

Company number: 09459538

PRIVATE COMPANY LIMITED BY SHARES

**WRITTEN RESOLUTIONS**  
of

**BRENIG HOMES LTD**  
(Company)

Circulation date: *22nd January* 2019



Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (**Act**), the directors of the Company proposes that resolution 1 is passed as an ordinary resolution and resolution 2 is passed as a special resolution (**Resolutions**).

**ORDINARY RESOLUTION**

1. THAT the ordinary shares of £1 each in the capital of the Company be re-designated as follows:
  - a) 50 ordinary shares of £1 each held by Mark Timothy Parry be re-designated as 50 A ordinary shares of £1 each,
  - b) 50 ordinary shares of £1 each held by Ross John Salter be re-designated as 50 B ordinary shares of £1 each; and
  - c) 50 ordinary shares of £1 each held by Howard Rhys Vaughan be re-designated as 50 C ordinary shares of £1 each;

such shares having attached thereto the respective rights set out in the Company's articles of association (as adopted pursuant to resolution 2 below).

**SPECIAL RESOLUTION**

2. THAT the draft articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

**AGREEMENT**

Please read the notes at the end of this document before signifying your agreement to the Resolutions.

The undersigned, being the persons entitled to vote on the Resolutions on *22<sup>nd</sup> January 2019*,  
hereby irrevocably agree to the Resolutions

**Signed by**

Mark Timothy Parry

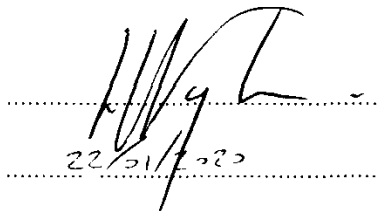


Date

*22/01/2020*

**Signed by**

Howard Rhys Vaughan

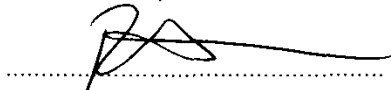


Date

*22/01/2020*

**Signed by**

Ross John Salter



Date

*22/01/2020*

#### NOTES

1. This document contains a proposed written resolution of the Company for approval by you as members of the Company. The ordinary resolution requires members holding a simple majority of the total voting rights of all members entitled to vote on such resolution to vote in favour of it to be passed. The special resolution requires members holding not less than 75% of the total voting rights of members entitled to vote on such resolution to vote in favour of it to be passed.
2. If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning the signed version either by hand or by post to Knights Plc, HQ Offices, 58 Nicholas Street, Chester CH1 2NP. If you do not agree to the Resolutions, you do not need to do anything; you will not be deemed to agree if you fail to reply.
3. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.
4. The Resolutions set out above will lapse if the required majority of eligible members have not signified their agreement to it by the end of the 28 days beginning with the circulation date set out above. If you agree to the Resolutions, please ensure that your agreement reaches us before that date.

5. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

COMPANY NO. 09459538

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

BRENIG HOMES LTD

(Adopted by special resolution passed on 22<sup>nd</sup> January 2019)

## AGREED TERMS

### 1. INTERPRETATION

1.1 In these Articles, the following words have the following meanings:

<b>Accepting Shareholder</b>	has the meaning given in article 17.5;
<b>Act</b>	the Companies Act 2006;
<b>A Director</b>	means any Director appointed by holders of the A Shares;
<b>Allocation Notice</b>	has the meaning given in article 14.13;
<b>Applicant</b>	has the meaning given in article 14.13,
<b>Appointor</b>	has the meaning given in article 11.1,
<b>Articles</b>	the Company's articles of association for the time being in force;
<b>A Share</b>	an ordinary share of £1.00 in the capital of the Company designated as an A Share;
<b>B Director:</b>	means any Director appointed by holders of the B Shares,
<b>Board:</b>	the board of directors of the Company;
<b>B Share</b>	an ordinary share of £1.00 in the capital of the Company designated as a B Share;
<b>Business Day</b>	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;
<b>Buyer</b>	has the meaning given in article 17.1;
<b>call</b>	has the meaning given in article 26.9,

<b>call notice</b>	has the meaning given in article 26.9
<b>call payment date</b>	has the meaning given in article 26.19(a);
<b>Called Shareholders</b>	has the meaning given in article 18.1;
<b>Called Shares</b>	has the meaning given in article 18.1;
<b>C Director</b>	means any Director appointed by holders of the C Shares;
<b>Company's Lien</b>	has the meaning given in article 26,
<b>Conflict</b>	a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company;
<b>Consideration</b>	has the meaning given in article 14.13;
<b>Continuing Shareholder</b>	has the meaning given in article 14.5;
<b>Convertible Securities</b>	has the meaning given in article 17.2(c);
<b>C Share</b>	an ordinary share of £1.00 in the capital of the Company designated as a C Share;
<b>Deemed Transfer Notice</b>	a Transfer Notice that is deemed to have been served under any provisions of these Articles;
<b>Drag Along Notice</b>	has the meaning given in article 18.2;
<b>Drag Along Option</b>	has the meaning given in article 18.1;
<b>Eligible Director</b>	means a director who would be entitled to vote on the matter if proposed as a resolution at a meeting of the Board;
<b>Fair Value</b>	in relation to shares, as determined in accordance with article 16,
<b>First Offer Period</b>	has the meaning given in article 14.5;
<b>Group</b>	the Company and its subsidiaries (if any) from time to time. References to a <b>Group Company</b> are to any one or more of those companies;
<b>holding company</b>	has the meaning given in article 1.5;
<b>Initial Surplus Shares</b>	has the meaning given in article 14.8(c);
<b>Interested Director</b>	has the meaning given in article 8.1,
<b>lien enforcement notice</b>	has the meaning given in article 26.5;
<b>Mandatory Transfer Events</b>	has the meaning given in article 15.1;
<b>Member of the Same Group</b>	as regards any company, a company which is from time to time a subsidiary of the Company or a parent undertaking or a subsidiary undertaking of any such parent undertaking;

<b>Minimum Transfer Condition</b>	has the meaning given in article 14.3(e);
<b>Model Articles</b>	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 ( <i>SI 2008/3229</i> ) as amended prior to the date of adoption of these Articles and reference to a numbered "Model Article" is a reference to that article of the Model Articles;
<b>New Shareholder</b>	has the meaning given in article 18.9;
<b>Offer</b>	has the meaning given in article 17.2;
<b>Offer Notice</b>	has the meaning given in article 17.3;
<b>Offer Shares</b>	has the meaning given in article 17.3(d);
<b>Original Shareholder</b>	a shareholder who holds shares in the Company on the date of adoption of these Articles;
<b>Proposed Buyer</b>	has the meaning given in article 18.1;
<b>Proposed Transfer</b>	has the meaning given in article 17.1;
<b>relevant rate</b>	has the meaning given in article 26.19(b);
<b>Restricted Shares</b>	has the meaning given in article 15.4;
<b>Sale Date</b>	has the meaning given in article 17.3;
<b>Sale Shares</b>	has the meaning given in article 14.3;
<b>Second Offer Period</b>	has the meaning given in article 14.9;
<b>Second Surplus Shares</b>	has the meaning given in article 14.11;
<b>Seller</b>	has the meaning given in article 14.3;
<b>Sellers' Shares</b>	has the meaning given in article 18.1;
<b>Selling Shareholders</b>	has the meaning given in article 18.1;
<b>Shareholder</b>	the holders of the Shares;
<b>Shares</b>	the shares in issue in the capital of the Company from time to time;
<b>Specified Price</b>	has the meaning given in article 17.2;
<b>subsidiary</b>	has the meaning given in article 1.5;
<b>Transfer Notice</b>	has the meaning given in article 14.3;
<b>Transfer Price</b>	has the meaning given in article 14.3;
<b>Valuers</b>	an independent firm of accountants jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of the expert within 10 Business Days of a shareholder serving details of a suggested expert on the other, an

independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator),

**Writing or written**

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, save that, for the purposes of article 14 to article 15, article 17 and article 18, "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form.

- 1.2 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 those meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise
- 1.5 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of.
- (a) another person (or its nominee), by way of security or in connection with the taking of security; or
  - (b) its nominee.
- 1.6 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.7 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.8 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

## **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.
- 2.2 Model Articles 6(2), 7, 8, 9(1), 11, 13 and 14 (inclusive), 16, 22, 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.
- 2.3 Model Article 20 shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 2.4 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".
- 2.5 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

## **DIRECTORS**

### **3. DIRECTORS' MEETINGS**

- 3.1 Any decision of the directors must be taken at a meeting of the Board in accordance with these Articles or must be a decision taken in accordance with article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 Meetings of the Board shall take place on a monthly basis.
- 3.4 All decisions made at any meeting of the Board or of any committee of the Board shall be made only by resolution and resolutions at any meeting of the Board or committee of the Board shall be decided by a majority of votes.
- 3.5 If at any time before or at any meeting of the Board or of any committee of the Board a director participating should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of the Board may be adjourned



pursuant to this Article more than once.

#### **4. UNANIMOUS DECISIONS OF DIRECTORS**

- 4.1 A decision of the Board 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
- 4.2 Such a decision 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.

#### **5. CALLING A DIRECTORS' MEETING**

- 5.1 Any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by each director) to each director or by authorising the Company secretary (if any) to give such notice
- 5.2 Notice of any directors' meeting must be accompanied by:
  - (a) an agenda specifying in reasonable detail the matters to be raised at the meeting, and
  - (b) copies of any papers to be discussed at the meeting.
- 5.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing.
- 5.4 Any director or alternate director may validly participate in a meeting of the Board through telephone conference or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Companies Act, all business transacted in such manner by the Board or a committee of the Board shall for the purpose of these Articles be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board notwithstanding that a quorum of directors is not physically present in the same place. If the directors cannot or do not decide upon where such a meeting shall be deemed to take place, then it shall be where the chairman of the meeting then is located.

#### **6. QUORUM FOR DIRECTORS' MEETINGS**

- 6.1 The quorum at any meeting of the directors (including adjourned meetings) shall be the A Director and the C Director (or their alternates).
- 6.2 No business shall be conducted at any meeting of the Board unless (i) a quorum is present at the beginning of the meeting and also when that business is voted on and (ii) notice of that meeting was given to all directors in accordance with article 5.

- 6.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for 14 Business Days at the same time and place and those present will constitute a quorum.

## **7. CHAIRING OF DIRECTORS' MEETINGS**

The chairman shall not have a casting vote.

## **8. DIRECTORS' INTERESTS**

- 8.1 The directors may, in accordance with the requirements set out in this Article, authorise any Conflict proposed to them by any director which would, if not so authorised, involve a director (the **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest.

- 8.2 Any authorisation under this Article will be effective only if.

- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the Board under the provisions of these Articles or in such other manner as the Board may determine;
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- (c) 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.

- 8.3 Any authorisation of a Conflict under this Article 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 Board or otherwise) related to the Conflict;
- (c) provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the Board 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 Board 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 Board and be excused from reviewing papers prepared by, or for, the Board to the extent they relate to such matters.

- 8.4 Where the Board authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Board in relation to the Conflict.
- 8.5 The Board 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.
- 8.6 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, a corporate Shareholder and no authorisation under article 8.1 shall be necessary in respect of any such interest
- 8.7 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 Board 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.
- 8.8 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 8.9 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under article 8.8.
- 8.10 Subject, where applicable, to any terms and conditions imposed by the Board in accordance with article 8.3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the Act, 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 such 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 Board (or committee of Board) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
  - (c) shall be entitled to vote at a meeting of Board (or of a committee of Board) or participate in any unanimous decision, in respect of such transaction or

arrangement or proposed transaction or arrangement in which he is interested,

- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## **9. RECORDS OF DECISIONS TO BE KEPT**

Where decisions of the Board are taken by electronic means, such decisions shall be recorded by the Board in a form that enables the Company to retain a copy of such decisions.

## **10. APPOINTMENT AND REMOVAL OF DIRECTORS**

10.1 The number of Directors (excluding alternate directors) shall not be less than three in number and shall be made up of one A Director and one B Director and one C Director.

10.2 The holders of a majority of the issued A Shares from time to time shall be entitled at any time to:

- (a) appoint up to one person to be an A Director of the Company; and
- (b) remove the A Director from the Board for any reason whatsoever and appoint another person in place of the A Director who for any reason ceases to be a Director,

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.

10.3 The holders of a majority of the issued B Shares from time to time shall be entitled at any time to:

- (a) appoint up to one person to be a B Director of the Company, and
- (b) remove the B Director from the Board for any reason whatsoever and appoint another person in place of the B Director who for any reason ceases to be a Director,

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

- 10.4 The holders of a majority of the issued C Shares from time to time shall be entitled at any time to:
- (a) appoint up to one person to be a C Director of the Company, and
  - (b) remove the C Director from the Board for any reason whatsoever and appoint another person in place of the C Director who for any reason ceases to be a Director,
- 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.
- 10.5 The Directors shall not be required to retire by rotation.
- 10.6 In addition to the provisions of article 17 of the Model Articles, the office of a Director shall be vacated if:
- (a) he is removed by the holders of a majority of the relevant class of Shares under this article 10;
  - (b) where the Director in question is also a Shareholder, that Shareholder ceases to be the registered holder of any Shares.
- 10.7 The right to appoint and remove the A Director or B Director or C Director under this Article shall be a class right attaching to the A Shares and the B Shares and the C Shares respectively.
- 10.8 The Shareholder removing a nominated Director in accordance with this clause 10 from office shall indemnify and keep indemnified the Company against any claim connected with that Director's removal from office and any losses, costs or expenses incurred by the Company in relation thereto.

## 11. ALTERNATE DIRECTORS

- 11.1 Any Director (other than an alternate director) (**Appointor**) may appoint any other Director or any other person whomsoever (except for an existing Director representing the other class of Shares) to be an alternate director and may remove from office an alternate director so appointed. Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors
- 11.2 For the purposes of these Articles, an alternate director appointed by an A Director shall be deemed to be an A Director and an alternate director appointed by a B Director shall be deemed to be a B Director and an alternate director appointed by a C Director shall be deemed to be a C Director. A person can be appointed an alternate director by more than one Director provided all such appointors represent the same class of shares but not otherwise.
- 11.3 An alternate director has the same rights, in relation to any Directors' meeting or Directors' written resolution, as the alternate's Appointor.
- 11.4 Except as these Articles specify otherwise, alternate directors are:

- (a) deemed for all purposes to be Directors;
  - (b) liable for their own acts and omissions;
  - (c) subject to the same restrictions as their Appointors, and
  - (d) not deemed to be agents of or for their Appointors.
- 11.5 An alternate director may be paid expenses as if he were a Director but shall not be entitled to receive from the Company any fee in his capacity as an alternate director except only such part (if any) of the remuneration otherwise payable to the Director appointing him as such Director may by notice in writing to the Company from time to time direct.
- 11.6 Every person acting as an alternate director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director) but he shall count as only one A Director or one B Director or one C Director (as appropriate) for the purpose of determining whether a quorum is present. The signature of an alternate director to any resolution in writing of the Directors or of a committee of the Directors shall, unless notice of his appointment provides to the contrary, be as effective as the signature of his Appointor.
- 11.7 An alternate director's appointment as an alternate terminates:
  - (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
  - (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a Director;
  - (c) on the death of the alternate's Appointor; or
  - (d) when the alternate's Appointor's appointment as a Director terminates

## **12. SHARE CAPITAL**

- 12.1 Except as otherwise provided in these Articles, the A Shares, the B Shares and the C Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
- 12.2 The issued share capital of the Company at the date of the adoption of these Articles is £150 divided into the following:
  - (a) 50 A Shares
  - (b) 50 B Shares
  - (c) 50 C Shares
- 12.3 No Shares shall be allotted nor any right to subscribe for or to convert any security into Shares shall be granted without the prior written consent of each of the Shareholders.
- 12.4 Any profits which the Company shall determine to distribute shall be distributed amongst the holders of the A Shares, the B Shares and the C Shares as if they constitute separate classes

of shares and as within each class pro rata to the number of shares held in that class.

- 12.5 The Board may declare interim dividends and recommend dividends to the Company as different rates on each of the different classes of shares in the Company and in particular, but without limitation of the general power, may declare a dividend on any one or more class of shares without declaring a dividend on all of the classes of shares
- 12.6 On the transfer of any share as permitted by these Articles a share transferred to a non-shareholder shall remain of the same class as before the transfer. If no shares of a class remain in issue following a redesignation under this Article, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or directors appointed by that class.
- 12.7 The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the Act.

### **13. SHARE TRANSFERS: GENERAL**

- 13.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal 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.
- 13.2 No share shall be transferred unless the transfer is made in accordance with these Articles or with the prior written consent of each of the Shareholders
- 13.3 Subject to article 13.4, the Board must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.
- 13.4 The Board may, as a condition to the registration of any transfer of shares in the Company require the transferee to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the Board may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 13.4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 13.5 The director may, as a condition to the registration of any transfer of shares in the Company, require the transferee to repay any loan outstanding to the Company on terms reasonably proposed by the Board.
- 13.6 To enable the Board to determine whether or not there has been a transfer of shares in the Company in breach of these Articles, the directors may from time to time require any shareholder to provide the Company with such information and evidence as they may

reasonably require relevant to that purpose. If a shareholder fails to provide information or evidence in respect of any shares registered in its name to the reasonable satisfaction of such directors within 14 days of their request, the Board may serve a notice on the shareholder stating that the shareholder shall not in relation to all shares held by that shareholder be entitled to be present or to vote in person or by proxy at any general meeting of the Company or any meeting of the holders of shares of that class, or to vote on a written resolution of the shareholders or to receive dividends on the shares until such evidence or information has been provided to the Board's satisfaction. The Board may reinstate these rights at any time.

- 13.7 Any transfer of shares by way of a sale that is required to be made under article 14, article 15, article 15, article 17 or article 18 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

#### **14. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**

- 14.1 In this Article, reference to the transfer of a share includes the transfer, assignment or other disposal 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.

- 14.2 Except where the provisions of article 15 apply, any transfer of shares by a shareholder shall be subject to the pre-emption rights in this Article.

- 14.3 A shareholder (**Seller**) wishing to transfer his shares (**Sale Shares**) must give notice in writing (**Transfer Notice**) to the Company giving details of the proposed transfer including:

- (a) the number of Sale Shares;
- (b) if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer;
- (c) the price (in cash) at which he wishes to sell the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board (**Transfer Price**)),
- (d) whether any of such Transfer Price may be deferred and the conditions of such deferral; and
- (e) whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to shareholders (**Minimum Transfer Condition**).

- 14.4 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn.

- 14.5 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.

- 14.6 As soon as practicable following and in any event no later than 15 Business Days from the receipt of a Transfer Notice or Deemed Transfer Notice, the Board shall offer the Sale Shares



to all shareholders other than the Seller (**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 offer (both dates inclusive) (**First Offer Period**) for the maximum number of Sale Shares they wish to buy.

14.7 If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under article 14.8 to article 14.11 shall be conditional on the fulfilment of the Minimum Transfer Condition.

14.8 If:

- (a) at the end of the First Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the Continuing Shareholders who have applied for Sale Shares shall be determined by the Board). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.
- (b) not all Sale Shares are allocated following allocations in accordance with article 14.8(a), but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in article 14.8(a). The procedure set out in this article 14.8(b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
- (c) at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with article 14.9.

14.9 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares (if any) 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 offer (both dates inclusive) (**Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

14.10 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to each Continuing Shareholder who has applied for Initial Surplus Shares in the proportion that his existing holding of shares (including any Sale Shares) bears to the total number of shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result

in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the Continuing Shareholders shall be determined by the Board). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy

14.11 If, at the end of the Second 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 in accordance with their applications. The balance (**Second Surplus Shares**) shall be dealt with in accordance with article 14.16.

14.12 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 14.8 to article 14.11, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

14.13 If

- (a) the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition; and
- (b) allocations under article 14.8 to article 14.11 have been made in respect of some or all of the Sale Shares,

the Board shall give written notice of allocation (**Allocation Notice**) to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall be at least five Business Days, but not more than 10 Business Days, after the date of the Allocation Notice).

14.14 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice.

14.15 If the Seller fails to comply with article 14.14:

- (a) the Chairman of the Company (or, failing him, one of the other directors, or some other person nominated by a resolution of the Board) may, as agent on behalf of the Seller
  - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
  - (ii) receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration), and

- (iii) (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them; and
  - (b) the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company.
- 14.16 If an Allocation Notice does not relate to all of the Sale Shares or the Transfer Notice lapses pursuant to article 14.12 then, subject to article 14.17 and within four weeks following service of the Allocation Notice or the date of the lapse of the Transfer Notice (as the case may be), the Seller may transfer the Second Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 14.16 shall continue to be subject to any Minimum Transfer Condition.
- 14.17 The Seller's right to transfer Sale Shares under article 14.16 does not apply if the Board reasonably considers that:
  - (a) the transferee is a person (or a nominee for a person) who is a competitor with (or an Associate of a competitor with) the business of the Company or with a subsidiary of the Company; or
  - (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
  - (c) the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the Board to enable it to form the opinion mentioned above
- 14.18 The restrictions imposed by this Article may be waived in relation to any proposed transfer of Sale Shares with the consent of shareholders who, but for the waiver, would or might have been entitled to have such Sale Shares offered to them in accordance with this Article.

## **15. COMPULSORY TRANSFERS**

- 15.1 A shareholder is deemed to have served a Transfer Notice under article 14.1 immediately before any of the following events (**Mandatory Transfer Events**):
  - (a) petition being presented for the shareholder's bankruptcy; or
  - (b) an arrangement or composition with the shareholder's creditors being proposed, or
  - (c) his death (and consideration shall be made to any insurance backed policies in place); or
  - (d) the shareholder having a disqualification order made against him under the Company Directors Disqualification Act 1986; or

- (e) the shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding; or
- (f) the shareholder commits a material breach of any shareholders' agreement relating to the Company to which it is a party and fails to remedy such breach (if capable of remedy) within 20 Business Days of being given notice by another Shareholder to do so, or
- (g) the shareholder commits a criminal offence; or
- (h) the shareholder ceases to be a Director (if applicable); or
- (i) the shareholder ceases to be an employee of the Company (if applicable).

15.2 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that:

- (a) the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and the price for the Sale Shares shall be restricted to the aggregate Fair Value of such Sale Shares with the exception on the sale of Shares subject to a Transfer Notice under article 15.1(c) where the price for the Sale Shares shall be the higher of the aggregate Fair Value of such Sale Shares and the amount which any insurance policy has been obtained in relation to the purchase of such Shares
- (b) if the Continuing Shareholders do not accept the offer of shares comprised in the Deemed Transfer Notice within 20 Business Days of receipt of the Valuers' determination of the Fair Value, the Seller does not have the right to sell the Sale Shares to a third party

15.3 If the Seller fails to complete a transfer of Sale Shares as required under this article 15, the Continuing Shareholder(s) are irrevocably authorised to appoint any person it nominates for the purpose as agent to transfer the Sale Shares on the Seller's behalf and to do anything else that the Continuing Shareholder may reasonably require to complete the sale, and the Company may receive the purchase price in trust for the Seller, giving a receipt that shall discharge the Continuing Shareholder.

15.4 Forthwith upon a Transfer Notice being deemed to be served under clause 15.1 the Shares subject to the relevant Deemed Transfer Notice (**Restricted Shares**) shall cease to confer on the holder of them any rights:

- (a) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares; or
- (b) to receive dividends or other distributions otherwise attaching to those Shares; or
- (c) to participate in any future issue of Shares.

## 16. VALUATION

16.1 As soon as practicable after deemed service of a Transfer Notice under article 15, the shareholders shall appoint the Valuers to determine the Fair Value of the Sale Shares.

- 16.2 The Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the shareholders in writing of their determination.
- 16.3 The Fair Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions:
- (a) valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
  - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - (c) the sale is to be on arms' length terms between a willing seller and a willing buyer;
  - (d) the Sale Shares are sold free of all encumbrances;
  - (e) the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
  - (f) to take account of any other factors that the Valuers reasonably believes should be taken into account.
- 16.4 The shareholders are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 16.5 To the extent not provided for by this article 16, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation.
- 16.6 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders (in the absence of manifest error or fraud).
- 16.7 Each shareholder shall bear its own costs in relation to the reference to the Valuers. The Valuers' fees and costs properly incurred by them in arriving at their valuation (including any fees and costs of any advisers appointed by the Valuers) shall be borne by the shareholders equally or in such other proportions as the Valuers shall direct.

## **17. TAG ALONG**

- 17.1 Notwithstanding the pre-emption procedure set out in article 14, the provisions of article 17.2 to article 17.5 shall apply if, in one or a series of related transactions, the holder of A Shares and the holder of C Shares (**Seller**) propose to transfer all but not some only of the Shares (**Proposed Transfer**) to any person (**Buyer**).
- 17.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer

(Offer) to:

- (a) the other Shareholders to purchase all of the Shares held by them;
- (b) the holders of any existing options to acquire Shares (granted by the Company or under any share option arrangements established by the Company) that are already capable of exercise or that are expected to become capable of exercise before the Proposed Transfer, to purchase any Shares acquired on the exercise of options at any time before the Proposed Transfer; and
- (c) the holders of any securities of the Company that are convertible into Shares (**Convertible Securities**), to purchase any Shares arising from the conversion of such Convertible Securities at any time before the Proposed Transfer,

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 six months preceding the date of the Proposed Transfer (**Specified Price**)

17.3 The Offer shall be made by written notice (**Offer Notice**), at least 20 Business Days before the proposed sale date (**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 Specified 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 (**Offer Shares**).

17.4 If the Buyer fails to make the Offer to all of the persons listed in article 17.2 in accordance with article 17.2 and article 17.3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.

17.5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) in writing within 20 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders

#### **Definition**

**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 from time to time)

#### **18. DRAG ALONG**

18.1 Notwithstanding the procedure set out in article 14, if the holder of A Shares and the holder of C Shares (**Selling Shareholders**) wish to transfer all (but not some only) of their Shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the

Selling Shareholders may require all other Shareholders (**Called Shareholders**) to sell and transfer all their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article (**Drag Along Option**).

- 18.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify.
- (a) that the Called Shareholders are required to transfer all their Called Shares pursuant to this article 18.2;
  - (b) the person to whom the Called Shares are to be transferred;
  - (c) the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and
  - (d) the proposed date of the transfer.
- 18.3 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 within 20 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 18.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 18.
- 18.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
  - (b) that date is less than 10 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 11<sup>th</sup> Business Day after service of the Drag Along Notice.
- 18.6 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 18.2(c) 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 in trust for the Called Shareholders without any obligation to pay interest.
- 18.7 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in

funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 18.7 in respect of their Shares.

- 18.8 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 18.6) transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, 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 18.8.
- 18.9 Following the issue of a Drag Along Notice, upon any person exercising a pre-existing option to acquire shares in the Company or exercising a conversion right in respect of any convertible security of the Company (**New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 18.9 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place on the Completion Date or immediately upon the New Shareholder becoming a Shareholder of the Company, if later.

## **DECISION MAKING BY SHAREHOLDERS**

### **19. QUORUM FOR GENERAL MEETINGS**

- 19.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be the holder of A Shares and the holder of C Shares present in person or by proxy.
- 19.2 The holders of Shares have the right to receive all notices, written resolutions and documents and attend and to vote at and participate in a general meeting.
- 19.3 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

### **20. CHAIRING GENERAL MEETINGS**

The chairman of the Board shall chair general meetings. If the chairman is unable to attend any general meeting, the shareholder who appointed him shall be entitled to appoint another of its nominated directors present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.



## **21. VOTING RIGHTS**

21.1 The voting rights attached to the Shares shall be:

- (a) on a written resolution, every Shareholder holding one or more Shares shall have one vote for each Share held by it; and
- (b) on a resolution to be passed at a general meeting of the Company, every Shareholder present in person or by proxy or by a representative shall have:
  - (i) on a show of hands, one vote each; and
  - (ii) on a poll, one vote for each Share of which it is the holder.

## **22. POLL VOTES**

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

22.2 Article 44(3) of the Model Articles 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 article.

## **23. PROXIES**

23.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced 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 general meeting (or adjourned meeting) to which they relate".

23.2 Article 45(1) of the Model Articles shall be amended by 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 article.

## **ADMINISTRATIVE ARRANGEMENTS**

### **24. MEANS OF COMMUNICATION TO BE USED**

24.1 Subject to article 24.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
- (b) if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9 00 am on the second Business Day after posting; or
- (c) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting, or

- (d) if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
- (e) if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
- (f) if deemed receipt under the previous paragraphs of this article 24.1 would occur outside business hours (meaning 9 00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 on the day when business next starts in the place of deemed receipt. For the purposes of this Article, all references to time are to local time in the place of deemed receipt.

24.2 To prove service, it is sufficient to prove that:

- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- (b) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- (c) if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient

24.3 Any notice, document or other information served on, or delivered to, an intended recipient under article 14, article 15, article 17 or article 18 (as the case may be) may not be served or delivered in electronic form.

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

## **25. INDEMNITY AND INSURANCE**

25.1 Subject to article 25.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:
  - (i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
  - (ii) in relation to the Company's activities as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

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 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 25.1(a) and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.

25.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

25.3 The Board 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.

25.4 In this Article.

- (a) a "relevant officer " means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor, and
- (b) 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 any pension fund or employees' share scheme of the Company.

## 26. COMPANY'S LIEN OVER SHARES

26.1 The Company has a lien (the **Company's Lien**) over every Share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

26.2 The Company's Lien over a Share:

- (a) takes priority over any third party's interest in that Share; and
- (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.

26.3 The Board may at any time decide that a Share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part.

26.4 Subject to the provisions of this article, if.

- (a) a lien enforcement notice has been given in respect of a Share; and
- (b) the person to whom the notice was given has failed to comply with it,

the Company may sell that Share in such manner as the Board decide.

26.5 A lien enforcement notice:

- (a) may only be given in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
- (b) must specify the Share concerned;
- (c) must require payment of the sum within 14 clear days of the notice,
- (d) must be addressed either to the holder of the Share or to a transmittee of that holder; and
- (e) must state the Company's intention to sell the Share if the notice is not complied with

26.6 Where Shares are sold under this article:

- (a) the Board may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser, and
- (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

26.7 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice, and
- (b) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Board has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable (whether immediately or at some time in the future) after the date of the lien enforcement notice.

26.8 A statutory declaration by a director or the Company secretary (if any) that the declarant is a Director or the Company Secretary and that a Share has been sold to satisfy the Company's Lien on a specified date:

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
- (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share.

26.9 Subject to the articles and the terms on which Shares are allotted, the Board may send a notice (a **call notice**) to a Shareholder requiring the Shareholder to pay the Company a

specified sum of money (a **call**) which is payable in respect of his Shares at the date when the Board decide to send the call notice.

26.10 A call notice:

- (a) may not require a Shareholder to pay a call which exceeds the total sum unpaid on the Shares (whether as to nominal value or any amount payable to the Company by way of premium);
- (b) must state when and how any call to which it relates is to be paid, and
- (c) may permit or require the call to be made in instalments.

26.11 A Shareholder must comply with the requirements of a call notice, but no Shareholder is obliged to pay any call before 14 clear days have passed since the notice was sent.

26.12 Before the Company has received any call due under a call notice the Board may:

- (a) revoke it wholly or in part; or
- (b) specify a later time for payment than is specified in the notice,

by a further notice in writing to the Shareholder in respect of whose Shares the call is made.

26.13 Liability to pay a call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid.

26.14 Joint holders of a Share are jointly and severally liable to pay all calls in respect of that Share.

26.15 Subject to the terms on which Shares are allotted, the Board may, when issuing Shares, provide that call notices sent to the holders of those Shares may require them:

- (a) to pay calls which are not the same; or
- (b) to pay calls at different times.

26.16 A call notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share:

- (a) on allotment;
- (b) on the occurrence of a particular event; or
- (c) on a date fixed by or in accordance with the terms of issue.

26.17 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the Share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

26.18 If a person is liable to pay a call and fails to do so by the call payment date:

- (a) the Board may issue a notice of intended forfeiture to that person; and

- (b) until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.

26.19 For the purposes of this article.

- (a) the **call payment date** is the time when the call notice states that a call is payable, unless the Board give a notice specifying a later date, in which case it is that later date; and
- (b) the **relevant rate** is
  - (i) the rate fixed by the terms on which the Share in respect of which the call is due was allotted;
  - (ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the Board; or
  - (iii) if no rate is fixed in either of these ways, 5 per cent per annum.

26.20 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

26.21 The Board may waive any obligation to pay interest on a call wholly or in part.