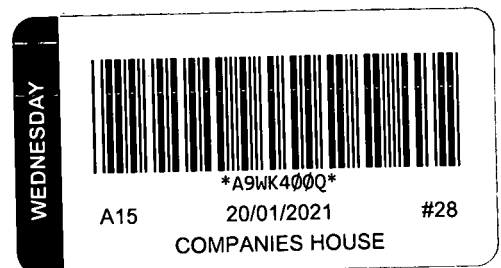


DATED 6 January 2021

**ARTICLES OF ASSOCIATION
of
SAGETECH MEDICAL EQUIPMENT LIMITED
(company number: 09393538)**

(Adopted by Special Resolution passed on
6 January 2021)

Squire Patton Boggs (UK) LLP
6 Wellington Place
Leeds
LS1 4AP
United Kingdom
DX 321801 Leeds 18
Telephone: +44 113 284 7000



CONTENTS

1	INTERPRETATION	1
2	ADOPTION OF THE MODEL ARTICLES	3
3	NUMBER OF DIRECTORS	4
4	PROCEEDINGS OF DIRECTORS	4
5	APPOINTMENT AND REMOVAL OF DIRECTORS	5
6	TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY	5
7	DIRECTORS' CONFLICTS	6
8	DIVIDENDS	7
9	CAPITAL	7
10	PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES	8
11	TRANSFERS OF SHARES: GENERAL	8
12	PERMITTED TRANSFERS	9
13	VOLUNTARY TRANSFER OF SHARES	11
14	VALUATION	14
15	MANDATORY OFFER ON A CHANGE OF CONTROL	15
16	DRAG ALONG	15
17	GENERAL MEETINGS	17
18	VOTING	17
19	LIEN	18
20	NOTICES	18
21	INDEMNITY AND INSURANCE	18
	SCHEDULE 1 MODEL ARTICLES	20

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
SAGETECH MEDICAL EQUIPMENT LIMITED
(Adopted by Special Resolution passed on 6 January 2021)

INTRODUCTION

1 INTERPRETATION

- 1.1 In these Articles, unless expressly provided otherwise, the following words have the following meanings:

"acting in concert" has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended).

"Adoption Date" means the date of adoption of these Articles.

"Articles" means the Company's articles of association for the time being in force.

"Available Profits" means profits available for distribution within the meaning of part 23 of the Act.

"Board" means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles.

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

"Chairman" has the meaning given to it in Article 17.

"Companies Act or Act" means the Companies Act 2006.

"Company" means Sagotech Medical Equipment Limited (company number 09393538).

"connected" has the meaning given in section 1122 Corporation Taxes Act 2010.

"Continuing Shareholders" has the meaning given in Article 13.5(a).

"Controlling Interest" means an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.

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

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

"Encumbrance" means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including, without limitation, any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law).

"Fair Value" has the meaning given by Article 14.

"Fund" means a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager.

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

"Group" the Company and its subsidiaries (if any) from time to time and Group Company shall be construed accordingly.

"holding company" has the meaning given in section 1159 of the Act.

"Independent Expert" means an independent accountant or firm of independent accountants who are sufficiently experienced in the valuation of shares in private companies, and who are appointed either by agreement between the relevant parties or (failing agreement within 5 Business Days of written notification by either party to the other), upon the written application of either party, by the President for the time being of the Institute of Chartered Accountants in England and Wales (such accountant or firm of accountants acting as an expert and not as an arbitrator).

"Model Articles" means the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the Adoption Date.

"MRV" means Mary Randall Vickers & Co Limited (company number 10667745).

"MRV Director" means the Director appointed by MRV pursuant to Article 5.2

"NetScientific" means NetScientific PLC (company number 08026888).

"NetScientific Director" means the Director appointed by NetScientific pursuant to Article 5.1

"Permitted Transferee" means a person to whom a Shareholder may transfer any Shares pursuant to Article 12.

"Sale Shares" means the shares specified or deemed to be specified for sale in a Transfer Notice or Transfer Notice required to be served.

"Seller" means the transferor of shares pursuant to a Transfer Notice.

"Shareholder" means a holder for the time being of any Share or Shares.

"Shares" means shares (of any class) in the capital of the Company and Share shall be construed accordingly.

"subsidiary" in relation to a holding company wherever incorporated, means a "subsidiary" (as defined in section 1159 of the Act) for the time being and any other company which for the time being is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company.

"Transfer Notice" means a notice in writing given or required to be given by any Shareholder to the Company whereby that Shareholder desires, or is required by these Articles, to transfer (or enter into an agreement to transfer) any Shares.

1.2 A reference in these Articles to:

(a) an **Article** is a reference to the relevant numbered article of these Articles; and

(b) a **model article** is a reference to the relevant article,

unless expressly provided otherwise.

1.3 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date).

1.4 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1.5 In these Articles, words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa.

1.6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:

(a) any subordinate legislation from time to time made under it; and

(b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

2 ADOPTION OF THE MODEL ARTICLES

2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such

modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation. A copy is set out in the Schedule to these Articles.

- 2.2 Model articles 7, 8, 9(1) and (3), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 17(1)(b), 22, 26(5), 38, 39, 49, 50 and 51 to 53 (inclusive) shall not apply to the Company.
- 2.3 In model article 25(2)(c), the words "evidence", "indemnity" and "the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.4 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

DIRECTORS

3 NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of Directors shall be not be less than three.

4 PROCEEDINGS OF DIRECTORS

- 4.1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with Article 4.2 (subject to Article 4.3 and Article 4.4). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.
- 4.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.3 A decision taken in accordance with Article 4.2 may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.4 A decision may not be taken in accordance with Article 4.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with Article 4.6 and Article 4.7.
- 4.5 Meetings of the Directors shall take place at least six times in each year, with a period of not more than eight weeks between any two meetings. Any Director may call a meeting of the Directors. At least ten Business Days' advance notice in writing of each such meeting shall be given to each Director.
- 4.6 The quorum for any meeting (or part of a meeting, as the case may be) of the Directors shall be three Eligible Directors. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned for five Business Days to the same time and place. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then any two Eligible Directors shall be capable of forming a quorum at such meeting.

4.7 For the purposes of any meeting (or part of a meeting) held pursuant to Article 7 to authorise a Conflict (as defined in Article 7.1), if there are less than three Eligible Directors in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be such number of Eligible Directors.

4.8 Questions arising at any meeting of the Directors shall be decided by a majority of votes.

5 APPOINTMENT AND REMOVAL OF DIRECTORS

5.1 Subject to Article 5.3, NetScientific shall, for so long as NetScientific, together with its Permitted Transferees, or any other Fund controlled by NetScientific, together with any Permitted Transferees of such Fund, holds not less than 10% of the Shares in issue, be entitled to appoint one person to be a Director of the Company (and as a member of each and any committee of the Board) (the "**NetScientific Director**") and remove any such NetScientific Director from the Board for any reason whatsoever and appoint another person in their place, with each such appointment and removal being made by notice in writing served on the Company and taking effect on the date specified in the notice.

5.2 Subject to Article 5.3, MRV shall, for so long as MRV, together with its Permitted Transferees, holds not less than 10% of the Shares in issue, be entitled to appoint one person to be a Director of the Company (and as a member of each and any committee of the Board) (the "**MRV Director**") and remove any such MRV Director from the Board for any reason whatsoever and appoint another person in their place, with each such appointment and removal being made by notice in writing served on the Company and taking effect on the date specified in the notice.

5.3 The appointment of any director pursuant to clause 5.1 or 5.2 shall be subject to the approval by the Board (excluding, for the purposes of this Article 5.3, any director who was himself or herself appointed pursuant to either clause 5.1 or 5.2) of the identity of the proposed appointee.

5.4 For so long as Mark Rushworth, together with his Permitted Transferees, holds not less than 13.5% of the Shares in issue he shall have the to appoint and maintain in office one natural person as Mark Rushworth may from time to time direct as a director (and as a member of each and any committee of the Board) and to remove any director so appointed and, upon his/her removal whether by Mark Rushworth or otherwise, to appoint another person to act as director in his place, with such appointment being made by notice in writing served on the Company and taking effect on the date specified in the notice.

5.5 Model article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director:

"in the case of an executive Director only, he shall cease to be employed by the Company or other Group Company (as appropriate) and does not continue as an employee of any other Group Company".

6 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

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

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- (b) shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (e) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

7 DIRECTORS' CONFLICTS

- 7.1 The Directors may, in accordance with the requirements set out in this Article 7 authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an Interested Director) breaching his duty under section 175 of the Act to avoid conflicts of interest (Conflict).
- 7.2 Any authorisation under this Article 7 will be effective only if:
 - (a) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - (b) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 7.3 Any authorisation of a Conflict under this Article 7 may (whether at the time of giving the authorisation or subsequently):
 - (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
 - (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;

- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
 - (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 7.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 7.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 7.6 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

SHARES AND DISTRIBUTIONS

8 DIVIDENDS

- 8.1 Subject to the Companies Act and these Articles, the Directors may pay interim dividends provided that the Available Profits of the Company justify the payment.
- 8.2 Each dividend shall be distributed to the Shareholders pro rata according to the number of Shares held by them respectively and shall accrue daily (assuming a 365 day year) as well after as before the commencement of a winding up and the Shares shall rank equally for dividends. All dividends are expressed net and shall be paid in cash.

9 CAPITAL

On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of or provision for its liabilities shall be applied (to the extent that the Company is lawfully able to do so) amongst the holders of the Shares pro rata to the number of Shares held, as if they all constituted shares of the same class.

10 PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES

10.1 Save to the extent authorised by these Articles, the Directors shall not exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares and the provisions of section 550 of the Act shall not apply to the Company.

10.2 Subject to the remaining provisions of this Article 10, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:

- (a) offer or allot;
- (b) grant rights to subscribe for or to convert any security into; and
- (c) otherwise deal in, or dispose of,

any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper.

10.3 The authority referred to in Article 10.2:

- (a) shall be limited to a maximum nominal amount of £275.00 of Shares;
- (b) shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
- (c) may only be exercised for a period of five years from the Adoption Date save that, subject to these Articles, the Directors may make an offer or agreement which would, or might, require any Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).

10.4 No Shares shall be allotted to any current or prospective employee or director of any Group Company unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

11 TRANSFERS OF SHARES: GENERAL

11.1 In these Articles reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.

11.2 No Share may be transferred unless the transfer is made in accordance with these Articles and the Board shall refuse to register any transfer of Shares made in contravention of the provisions of these Articles.

11.3 Any transfer of a Share by way of sale that is required to be made under either of Articles 8 or 12 shall be deemed to include a warranty that the transferor sells the Shares with full title guarantee.

- 11.4 In addition to the provisions of model article 26, the Directors may refuse to register a transfer if it is a transfer of a share to a bankrupt, a minor or a person of unsound mind. Model article 26 shall be modified accordingly.
- 11.5 The Directors may, as a condition to the registration of any transfer or allotment of Shares in the Company require the transferee or allottee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement in force between the Shareholders and the Company in such form as the Directors may reasonably require. If any condition is imposed in accordance with this Article 11.5, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee or allottee (as the case may be).
- 11.6 For the purpose of determining whether or not there has been any disposal of Shares (or any interest in Shares) in contravention of the provisions of these Articles, the Directors may require any Shareholder, or the legal personal representatives of any deceased Shareholder, or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to provide to the Company with such information and evidence that the Directors request regarding any matter which they deem relevant to that purpose. Failing such information or evidence being provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred or if, as a result of the information and evidence, the Directors are reasonably satisfied that a breach has occurred the Directors shall immediately notify the Shareholder of such Shares in writing of that fact and the relevant Shares shall cease to confer on the Shareholder of them (or any proxy) any rights:
- (a) to vote, whether on a show of hands or on a poll, and whether exercisable at a general meeting of the Company or by signing a written resolution; or
 - (b) to receive dividends or other distributions otherwise attaching to those Shares or to any further shares in the capital of the Company issued in respect of those Shares, or in pursuance of an offer made to the relevant holder,

provided that if, following notification in accordance with this Article 11.6 the Shareholder of the Shares which are the subject of the notification shall provide evidence to enable the Directors to determine to their reasonable satisfaction that no breach has occurred or the breach has been rectified, the rights set out in paragraphs (a) and (b) shall once more be conferred on the relevant Shareholder.

12 PERMITTED TRANSFERS

12.1 Definitions

For the purposes of this Article 12:

- (a) **"family member"** means, in relation to any Shareholder, any of his spouse (or widow or widower), children and grandchildren (including step and adopted children and grandchildren);
- (b) **"family trust"** means, in relation to a Shareholder, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that Shareholder or any of his family members and under which no power of control over the voting powers conferred by any Shares the subject of the

trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such Shareholder or any of his family members;

- (c) **"a member of the same group"** means, in relation to a body corporate, any other body corporate which is for the time being a holding company of that body corporate or a subsidiary of that body corporate or a subsidiary of any holding company of which that body corporate is also a subsidiary.

12.2 Transfers to family members and family trusts

- (a) Subject to Articles 12.2(b) to 12.2(d), any Shareholder who is an individual may at any time transfer any of his Shares to a person shown to the reasonable satisfaction of the Board to be:
- (i) a family member of his; or
 - (ii) trustees to be held under a family trust for that Shareholder or any of his family members.
- (b) Subject to Article 12.2(c), no Shares shall be transferred under Article 12.2(a) by any person who previously acquired those Shares by way of transfer under Article 12.2(a) other than to the original Shareholder.
- (c) Where Shares are held by trustees under a family trust:
- (i) those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that family trust;
 - (ii) those Shares may at any time be transferred by those trustees to the settlor of that trust or any other family member to whom that settlor could have transferred them under this Article 12.2 if he had remained the holder of them; and
 - (iii) if any of those Shares cease to be held under a family trust for any other reason, the trustees shall give a Transfer Notice within 10 Business Days in respect of all the Shares then held by those trustees.
- (d) If:
- (i) any person has acquired Shares as a family member of a Shareholder or as a trustee of a family trust by way of one or more permitted transfers; and
 - (ii) that person ceases to be a family member of that Shareholder or the family trust ceases to be for the benefit of that Shareholder or any of their family members;

that person shall forthwith transfer all the Shares then held by that person back to that Shareholder, for such consideration as they agree, within 10 Business Days of the cessation, or, failing such transfer within that period, shall during the remainder of the 15 Business Day period after the cessation, give a Transfer Notice in respect of all of the Shares then held by that person.

12.3 Transfers within groups of companies

- (a) Any Shareholder which is a body corporate may at any time transfer any Shares held by it to a member of the same group.
- (b) Where Shares have been transferred under Article 12.3(a) (whether directly or by a series of such transfers) from a Shareholder ("**Transferor**", which expression shall not include a second or subsequent transferor in such a series of transfers) to a member of the same group as the Transferor ("**Transferee**") and subsequently the Transferee ceases to be a member of the same group as the Transferor, the Transferee shall forthwith transfer all the Shares held by it to the Transferor, for such consideration as they agree, within 10 Business Days of the cessation, or, failing such transfer within that period, shall during the remainder of the 15 Business Day period after the cessation, give a Transfer notice in respect of all of the Shares then held by the Transferee.

12.4 Transfers with consent

- 12.5 A Shareholder may transfer Shares to any person at any time, without restriction as to price or otherwise, with the prior written consent of Shareholders holding not less than 60% of the Shares.

13 VOLUNTARY TRANSFER OF SHARES

- 13.1 Save where the provisions of Articles 12 or 16 apply, any transfer of any Shares shall be subject to the pre-emption rights contained in this Article 13.
- 13.2 A Shareholder who wishes to transfer any Shares (a "**Seller**") shall before transferring or agreeing to transfer any Shares give a Transfer Notice to the Company (copied to each Continuing Shareholder) specifying:
 - (a) the number of Sale Shares which he wishes to transfer;
 - (b) the identity of the person (if any) to whom the Seller wishes to transfer the Sale Shares; and
 - (c) subject to Article 13.3 the price per share (in cash) at which the Seller wishes to transfer the Sale Shares (the "**Proposed Transfer Price**").
- 13.3 A Transfer Notice constitutes the Board as the agent of the Seller for the sale of the Sale Shares in accordance with this Article 13 (and shall not be revocable except with the consent of the Directors) and at a price for the Sale Shares (the "**Sale Price**") which either:
 - (a) has been agreed in writing between the Seller and the Continuing Shareholders; or
 - (b) failing such agreement within 20 Business Days of the date of the Transfer Notice, has been determined as their Fair Value in accordance with Article 14 upon the application (in writing) to the Board of either the Continuing Shareholders or the Seller.
- 13.4 Following the agreement or determination of the Sale Price in accordance with Article 13.3 the Board may within 20 Business Days of such agreement or determination (the "**First Offer Period**") resolve by written notice (the "**Buyback Notice**") to the Seller that the Company shall, to the extent that it may lawfully do so, purchase such Sale Shares from

the Seller at the Sale Price in accordance with the Companies Act and the Board shall determine a reasonably prompt timetable for such purchase (not being more than 40 Business Days from the date of such Buyback Notice). All the Shareholders (including the Seller) shall adhere thereto and take all steps necessary (including passing any requisite shareholder resolutions and supplying all requisite written approvals pursuant to any shareholders' agreement) to give effect to such purchase in accordance with the Companies Act.

13.5

- (a) In respect of any Sale Shares which have not been purchased by the Company pursuant to Article 13.4, the Board shall within 5 Business Days of the expiry of the First Offer Period and by written notice (the "**Offer Notice**") offer such Sale Shares to all remaining Shareholders other than the Seller (the "**Continuing Shareholders**") inviting them to apply in writing within a period no later than 20 Business Days after the date of the Offer Notice (the "**Second Offer Period**") for the maximum number of such remaining Sale Shares they wish to buy. The Sale Shares shall be treated as being offered to each Continuing Shareholder in the proportion which his existing holding of Shares bears to the total number of Shares held by all Continuing Shareholders.
- (b) If, at the end of the Second Offer Period (or if earlier, upon responses being received from all of the Continuing Shareholders), the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares so offered, the Board shall allocate such Sale Shares to each Continuing Shareholder who has applied for Sale Shares (the "**Accepting Continuing Shareholder**") in the proportion which his existing holding of Shares bears to the total number of Shares held by the Accepting Continuing Shareholders but no allocation shall be made to a Continuing Shareholder of more than the maximum number of such Sale Shares which he has stated he is willing to buy. If it is not possible to allocate Sale Shares without involving fractions those fractions shall be aggregated and allocated amongst the Accepting Continuing Shareholders in such manner as the Board thinks fit.
- (c) If not all the remaining Sale Shares contained in the Offer Notice are allocated in accordance with Article 13.5(b) and there are applications for such Sale Shares that have not been fully satisfied, those Sale Shares shall be allocated to the Accepting Continuing Shareholders whose applications were not fully satisfied in accordance with this Article 13.5(c). If the number of Sale Shares applied for is equal to the number of remaining Sale Shares, the remaining Sale Shares shall be allocated to the Accepting Continuing Shareholders in accordance with their applications. If the number of Sale Shares applied for exceeds the number of remaining Sale Shares (such excess number being the "**Excess Shares**") those Sale Shares shall be allocated to those Accepting Continuing Shareholders in the proportions that the number of Sale Shares applied for by each Accepting Continuing Shareholder in excess of his proportional entitlement bears to the total number of Excess Shares.
- (d) If, at the end of the Second Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares contained in the Offer Notice, the Board shall allocate the remaining Sale Shares to the Accepting Continuing Shareholders in accordance with their applications and the balance (the "**Initial Surplus Shares**") will be dealt with in accordance with Article 13.6.

13.6

- (a) At the end of the Second Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the date of the offer (inclusive) (the "**Third Offer Period**") for the maximum number of the Initial Surplus Shares they wish to buy.
- (b) If, at the end of the Third Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Board shall allocate the remaining Initial Surplus Shares to each Continuing Shareholder in the proportion which his existing holding of Shares (including Sale Shares already allocated pursuant to Article 13.5) bears to the total number of Shares (including Sale Shares already allocated pursuant to Article 13.5) held by those Continuing Shareholders who have applied during the Third Offer Period for Initial Surplus Shares but no allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy. If it is not possible to allocate Sale Shares without involving fractions those fractions shall be aggregated and allocated amongst the accepting Continuing Shareholders who applied for Sale Shares pursuant to Article 13.6(a) in such a manner as the Board thinks fit.
- (c) If, at the end of the Third Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders who have applied for Sale Shares in accordance with their applications and the balance (the "**Second Surplus Shares**") may be offered for sale by the Seller in accordance with Article 13.7(d).

13.7

- (a) If allocations have been made in respect of all the Sale Shares offered in accordance with Articles 13.5 and 13.6 the Board shall, when no further offers are required to be made under Articles 13.5 and 13.6, give written notice of allocation (an "**Allocation Notice**") to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (an "**Applicant**") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 80 Business Days after the date of the original offer notice given under Article 13.5(a)) for completion of the transfer of the Sale Shares.
- (b) Upon service of an Allocation Notice, the Seller must, against payment of the Sale Price, transfer the Sale Shares in accordance with the requirements specified in it.
- (c) If the Seller fails to comply with the provisions of Article 13.4 or Article 13.7(b):
 - (i) any Director may on behalf of the Seller:
 - (A) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants or the Company (as the case may be);
 - (B) receive the Sale Price and give a good discharge for it; and

- (C) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Sale Shares purchased by them or, in the case of a purchase of Sale Shares by the Company, cancel such Sale Shares; and
- (ii) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered to the Company 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).
- (d) If an Allocation Notice does not relate to all the Sale Shares then the Seller may, within 40 Business Days after service of the Allocation Notice (but not later), transfer the Second Surplus Shares to the person identified in the Transfer Notice as the proposed transferee (but to no other person) at a price at least equal to the Sale Price.

14 VALUATION

- 14.1 Within 10 Business Days of an application by the Seller or the Continuing Shareholder pursuant to Article 13.3, or upon the Board being obliged to do so by the operation of Article 8, the Board shall appoint an Independent Expert to determine the Fair Value of the Sale Shares.
- 14.2 The Fair Value of the Sale Shares shall be determined by the Independent Expert as at the date of the Transfer Notice, on the following assumptions and bases:
 - (a) assuming that the entire issued share capital of the Company is being sold as between a willing buyer and a willing seller by arm's length private treaty for cash payable in full on completion;
 - (b) as if the Company is then carrying on business as a going concern and on the assumption that it will continue to do so;
 - (c) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
 - (d) reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 14.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 14.4 The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of its appointment and to notify the Board of its determination.
- 14.5 The Independent Expert shall act as an expert and not as an arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error). The costs of the Independent Expert shall be borne as it shall direct, and failing any direction, equally between the Company and the Seller.

14.6 The Independent Expert may have access to all accounting records or other relevant documents of the Company, subject to any confidentiality provisions.

14.7 If the Independent Expert is asked to certify the Fair Value, its certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller.

15 MANDATORY OFFER ON A CHANGE OF CONTROL

15.1 Except in the case of transfers made pursuant to Article 12 or Article 16 following the service of a Drag Along Notice, the provisions of Article 15.2 shall apply if, in one or a series of related transactions, one or more Sellers propose to transfer any of the Shares (the "**Proposed Transfer**") which would, if carried out, result in any person (the "**Buyer**"), and any person Acting in Concert with the Buyer, acquiring either through a transaction or a series of connected transactions a Controlling Interest in the Company.

15.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (the "**Offer**") to the other Shareholders to buy all of the Shares for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the twelve months preceding the date of the Proposed Transfer (the "**Specified Price**").

15.3 The Offer shall be given by written notice (the "**Offer Notice**"), at least 20 Business Days (the "**Offer Period**") before the proposed sale date (the "**Sale Date**"). To the extent not described in any accompanying documents, the Offer Notice shall set out:

- (a) the identity of the Buyer;
- (b) the purchase price and other terms and conditions of payment;
- (c) the Sale Date; and
- (d) the number of Shares proposed to be purchased by the Buyer (the "**Offer Shares**").

15.4 If the Buyer fails to make the Offer to all holders of Shares in the Company, the Seller(s) shall not be entitled to complete the sale and the Company shall not register any transfer intended to effect that sale.

15.5 If the Offer is accepted by any Shareholder (the "**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

15.6 The Proposed Transfer is subject to the pre-emption provisions of Article 12 but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

16 DRAG ALONG

16.1 If the holders of more than 60% of the Shares in issue for the time being (the "**Selling Shareholders**") wish to transfer all of their interest in the Shares (the "**Sellers' Shares**") to a bona fide arm's length third party purchaser (the "**Proposed Buyer**"), the Selling

Shareholders may require all the other holders of Shares (the **"Called Shareholders"**) to sell and transfer all their shares to the Proposed Buyer (or as the Proposed Buyer directs) on the same terms and conditions, subject to articles 16.4 and 16.5, as are applying to the transfer of the Sellers' Shares in accordance with the provisions of this Article (the **"Drag Along Option"**).

- 16.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (the **"Drag Along Notice"**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify that:
- (a) the Called Shareholders are required to transfer all their Shares (the **"Called Shares"**) pursuant to this Article 16;
 - (b) the person to whom the Called Shares are to be transferred;
 - (c) the consideration payable for the Called Shares calculated in accordance with Article 16.4; and
 - (d) the proposed date of the transfer which shall not be earlier than the date falling 10 Business Days after the date of the notice.
- 16.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer by the proposed date of transfer. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 16.4 The consideration payable for the Called Shares (**"Called Share Price"**) shall be the amount equal to the total price per share offered or payable by the Proposed Buyer for the Sellers' Shares (including any amount in money or money's worth and any deferred payments) provided that any Shareholder of Called Shares shall not be required to comply with a Drag Along notice if the consideration payable for the Called Shares held by that Shareholder is not to be satisfied as to at least fifty percent as cash consideration payable at completion.
- 16.5 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise. The Called Shareholders shall not be required to provide any representations, warranties, covenants or undertakings or incur any obligation to the Proposed Buyer under the relevant sale agreement other than providing warranties as to unencumbered title to their respective Called Shares, and due authority and capacity.
- 16.6 The rights of pre-emption set out in these Articles shall not apply to any transfer of shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- 16.7 By not later than 2 Business Days prior to the date proposed for the sale of the Called Shares, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company. On the expiration of that 2 Business Day period, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due pursuant to Article 16.4 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the

Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 16.4 in trust for the Called Shareholders without any obligation to pay interest.

- 16.8 To the extent that the Proposed Buyer has not, on the expiration of the 2 Business Day period referred to in Article 16.7, put the Company in funds to pay the consideration due pursuant to Article 16.4, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this Article 16 in respect of their Shares.
- 16.9 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this Article 16.

DECISION-MAKING BY SHAREHOLDERS

17 GENERAL MEETINGS

- 17.1 No business other than, subject to Article 17.2, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 17.2 The chairman of the Board (Chairman) shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.
- 17.3 Three qualifying person present at a general meeting are a quorum provided that, if the meeting is adjourned due to the absence of a quorum, then provided that 7 clear days notice of the adjourned meeting is given to those members entitled to receive it, at such adjourned meeting the quorum shall be two qualifying persons and model article 41 shall be amended accordingly.

18 VOTING

- 18.1 Subject to any other provisions in these Articles concerning voting rights, each Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.
- 18.2 Model article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that model article.

18.3 Model article 45(1) shall be amended by:

- (a) the deletion of model article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"; and
- (b) the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that model article.

19 LIEN

The Company has a lien over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

ADMINISTRATIVE ARRANGEMENTS

20 NOTICES

20.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied.

For the purposes of this Article 20.1, no account shall be taken of any part of a day that is not a working day.

20.2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

21 INDEMNITY AND INSURANCE

21.1 Subject to Article 21.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

- (a) each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer in the actual or purported execution and/or discharge of his duties, or in relation thereto including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or other Group Company's) affairs; and
 - (b) the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 21.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.
- 21.2 This Article 21 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Act or by any other provision of law.
- 21.3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss.
- 21.4 In this Article 21:
 - (a) **"Relevant Loss"** means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company (or other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company); and
 - (b) **"Relevant Officer"** means any director or other officer of any Group Company.

Model Articles

**MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY
SHARES**

INDEX TO THE ARTICLES

**PART 1
INTERPRETATION AND LIMITATION OF LIABILITY**

1. Defined terms
2. Liability of members

**PART 2
DIRECTORS
DIRECTORS' POWERS AND RESPONSIBILITIES**

3. Directors' general authority
4. Shareholders' reserve power
5. Directors may delegate
6. Committees

DECISION-MAKING BY DIRECTORS

7. Directors to take decisions collectively
8. Unanimous decisions
9. Calling a directors' meeting
10. Participation in directors' meetings
11. Quorum for directors' meetings
12. Chairing of directors' meetings
13. Casting vote
14. Conflicts of interest
15. Records of decisions to be kept
16. Directors' discretion to make further rules

APPOINTMENT OF DIRECTORS

17. Methods of appointing directors
18. Termination of director's appointment
19. Directors' remuneration
20. Directors' expenses

**PART 3
SHARES AND DISTRIBUTIONS
SHARES**

21. All shares to be fully paid up
22. Powers to issue different classes of share
23. Company not bound by less than absolute interests

- 24. Share certificates
- 25. Replacement share certificates
- 26. Share transfers
- 27. Transmission of shares
- 28. Exercise of transmitters' rights
- 29. Transmitters bound by prior notices

DIVIDENDS AND OTHER DISTRIBUTIONS

- 30. Procedure for declaring dividends
- 31. Payment of dividends and other distributions
- 32. No interest on distributions
- 33. Unclaimed distributions
- 34. Non-cash distributions
- 35. Waiver of distributions

CAPITALISATION OF PROFITS

- 36. Authority to capitalise and appropriation of capitalised sums

PART 4

DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

- 37. Attendance and speaking at general meetings
- 38. Quorum for general meetings
- 39. Chairing general meetings
- 40. Attendance and speaking by directors and non-shareholders
- 41. Adjournment

VOTING AT GENERAL MEETINGS

- 42. Voting: general
- 43. Errors and disputes
- 44. Poll votes
- 45. Content of proxy notices
- 46. Delivery of proxy notices
- 47. Amendments to resolutions

PART 5

ADMINISTRATIVE ARRANGEMENTS

- 48. Means of communication to be used
- 49. Company seals
- 50. No right to inspect accounts and other records
- 51. Provision for employees on cessation of business

DIRECTORS' INDEMNITY AND INSURANCE

- 52. Indemnity
- 53. Insurance

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.