 6.1.2 in paying to each holder of A Ordinary Shares their A Proportion of the sum calculated in accordance with column (3) of the table below.

(1) Realisation Value	(2) Ordinary Shareholder Amount	(3) A Ordinary Shareholder Amount
Realisation Value is less than or equal to the Hurdle	100% of the Realisation Value	£0
Realisation Value is greater than the Hurdle	(i) 100% of the Realisation Value up to the Hurdle; plus (iii) 80% of the amount by which the Realisation Value exceeds the Hurdle; plus (iv) the balance of the Realisation Value not allocated to the holders of the A Ordinary Shares pursuant to column 3 of this table (if any) following the application of Articles 6.1.2 and 6.2	(i) 20% of the amount by which the Realisation Value exceeds the Hurdle

- 6.2 The total aggregate amount of the Realisation Value that can be distributed to the holders of the A Ordinary Shares shall be capped at 5% of the Realisation Value ("**Maximum A Payment**"). To the extent the sum that would otherwise have been distributable to the holders of A Ordinary Shares (were it not for the provisions of this **Article 6.2**) is greater than 5% of the Realisation Value, each holder of A Ordinary Shares will have the amount that they would otherwise have been entitled to receive pro rated downwards such that they receive their A Proportion (as adjusted pursuant to **Article 6.5**) of the Maximum A Payment. To the extent that the holders of A Ordinary Shares have received 5% of the total Realisation Value any surplus amount of Realisation Value will be paid to the holder of Ordinary Shares in due proportion (calculated by reference to the aggregate number of Ordinary Shares held by a holder divided by the total number of Ordinary Shares then in issue).
- 6.3 In the event of a Sale occurring where the whole or any part of the Realisation Value is to be received by the holders in a form other than cash, the holders shall enter into such arrangements in relation to the element of Realisation Value which is in a form other than cash as the Board, with Ordinary Shareholder Consent, may determine, to ensure that such non-cash consideration is allocated amongst the holders of shares so as to achieve the same commercial effect as would be the case pursuant to **Article 6.1 and Article 6.2** if such consideration had actually been received in cash (and as between such holders of Shares, such non-cash consideration shall be apportioned between the different classes of Shares in the same proportions as those proportions in which they are entitled to receive the overall Realisation Value).
- 6.4 In the event that the application of any provision of this **Article 6** (including the quantum of any Realisation Value) cannot be determined by the Board, any such matters in dispute

shall be referred to the Valuers to determine in accordance with **Article 23** whose decision shall be final and binding on all holders (save in the case of manifest error).

6.5 If upon a Sale any A Ordinary Shares are held by a Leaver who is deemed to be a Good Leaver only the Vested Proportion of such Leaver's Shares shall count towards their A Proportion for the purposes of **Article 6.1.2** or **Article 6.2** and only the Vested Proportion of such holder's A Ordinary Shares shall receive value pursuant to **Article 6.1.2** or **Article 6.2**, the Unvested Proportion will be purchased by Compulsory Transfer Notice pursuant to **Article 14.7**

6.6 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 6.1** are allocated between the holders of the Shares the subject of such Listing in the same proportions as the provisions of **Article 6.1** would provide in distributing the proceeds of a Sale to all holders selling Shares in connection with such Sale.

7. **PUT OPTION**

7.1 Upon a Liquidity Event occurring:

7.1.1 the Company shall within 5 Business Days following the occurrence of such Liquidity Event inform each holder of A Ordinary Shares in writing of the occurrence of the Liquidity Event ("**Liquidity Notice**"); and

7.1.2 a holder of A Ordinary Shares may at his discretion within 5 Business Days following receipt by him of the Liquidity Notice ("**Put Option Period**") serve a notice in writing addressed to the Board and the Ordinary Shareholder Majority requiring the Ordinary Shareholder Majority (or such other person as is determined by the Board) (for the purposes of this **Article 7** "**Buyer**") to acquire all (but not some of) the A Ordinary Shares then held by that holder (the "**Put Option Notice**") for a price equal to the Put Option Payment as determined in accordance with **Article 7.2**.

7.2 The amount of the put option payment ("**Put Option Payment**") shall be determined subject to **Articles 7.3 to 7.6** by applying the principles contained within **Article 6.1** (as adjusted in this **Article 7.2**) such that the Put Option Payment shall be that holder's A Proportion multiplied by 20% of the amount by which the Liquidity Realisation Value exceeds the Hurdle capped at 5% of the Liquidity Realisation Value.

7.3 The Put Option Payment may be satisfied by the Buyer in cash or in Readily Convertible Securities.

7.4 So far as reasonably practicable, the Board shall, with Ordinary Shareholder Consent, seek to determine the Put Option Payment but may refer the determination of the Put Option Payment to the Valuers for them to determine the Put Option Payment in accordance with **Article 23** and the principles contained in **Article 7.2** prior to completion of the acquisition of the Shares.

7.5 A Put Option Notice shall be irrevocable and the provider of a Put Option Notice (in this **Article 7.5** the "**Seller**") shall be bound to transfer the A Ordinary Shares comprised in the Put Option Notice to the Ordinary Shareholder Majority (or as the Ordinary Shareholder Majority directs) at the time and place specified by the Ordinary Shareholder Majority free from any lien, charge or encumbrance. If the Seller makes default in so doing, the Ordinary Shareholder Majority, or some other person duly nominated by the Ordinary Shareholder Majority for that purpose, shall forthwith be deemed to be the duly appointed attorney of the Seller with full power to execute, complete and deliver in the name and on behalf of the Seller a transfer of the relevant A Ordinary Shares to the Ordinary Shareholder Majority and all such consents written resolutions and proxies as the appointed 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 A Ordinary Shares to proceed and the Board may receive and give a good discharge for the Put Option Payment of the Seller and (subject to the transfer being duly

stamped) enter the name of the Ordinary Shareholder Majority (or any other person the Ordinary Shareholder Majority so designates) in the register of members as the holder or holders by transfer of those A Ordinary Shares so purchased by the Ordinary Shareholder Majority (or its designee). The Board shall forthwith pay the Put Option Payment 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 Ordinary Shareholder Majority, in respect of any lost certificate) to the Company when he shall thereupon be paid such Put Option Payment.

- 7.6 If upon a Liquidity Event any A Ordinary Shares are held by a Leaver who is deemed to be a Good Leaver only the Vested Proportion of such Leaver's Shares shall be eligible for inclusion in the Put Option Notice pursuant to **Article 7.1** and only the Vested Proportion shall count toward their A Proportion for the purposes of **Article 7.2**, the Unvested Proportion will be purchased by Compulsory Transfer Notice pursuant to **Article 14.7**

8. **CALL OPTION**

- 8.1 In the event that the Ordinary Shareholder Majority has not received a valid Put Option Notice by the end of the Put Option Period then, subject to **Article 8.4**, the Ordinary Shareholder Majority may at any time thereafter serve a notice in writing addressed to any relevant holder of A Ordinary Shares or requiring such holder to sell all (but not some of) the A Ordinary Shares then held by that holder ("**Call Option Notice**") for a price equal to the Call Option Payment as determined by **Article 8.2**.
- 8.2 The amount of the call option payment ("**Call Option Payment**") shall be, subject to **Articles 8.3** to **8.4** equal in value to the Put Option Payment and shall be agreed or determined and paid, mutatis mutandis in accordance with **Article 7.2** to **7.4** (substituting the words "Put Option Payment" for the words "Call Option Payment" in each place they are used in **Articles 7.2** to **7.4**, as if the same were the Put Option Payment).
- 8.3 The recipient of a Call Option Notice (the "**Recipient**") shall be bound to transfer the A Ordinary Shares comprised in the Call Option Notice to the Ordinary Shareholder Majority (or as the Ordinary Shareholder Majority directs) at the time and place therein specified free from any lien, charge or encumbrance. If the Recipient makes default in so doing, the Ordinary Shareholder Majority, or some other person duly nominated by the Ordinary Shareholder Majority for that purpose, shall forthwith be deemed to be the duly appointed attorney of the Recipient with full power to execute, complete and deliver in the name and on behalf of the Recipient a transfer of the relevant A Ordinary Shares to the Ordinary Shareholder Majority and all such consents, written resolutions and proxies as the appointed 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 A Ordinary Shares to proceed and the Board may receive and give a good discharge for the Call Option Payment on behalf of the Recipient and (subject to the transfer being duly stamped) enter the name of the Ordinary Shareholder Majority (or any other person the Ordinary Shareholder Majority so designates) in the register of members as the holder or holders by transfer of A Ordinary Shares so purchased by the Ordinary Shareholder Majority (or its designee). The Board 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 Recipient until he shall deliver up his certificate or certificates for the relevant shares (or an indemnity, in a form reasonably satisfactory to the Ordinary Shareholder Majority, in respect of any lost certificate) to the Company when he shall thereupon be paid the Call Option Payment.
- 8.4 If upon a Liquidity Event any A Ordinary Shares are held by a Leaver who is deemed to be a Good Leaver, only the Vested Proportion of such Leaver's Shares shall be eligible for inclusion in the Call Option Notice pursuant to **Article 8.1** and only the Vested Proportion shall count toward their A Proportion for the purposes of **Article 8.2**, the Unvested Proportion will be purchased by Compulsory Sale Notice pursuant to **Article 14.7**.

9. VARIATION OF RIGHTS

- 9.1 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.
- 9.2 For each such separate class meeting referred to in **Article 9.1**, 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.

10. ALLOTMENT OF SHARES

- 10.1 The directors shall not 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 allot any Shares.
- 10.2 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 Board.
- 10.3 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.
- 10.4 References in **Articles 10** 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.

TRANSFER OF SHARES

11. GENERAL

- 11.1 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 required to do so by the Board. 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.
- 11.2 For the purposes of these Articles the following shall be deemed (but without limitation) to be a transfer of Shares:
- 11.2.1 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, transferred, charged, encumbered, or any option be granted over or otherwise dispose to some person other than himself; and
- 11.2.2 any sale or any other disposition (including any charge, encumbrance or the grant of any option) 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.

12. **PERMITTED TRANSFERS**

12.1 **Permitted transfers by holders of Ordinary Shares**

- 12.1.1 Subject to the provision of **Article 13.1** any holder of Ordinary Shares may transfer any or all of the Ordinary Shares is holds at any time without the consent of any other person.

12.2 **Permitted Transfers by holders of A Ordinary Shares**

- 12.2.1 The trustees of any Employee Trust may sell or transfer any A Ordinary Shares held by them to the beneficiaries of such Employee Trust with Board Consent.
- 12.2.2 Any Warehouse may with Board consent sell or transfer any A Ordinary Shares held by it to any other person.
- 12.2.3 The Company may sell or transfer any Shares held by it as treasury shares to such person or persons with Board Consent.

12.3 **Permitted Transfers by all Shareholders**

- 12.3.1 any holder may at any time transfer any Shares, in accordance with the provisions of the Statutes, to the Company.
- 12.3.2 Any holder may at any time transfer all or any of his Shares to any other person with Board Consent.
- 12.3.3 Any Shares may be transferred pursuant to **Article 13.1** (Tag along) and/or **Articles 13.5** and **13.6** (Drag along).

13. **CHANGE OF CONTROL**

Tag along

- 13.1 Subject to **Article 13.2**, if the effect of any transfer of Shares 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.
- 13.2 The provisions of **Articles 13.1** and **13.5** shall not apply to any transfer of Shares pursuant to **Articles 12.2, 12.3.1** and **12.3.2**.
- 13.3 "**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 at a price per Share equal to the highest price per Share, subject to adjustment to ensure that the aggregate proceeds of sale are distributed in accordance with **Article 6** (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by any transferee referred to in **Article 13.1** (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.
- 13.4 In the event of disagreement, the calculation of the relevant Tag Along Offer price shall be referred to the Valuers and **Articles 23.1** and **23.2** shall apply.

Drag along

- 13.5 If holders of the Ordinary Shares (in **Articles 13.5** and **13.6**, the "**Ordinary Sellers**") wish to transfer their Shares ("**Ordinary Sellers' Shares**") to any person (the "**Buyer**"), pursuant to the terms of a bona fide arms length transaction, then the Ordinary Sellers shall also have the option (the "**Drag Along Option**"), exercisable by the Ordinary 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 Ordinary Sellers' Shares will be completed at the same time. A Drag Along Notice shall be given by the Ordinary Sellers to each Called Shareholder and shall specify:
- 13.5.1 that the Called Shareholders are, or will, in accordance with this **Article 13.5** and **Articles 13.6** and **13.7** and, be required to transfer with full title guarantee all their Called Shares free from all liens, charges and encumbrances;
 - 13.5.2 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 Ordinary Sellers' Shares but subject to the aggregate proceeds of sale being distributed in accordance with **Article 6**). 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 need not be in the same combination as between the Called Shares and the Ordinary Sellers' Shares;
 - 13.5.3 the documents required to be executed by the Called Shareholder, the time period within which those documents should be delivered to the Company; and
 - 13.5.4 the proposed date of completion of the sale of the Called Shares the subject of the Drag Along Notice.
- 13.6 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 ("**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 13.6** 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.
- 13.7 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 one of the directors, 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 holder making such default with full power to give, execute, complete and deliver in the name and on behalf of the holder making such default:
- 13.7.1.1 a transfer of the relevant the Called Shares in respect of which such default is made to the Buyer; and
 - 13.7.1.2 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 Called Shares to proceed;

- 13.7.2 the Company may receive and give a good discharge for the purchase money on behalf of the holder making such default and (subject to the transfer being duly stamped) enter the name of the Buyer in the register of members as the holder or holders by transfer of the Called Shares in respect of which such default is made so purchased by him or them; and
- 13.7.3 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 holder making such default 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.
- 13.8 A Drag Along Notice shall be served in accordance with **Article 24**.
- 13.9 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 Ordinary Sellers on the Called Shareholder.
- 14. **COMPULSORY TRANSFERS**
- 14.1 In this **Article 14**, a "**Transfer Event**" means, in relation to any holder of Shares:
 - 14.1.1 a holder who is an individual becoming bankrupt;
 - 14.1.2 a holder making any arrangement or composition with his creditors generally;
 - 14.1.3 a holder becoming a Leaver; and
 - 14.1.4 a holder attempting to deal with or dispose of any Share or any interest in it otherwise than in accordance with these Articles.
- 14.2 For the purpose of **Article 14.1**, the date upon which a relevant holder becomes a Leaver shall be:
 - 14.2.1 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);
 - 14.2.2 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;
 - 14.2.3 save as provided in **Article 14.2.1** 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;
 - 14.2.4 where a contract of employment is terminated under the doctrine of frustration, the date of the frustrating event; and
 - 14.2.5 where a contract of employment or directorship is terminated for any reason other than in the circumstances set out in **Articles 14.2.1 to 14.2.4** (inclusive) above, the date on which the action or event giving rise to the termination occurs.
- 14.3 An Ordinary Shareholder Majority may, at any time following the date of a Transfer Event falling within any of **Articles 14.1.1 to 14.1.4** (save where a Transfer Event occurs

pursuant to **Article 14.1.3** in circumstances where the Leaver is determined to be a Good Leaver (in which case **Article 14.6** will apply)), serve notice on the Company and the relevant holder notifying them that the mandatory transfer provisions of this **Article 14** shall apply ("**Compulsory Transfer Notice**"). Upon the date of service of such notice (as determined in accordance with **Article 24**), the relevant holder and any other holder who has acquired Shares from him under a permitted transfer 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 12.2** or **Article 12.3.2** were the Shares received directly or indirectly from the holder who is the immediate subject of the Transfer Event (the "**Sale Shares**"). The Sale Shares shall be sold together with all rights attaching thereto as at the date of the Compulsory Transfer Notice.

- 14.4 A Deemed Transfer Notice shall be deemed to have been given on the date of receipt by the Company of the relevant Compulsory Transfer Notice.
- 14.5 The price at which the Sale Shares shall be transferred pursuant to the Deemed Transfer Notice served pursuant to **Article 14.3** (the "**Compulsory Sale Price**") shall be £1.00 in aggregate.
- 14.6 In the event that a Transfer Event occurs pursuant to **Article 14.1.3** in circumstances where the Leaver is determined to be a Good Leaver, the Leaver will be entitled to retain his Shares in the Company until such time as a Realisation occurs upon which the provisions of **Article 14.7** to **14.9** shall apply.
- 14.7 In the event that a Transfer Event occurs pursuant to **Article 14.1.3** in circumstances where the Leaver is determined to be a Good Leaver, an Ordinary Shareholder Majority may, immediately preceding a Realisation, serve notice on the Company and the relevant holder notifying them that the mandatory transfer provisions of this **Article 14** shall apply ("**Compulsory Transfer Notice**"). Upon the date of service of such notice (as determined in accordance with **Article 24**), the relevant holder and any other holder who has acquired Shares from him under a permitted transfer shall be deemed to have immediately given notice to the Company (a "**Deemed Transfer Notice**") in respect of all of the Unvested Proportion of the Shares then held by him and which in the case of a transferee of Shares under **Article 12.2** or **Article 12.3.2** were the Shares received directly or indirectly from the holder who is the immediate subject of the Transfer Event (the "**Unvested Sale Shares**"). The Unvested Sale Shares shall be sold together with all rights attaching thereto as at the date of the Compulsory Transfer Notice.
- 14.8 A Deemed Transfer Notice shall be deemed to have been given on the date of receipt by the Company of the relevant Compulsory Transfer Notice.
- 14.9 The price at which the Unvested Sale Shares shall be transferred pursuant to the Deemed Transfer Notice served pursuant to **Article 14.7** (the "**Compulsory Sale Price**") shall be the sum of £1 in aggregate.
- 14.10 No Deemed Transfer Notice once given in accordance with these Articles may be withdrawn unless the Ordinary Shareholder Majority approves such withdrawal.
- 14.11 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:
 - 14.11.1 the price for each Sale Share is the Compulsory Sale Price; and
 - 14.11.2 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them.
- 14.12 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 Warehouse or as the Board, with Ordinary Shareholder Consent, shall direct.

- 14.13 Upon such allocations being made as set out in **Article 14.12**:
- 14.13.1 the Seller shall be bound, on payment of the Compulsory Sale Price, to transfer the relevant Shares to the Warehouse (or proposed transferee) named therein at the time and place therein specified free from any lien, charge or encumbrance;
 - 14.13.2 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:
 - 14.13.2.1 a transfer of the relevant Shares to the Warehouse (or proposed transferee); and
 - 14.13.2.2 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 Shares to proceed;
 - 14.13.3 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 Warehouse (or proposed transferee) in the register of members as the holder or holders by transfer of the Shares so purchased by him or them; and
 - 14.13.4 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.

15. VALUATION OF SHARES

- 15.1 In the event that the Valuers are required to determine the price at which Shares are to be transferred pursuant to these Articles, the Company shall engage and instruct the Valuers (which instructions shall be made as soon as practicable following the time it becomes apparent that a valuation pursuant to this **Article 15** is required), to give their written opinion as to the price which represents a fair value for such Shares on the basis as between a willing seller and a willing buyer as at the date of the relevant event for which a valuation is required pursuant to these Articles.
- 15.2 In making such determination, the Valuers 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.
- 15.3 **Articles 23.1** and **23.2** shall apply to any determination under this Article by the Valuers.

16. COMPLIANCE

- 16.1 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 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 13.1**, 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.

- 16.2 Failing such information or evidence being furnished to enable the Board to determine to its reasonable satisfaction that no such 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 13.1**, or that as a result of such information and evidence the Board is reasonably satisfied that such 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 13**:

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

16.2.2 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 13.1**, 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 13.1**), shall cease to entitle the holders thereof (or any proxy):

16.2.2.1 to receive notice of any meeting; or

16.2.2.2 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

16.2.2.3 to any further Shares issued in right of such Shares or in pursuance of an offer made to the relevant holders,

16.2.2.4 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.

17. **PURCHASE OF OWN SHARES**

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

18. **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

19. **NOTICE OF GENERAL MEETINGS**

19.1 Every notice convening a general meeting shall:

19.1.1 comply with section 325(1) of the 2006 Act as to giving information to shareholders relating to their right to appoint proxies; and

19.1.2 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.

- 19.2 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.

20. **PROCEEDINGS AT GENERAL MEETINGS**

- 20.1 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 (at least one of whom must be a holder of Ordinary Shares) present in person, by proxy or by duly authorised representative (if a corporation), shall be the quorum at any general meeting.
- 20.2 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 the same day in the next week at the same time and place or to such other day and at such other place as the directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed for the same the shareholders present shall form a quorum. Model Article 41(1) to (5) inclusive shall not apply to the Company.

21. **WRITTEN RESOLUTIONS**

- 21.1 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.
- 21.2 For the purposes of this **Article 21** "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

22. **BORROWING POWERS**

The Board may exercise all the powers of the Company to borrow money 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.

23. **VALUERS**

Valuers' determination

- 23.1 If any matter under these Articles is referred to the Valuers for determination then the Valuers 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).
- 23.2 The Valuers' costs in making any such determination referred to in **Article 23.1** shall be borne by the Company unless the Valuers shall otherwise determine.
- 23.3 The Valuers where required by these Articles shall determine the valuation of Shares in accordance with **Article 15**.

24. **COMPANY COMMUNICATION PROVISIONS**

24.1 Where:

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

24.1.2 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.

24.2 Where:

24.2.1 a document or information is sent or supplied by electronic means; and

24.2.2 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.

24.3 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:

24.3.1 when the material was first made available on the website; or

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

24.4 Pursuant to section 1147(6) of the 2006 Act, subsections (2) (3) and (4) of that section shall be deemed modified by **Articles 24.1, 24.2 and 24.3.**

25. **INDEMNITIES FOR DIRECTORS**

25.1 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.

25.2 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.

25.3 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:

25.3.1 in defending any criminal or civil proceedings; or

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

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

26. **REGISTERED OFFICE**

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

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Regulation 2

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

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PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

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

“articles” means the company’s articles of association;

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

“chairman” has the meaning given in article 12;

“chairman of the meeting” has the meaning given in article 39;

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

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

“distribution recipient” has the meaning given in article 31;

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

“electronic form” has the meaning given in section 1168 of the *Companies Act 2006*;

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

“hard copy form” has the meaning given in section 1168 of the *Companies Act 2006*;

“holder” in relation to shares means the person whose name is entered in the register of

members as the holder of the shares;

“instrument” means a document in hard copy form;

“ordinary resolution” has the meaning given in section 282 of the *Companies Act 2006*;

“paid” means paid or credited as paid;

“participate”, in relation to a directors’ meeting, has the meaning given in article 10;

“proxy notice” has the meaning given in article 45;

“shareholder” means a person who is the holder of a share;

“shares” means shares in the company;

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

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

“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a

shareholder or otherwise by operation of law; and

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

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

Liability of members

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

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

Directors' general authority

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

Shareholders' reserve power

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

Directors may delegate

- 5.—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—
 - (a) to such person or committee;
 - (b) by such means (including by power of attorney);

- (c) to such an extent;
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions;

as they think fit.

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

Committees

6.—(1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

- (2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

7.—(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

(2) If—

- (a) the company only has one director, and

(b) no provision of the articles requires it to have more than one director, the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

Unanimous decisions

8.—(1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

(4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

Calling a directors' meeting

9.—(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

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

Participation in directors' meetings

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

Quorum for directors' meetings

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

Chairing of directors' meetings

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

Casting vote

13.—(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

(2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

Conflicts of interest

14.—(1) If a proposed decision of the directors is concerned with an actual or proposed

transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.

(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

(3) This paragraph applies when—

(a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;

(b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or

(c) the director's conflict of interest arises from a permitted cause.

(4) For the purposes of this article, the following are permitted causes—

(a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;

(b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and

(c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

(5) For the purposes of this article, references to proposed decisions and decision-making

processes include any directors' meeting or part of a directors' meeting.

(6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

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

Records of decisions to be kept

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

Directors' discretion to make further rules

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

APPOINTMENT OF DIRECTORS

Methods of appointing directors

17.—(1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

- (a) by ordinary resolution, or
- (b) by a decision of the directors.

(2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.

(3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances

rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

Termination of director's appointment

18. A person ceases to be a director as soon as—

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

Directors' remuneration

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

Directors' expenses

20. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—
- (a) meetings of directors or committees of directors,
 - (b) general meetings, or
 - (c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

PART 3

SHARES AND DISTRIBUTIONS

SHARES

All shares to be fully paid up

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

Powers to issue different classes of share

- 22.—(1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

(2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

Company not bound by less than absolute interests

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

Share certificates

24.—(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

(2) Every certificate must specify—

- (a) in respect of how many shares, of what class, it is issued;
- (b) the nominal value of those shares;
- (c) that the shares are fully paid; and
- (d) any distinguishing numbers assigned to them.

(3) No certificate may be issued in respect of shares of more than one class.

(4) If more than one person holds a share, only one certificate may be issued in respect of it.

(5) Certificates must—

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

Replacement share certificates

25.—(1) If a certificate issued in respect of a shareholder's shares is—

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

(2) A shareholder exercising the right to be issued with such a replacement certificate—

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

Share transfers

26.—(1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

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

Transmission of shares

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

Exercise of transmittees' rights

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

Transmittees bound by prior notices

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

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

- 30.**—(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

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

Payment of dividends and other distributions

31.—(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—

- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
 - (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- (2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—
- (a) the holder of the share; or
 - (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
 - (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

No interest on distributions

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

- (a) the terms on which the share was issued, or

(b) the provisions of another agreement between the holder of that share and the company.

Unclaimed distributions

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

- (a) payable in respect of shares, and
- (b) unclaimed after having been declared or become payable, may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

(2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

(3) If—

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
- (b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

Non-cash distributions

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

(2) For the purposes of paying a non-cash distribution, the directors may make whatever

arrangements they think fit, including, where any difficulty arises regarding the distribution—

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

Waiver of distributions

35. Distribution recipients may waive their entitlement to a dividend or other distribution

payable in respect of a share by giving the company notice in writing to that effect, but if—

- (a) the share has more than one holder, or
- (b) more than one person is entitled to the share, whether by reason of the death or

bankruptcy of one or more joint holders, or otherwise,

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

CAPITALISATION OF PROFITS

Authority to capitalise and appropriation of capitalised sums

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

- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
 - (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.
- (2) Capitalised sums must be applied—
- (a) on behalf of the persons entitled, and
 - (b) in the same proportions as a dividend would have been distributed to them.
- (3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- (4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- (5) Subject to the articles the directors may—
- (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;
 - (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
 - (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

PART 4

DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

37.—(1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

- (2) A person is able to exercise the right to vote at a general meeting when—
- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - (b) that person's vote can be taken into account in determining whether or not such

resolutions are passed at the same time as the votes of all the other persons attending the meeting.

(3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

(4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

(5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

Quorum for general meetings

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

Chairing general meetings

39.—(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

(a) the directors present, or

(b) (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

(3) The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

Attendance and speaking by directors and non-shareholders

40.—(1) Directors may attend and speak at general meetings, whether or not they are shareholders.

(2) The chairman of the meeting may permit other persons who are not—

(a) shareholders of the company, or

(b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting.

Adjournment

41.—(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

(a) the meeting consents to an adjournment, or

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

VOTING AT GENERAL MEETINGS

Voting: general

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

Errors and disputes

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

Poll votes

- 44.**—(1) A poll on a resolution may be demanded—
- (a) in advance of the general meeting where it is to be put to the vote, or
 - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- (2) A poll may be demanded by—
- (a) the chairman of the meeting;
 - (b) the directors;
 - (c) two or more persons having the right to vote on the resolution; or

- (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- (3) A demand for a poll may be withdrawn if—
 - (a) the poll has not yet been taken, and
 - (b) the chairman of the meeting consents to the withdrawal.
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

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

Delivery of proxy notices

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

Amendments to resolutions

- 47.**—(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

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

PART 5

ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

- 48.**—(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.
- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- (3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

Company seals

- 49.**—(1) Any common seal may only be used by the authority of the directors.
- (2) The directors may decide by what means and in what form any common seal is to be used.
- (3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- (4) For the purposes of this article, an authorised person is—
 - (a) any director of the company;
 - (b) the company secretary (if any); or
 - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

No right to inspect accounts and other records

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

Provision for employees on cessation of business

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

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

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

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

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

(3) In this article—

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

Insurance

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

(2) In this article—

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