

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

FLOWPRO LIMITED (the "Company")

On ~~23.3.17~~ the following resolutions were duly passed as written resolutions of the Company having effect in the case of resolution 1 as an ordinary resolution, and in the case of resolution 2 as a Special Resolution in accordance with the provisions of Chapter 2 of Part 13 of the Companies Act 2006 by the relevant majority of the eligible members of the Company who, at the date of circulation of the Resolutions were entitled to vote on the Resolutions:-

SPECIAL RESOLUTION

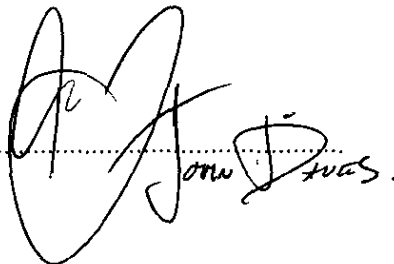
1. **THAT** the regulations contained in the document signed by the Chairman as relative to this Resolution be and are hereby approved and adopted as the new Articles of Association of the Company (the "**Articles**") in substitution for and to the exclusion of the existing Articles of Association of the Company.
2. **THAT**, subject to the passing of resolution 1 and in accordance with section 570 of the CA 2006, the directors be generally empowered to allot equity securities (as defined in section 560 of the CA 2006) pursuant to the authority conferred by the Articles, as if section 561(1) of the CA 2006 and article 14 of the Company's articles of association did not apply to any such allotment, provided that this power shall:-
 - 2.1 be limited to the allotment of equity securities up to an aggregate nominal amount of £300; and
 - 2.2 expire on the date being five years from the date on which this resolution is passed (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

ORDINARY RESOLUTION

3. **THAT** the 1 ordinary share of £1.00 in the issued share capital of the Company be reclassified as 1 B share of £1.00, having the rights and being subject to the restrictions as set out in the Articles.

Signed

Director



THURSDAY



A649LVS8
A26 13/04/2017 #286
COMPANIES HOUSE

Company No 10476343

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

FLOWPRO LIMITED (the "Company")

Incorporated 14 November 2016

(Adopted by special resolution on March 2017)

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THE COMPANIES ACT 2006

COMPANY LIMITED BY
SHARES

ARTICLES OF ASSOCIATION

of

FLOWPRO LIMITED (the "Company")

Incorporated 14 November 2016
(Adopted by special resolution on March 2017)

1. **EXCLUSION OF MODEL ARTICLES**

None of the regulations contained in the Companies (Model Articles) Regulations 2008 apply to the Company and these Articles alone are the articles of association of the Company.

2. **INTERPRETATION**

2.1 In these Articles, unless the context requires otherwise:-

"Act"	means the Companies Act 2006
"Alternate" or "Alternate Director"	has the meaning in Article 10
"Appointor"	has the meaning in Article 10
"Articles"	means these articles of association
"A Director"	means any Director appointed by the Company in accordance with Article 18.1
"A Shares"	means the A ordinary shares of £1.00 each in the capital of the Company
"Auditors"	means the auditors from time to time of the Company
"Average PCN"	means the average number of penalty/parking charge notices per week processed by the Company during the Initial Period (measured by reference to any 3 month rolling period after the date of the Joint Venture Agreement but excluding any parking/penalty charge notices processed in relation to Existing Customers (as defined in the Joint Venture Agreement))
"Bankruptcy"	includes individual insolvency proceedings in a jurisdiction other than England and Wales, Scotland or Northern Ireland which have an effect similar to that of bankruptcy

"B Director"	means any Director appointed to the Company in accordance with Article 18.3
"B Shares"	means the B ordinary shares of £1.00 each in the capital of the Company from time to time
"Call Notice"	has the meaning in Article 31
"Call"	has the meaning in Article 31
"Call Payment Date"	<i>has the meaning in Article 34</i>
"Chairman"	has the meaning given in Article 13
"Companies Acts"	means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the Company
"Companies Lien"	has the meaning in Article 29
"Conversion Event"	means the Condition (as defined in the Joint Venture Agreement) is not satisfied during the Initial Period
"Deferred Shares"	means the deferred shares of £1.00 in the capital of 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 in Article 47
"Eligible Director"	means any A Director or B Director (as the case may be) who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting (but excluding any such Director whose vote is not to be counted in respect of a particular matter)
"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
"Group"	means the Company and any subsidiary of the Company and "member of the Group" shall be construed accordingly
"Holder"	<i>in relation to Shares means the person whose name is entered in the register of members as the holder of the Shares</i>
"Initial Period"	has the meaning given in the Joint Venture Agreement
"Interested Directors"	has the meaning in Article 15
"Joint Venture Agreement"	means the agreement entered into on March 2017 between (1) Mark Cole and others and (2) Patron Harlow Limited
"Member"	means a registered holder of a Share
"Proxy Notice"	has the meaning in Article 62
"Proxy Notification Address"	has the meaning in Article 62

"Relevant Company"	has the meaning in Article 15
"Relevant Director"	has the meaning in Article 67
"Relevant Loss"	has the meaning in Article 67
"Relevant Rate"	has the meaning in Article 34
"Shares"	means the A Shares, the B Shares and the Deferred Shares and "Share" means a share in the capital of the Company of whatever class
"Transmittee"	means a person entitled to a Share as a result of the death or Bankruptcy of a Member or otherwise by operation of law

2.2 References in these Articles to a document includes, unless otherwise specified, any document sent or supplied in electronic form.

2.3 References in these Articles to **"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.

2.4 References in these Articles to Shares being **"paid"** means those Shares being paid or credited as paid.

2.5 Unless the context otherwise requires:-

2.5.1 words importing the singular include the plural and vice versa;

2.5.2 words importing any gender include all other genders; and

2.5.3 words importing natural persons include corporations.

2.6 Words or expressions contained in these Articles which are defined in the Act have the same meaning as in the Act in force on the date of adoption of these Articles including the following words which are defined in the following sections of the Act:-

Word(s)/expression	Section Number in Act
<i>electronic form</i>	section 1168
hard copy form	section 1168
ordinary resolution	section 282
special resolution	section 283
subsidiary	section 1159*
subsidiary undertaking	section 1162*
working day	section 1173

2.7 A reference to an Article by number is to the relevant Article of these Articles.

2.8 Headings used in these Articles shall not affect their construction or interpretation.

- 2.9 References to any statute or section of a statute shall include reference to any statutory amendment, extension, modification or re-enactment of such statute or section of a statute for the time being in force.

3. LIMITATION OF LIABILITY OF MEMBERS

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

4. MEMBERS' RESERVE POWER

- 4.1 The Members may, by unanimous decision, direct the Directors to take, or refrain from taking, specified action.
- 4.2 No such decision invalidates anything which the Directors have done before the passing of the resolution.

5. DIRECTORS MAY DELEGATE

- 5.1 The Directors may delegate any of the powers which are conferred on them under these Articles:-

- 5.1.1 to such person or committee;
- 5.1.2 by such means (including by power of attorney);
- 5.1.3 to such an extent;
- 5.1.4 in relation to such matters or territories; and
- 5.1.5 on such terms and conditions,

as they think fit.

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

6. DIRECTORS' MEETINGS

- 6.1 Any decision of the Directors must be taken at a meeting of the Directors or must be made in accordance with Article 8.
- 6.2 The Directors must meet together for the dispatch of business in Cheshire or Merseyside at least two times each calendar year and at not less than six monthly intervals.

7. COMMITTEES

- 7.1 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 these Articles which govern the taking of decisions by Directors.
- 7.2 A committee of the Directors must include at least one A Director and one B Director. The provisions of Article 12 apply equally to meetings of any committee or the Directors as to meetings of the Directors.

8. MAJORITY 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.
- 8.2 Such a decision may take the form of a resolution in writing, where each Director has one or more copies of it or to which each Eligible Director has otherwise indicated agreement in writing.
- 8.3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at a Directors' meeting.

9. CALLING A DIRECTORS' MEETING

- 9.1 Any Director may call a Directors' meeting by giving at least 48 hours' notice of the meeting (or such shorter period of notice as agreed by at least one A Director and one B Directors) to each of the Directors or by authorising the company secretary (if any) to give such notice.
- 9.2 Notice of any Directors' meeting must:-
- 9.2.1 indicate its proposed date and time;
 - 9.2.2 indicate where it is to take place;
 - 9.2.3 include a reasonable detailed agenda of the business to be transacted at the meeting including any relevant documentation; and
 - 9.2.4 if it is anticipated that Directors participating in the meeting will not be in the same place, indicate how it is proposed that they should communicate with each other during the meeting.
- 9.3 Notice of a Directors' meeting must be given to each Director and shall be in writing.
- 9.4 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 either before or after the meeting. 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.

10. ALTERNATE DIRECTORS

- 10.1 Any Director (the "**Appointor**") may appoint as an alternate any other Director, or another person approved by resolution of the Directors to:-
- 10.1.1 exercise that Director's powers; and
 - 10.1.2 carry out that Director's responsibilities;
- in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor (the "**Alternate**" or "**Alternate Director**"). In these Articles, where the context so permits, the term "**A Director**" or "**B Director**" includes an Alternate Director appointed by an A Director or a B Director as the case may be.
- 10.2 Any appointment or removal of an Alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors.
- 10.3 The notice must:-

- 10.3.1 identify the proposed Alternate; and
- 10.3.2 in the case of a notice of appointment, contain a statement signed by the proposed Alternate that the proposed Alternate is willing to act as the Alternate of the Director giving the notice.
- 10.4 An Alternate Director shall not act as Alternate Director to more than one Director and has the same rights, in relation to any decision of the Director's as the Alternate's Appointor.
- 10.5 Alternate Directors:-
 - 10.5.1 are deemed for all purposes to be Directors;
 - 10.5.2 are liable for their own acts and omissions;
 - 10.5.3 are subject to the same restrictions as their Appointors;
 - 10.5.4 are not deemed to be agents of or for their Appointors,

and in particular, (but without limitation) each Alternate Director is entitled to receive notice of all meetings of Directors and all meetings of committees of Directors of which his Appointor is a member.
- 10.6 A person who is an Alternate Director but not a Director:-
 - 10.6.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating); and
 - 10.6.2 may participate in a unanimous decision of the Directors (but only if his Appointor is an Eligible Director in relation to that decision and does not participate).

No Alternate may be counted as more than one Director for such purposes.
- 10.7 An Alternate Director is not entitled to receive any remuneration from the Company for serving as an Alternate Director except such part of the Alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.
- 10.8 An Alternate Director's appointment as an alternate terminates:-
 - 10.8.1 when the Alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - 10.8.2 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;
 - 10.8.3 on the death of the Alternate's Appointor; or
 - 10.8.4 when the Alternate's Appointor's appointment as a Director terminates.
- 10.9 A Director who is also an Alternate Director has an additional vote on behalf of each Appointor who is:-
 - 10.9.1 not participating in a Directors' meeting; and
 - 10.9.2 would have been entitled to vote if they were participating in it.

11. PARTICIPATION IN DIRECTORS' MEETINGS

11.1 Directors participate in a Directors' meeting, or part of a Directors' meeting, when:-

11.1.1 the meeting has been called and takes place in accordance with these Articles; and

11.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

11.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.

11.3 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.

12. QUORUM FOR DIRECTORS' MEETINGS

12.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

12.2 The quorum for Directors' meetings is two Directors, one of whom must be an A Director and the other of whom must be a B. If a quorum is not present within 30 minutes from the time appointed for the meeting, the meeting shall be adjourned to the same day in the next week at the same time and place. If at any adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved.

12.3 The Directors or any committee of the Directors shall act by majority vote save that where no A Director or no B Director (as the case may be) is entitled to vote on a resolution to be proposed at the meeting of the Directors or any committee of the Directors, the Directors shall act on approval of any two Directors. If at any time at or before any meeting of the Directors or of any committee of the Directors any A Director or any B Director should request that the meeting should 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 be present or for any other reason, which he need not state) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted or proceeded with at that meeting after such request has been made.

12.4 A person holding office as an Alternate Director shall only be counted in the quorum if his Appointor is not present.

13. CHAIRING OF DIRECTORS' MEETINGS

13.1 The Chairman of Directors' meetings (the "**Chairman**") will be appointed by a majority of the A Directors. The person so appointed for the time being is known as the *Chairman*.

13.2 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.

14. VOTES

14.1 At each Directors' meeting, the A Directors present will be entitled together to cast one vote on each issue put to the vote and the B Directors present will be entitled together to cast one vote on each issue put to the vote. During the Initial Period, the A Directors shall have a second or casting vote.

14.2 *If the numbers of votes for and against a proposal are equal, the Chairman or other Director chairing the meeting does not have a casting vote.*

15. **CONFLICTS OF INTEREST**

15.1 Subject to Article 15.4, the Directors may authorise any matter which would, if not so authorised, result in a Director infringing his duty under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company.

15.2 Any authorisation of a matter under Article 15.1 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

15.3 A reference in these Articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

15.4 Any authorisation given pursuant to Article 15.1:-

15.4.1 will only be effective if:-

- (a) the Director in question provides the other Directors with written details of the matter in respect of which authorisation is being sought (including the nature and extent of his interest in such matter) or in such other manner as the other Directors may from time to time direct;
- (b) any requirement as to quorum at the meeting at which the matter is considered is met without counting the Director in question and any other interested Director (the "**Interested Directors**"); and
- (c) the matter was agreed to without any Interested Director voting or would have been agreed to if the votes of any Interested Director had not been counted;

15.4.2 may be given subject to any limits or conditions (including as to duration) as the Directors may expressly impose at the time of the giving of the authorisation or subsequently; and

15.4.3 may be varied or terminated by the Directors at any time (but this will not affect anything done by the relevant Director prior to such variation or termination in accordance with the terms of such authority).

15.5 The provisions of this Article 15 do not apply to any conflict of interest arising in relation to a transaction or arrangement with the Company.

15.6 In relation to any matter authorised by the Directors in accordance with the provisions of this Article 15, the relevant Director may (for so long as he reasonably believes such conflict of interest (or possible conflict of interest) subsists):-

15.6.1 absent himself from any meeting of the Directors at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed or from the discussion of any such matter at a meeting or otherwise;

15.6.2 abstain from voting at any meeting of the Directors on any resolution relating to any matter that gives rise to the conflict of interest or possible conflict of interest;

- 15.6.3 make arrangements not to be given any documents or information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by the Company;
- 15.6.4 decide not to disclose any information which he has obtained in connection with the matter that gives rise to the conflict of interest or possible conflict of interest to the Directors or to any other officer or employee of the Company; and/or
- 15.6.5 decide not to use or apply any such information in performing his duties as a Director of the Company,

and the relevant Director's general duties will not be infringed by anything done or omitted to be done by the relevant Director in accordance with paragraphs 15.6.1 to 15.6.5 above.

Subject to his declaring the nature and extent of the interest in accordance with Article 16 (save in the case of an interest falling within sub-paragraph 15.6.6 below which shall not require to be so declared), a Director is permitted to have an interest of the following kind:-

- 15.6.6 an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
- 15.6.7 any interest arising as a result or consequence of the Director's appointment by an holder of A Shares or a holder of B Shares (as the case may be) pursuant to Article 18;
- 15.6.8 where the Director (or a person connected with him) is a Director or other officer of or employed by or otherwise interested (including by the holding of Shares) in any Relevant Company;
- 15.6.9 where the Director (or person connected with him) is a party to, or otherwise interested in any contract, transaction or arrangement with a Relevant Company or in which the Company is otherwise interested;
- 15.6.10 where the Director (or any person connected with him) acts (or any firm of which is a partner, employee or member acts) in a professional capacity for a Relevant Company (other than as auditor) whether or not he is remunerated for such actions;
- 15.6.11 where the Director (or any person connected with him) is a director or officer of, or employed by, or otherwise be interested in (including by holding shares in) the Member who nominated him as a Director, or in any member of that Member's Group;
- 15.6.12 any other interest authorised by ordinary resolution.

and no authorisation pursuant to Article 15.1 is required in relation to such an interest.

- 15.7 A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or any person connected with him) derives from any contract, transaction or arrangement or from any office, employment or position which has been approved by the Directors pursuant to Article 15.1.
- 15.8 In this Article 15:-
 - 15.8.1 a "**Relevant Company**" means:-

- (a) the Company;

- (b) any subsidiary or subsidiary undertaking of the Company;
- (c) any holding company of the Company or any subsidiary or subsidiary undertaking of any such holding Company;
- (d) any body corporate promoted by the Company; or
- (e) any body corporate in which the Company is otherwise interested.]

15.8.2 a person is connected with a Director if he is connected to him in terms of section 252 of the Act.

16. DECLARATION OF INTERESTS IN PROPOSED OR EXISTING TRANSACTIONS OR ARRANGEMENTS WITH THE COMPANY

16.1 A Director who is in any way, directly or indirectly interested in a proposed transaction or arrangement with the Company must declare the nature and extent of his interest to the other Directors before the Company enters into the transaction or arrangement.

16.2 A Director who is in any way directly or indirectly interested in a transaction or arrangement that has been entered into by the Company must declare the nature and extent of his interest to the other Directors as soon as is reasonably practicable unless the interest has already been declared pursuant to Article 16.1.

16.3 Any declaration required by Article 16.1 may (but need not be) be made at a meeting of the Directors or by notice in writing in accordance with section 184 of the Act or by general notice in accordance with section 185 of the Act. Any declaration required by Article 16.2 must be made at a meeting of the Directors or by notice in writing in accordance with section 184 of the Act or by general notice in accordance with section 185 of the Act.

16.4 If a declaration made pursuant to Article 16.1 or 16.2 proves to be, or becomes, inaccurate or incomplete, a further declaration must be made under Article 16.1 or 16.2 as appropriate.

16.5 A Director need not declare an interest if:-

16.5.1 it cannot reasonably be regarded as likely to give rise to a conflict of interest; or

16.5.2 to the extent that the other Directors are already aware of it (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware);

16.5.3 to the extent that, it concerns terms of his service contract that have been or are to be considered by a meeting of the Directors or by a committee of the Directors appointed for the purpose under these Articles; or

16.5.4 the Director is not aware of his interest or is not aware of the transaction or arrangement in question (and for this purpose a Director is treated as being aware of matters of which he ought reasonably to be aware).

16.6 Subject to the Act and any terms and conditions imposed by the Members in accordance with Article 15.4, a Director is entitled to vote on any resolution of the Directors or of a committee of the Directors concerning any contract, transaction, arrangement or proposal to which the Company is or is to be a party and in which he (or a person connected with him) has a material interest and be counted in the quorum for the meeting of Directors in relation to such contract, transaction, arrangement or proposal provided he has declared the nature and extent of his interest in accordance with Article 16.1.

17. **RECORDS OF DECISIONS TO BE KEPT**

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. Where decisions of the Directors are taken by electronic means, such decisions must be recorded by the Directors in permanent form so that they may be read by the naked eye.

18. **NUMBER AND METHODS OF APPOINTING DIRECTORS**

18.1 *The number of Directors shall not be less than five and not more than six.*

18.2 *Each holder of A Shares may, by notice in writing to the Company and the holder of the B Shares in accordance with Article 18.6, appoint one person to be a Director of the Company (any such Directors so appointed being called "**A Directors**") (including one of the A Directors as the Chairman).*

18.3 *The holder of the B Shares may, by notice in writing to the Company and the holder of the A Shares in accordance with Article 18.6, appoint two persons to be Directors of the Company during the Initial Period and three persons to be Directors of the Company thereafter if the Condition has been satisfied (any such Directors so appointed being called "**B Directors**").*

18.4 *Any A Director may at any time be removed from office by the Shareholder who appointed him in accordance with Article 18.6.*

18.5 *If any A Director or any B Director dies or is removed from or vacates office for any reason, the holder of the A Shares who appointed him (in the case of an A Director) or the holder of a majority of the B Shares (in the case of a B Director) shall appoint in his place another person to be an A Director or a B Director (as the case may be).*

18.6 *Any appointment or removal of a Director pursuant to this Article 18 must be in writing and signed by or on behalf of the relevant holder of A Shares or the holder of a majority of the issued B Shares (as the case may be) and served on the other Member and the Company at its registered office, marked for the attention of the Chairman of the Board or delivered to a duly constituted meeting of the Board. Any such appointment or removal takes effect as at the time of such lodgement or delivery or at such later time as may be specified in such notice.*

18.7 *The right to appoint and to remove A Directors or B Directors under this Article is a class right attaching to the A Shares and the B Shares respectively.*

18.8 *Neither a holder of the A Shares or the holder of the B Shares (the "**Proposing Member**") may appoint a Director without the prior written approval of the majority of the other Members (such approval not to be unreasonably withheld or delayed). The Proposing Members must provide the other Member with details of the name, qualifications and experience of its proposed appointee at least [14] working days prior to the intended date of appointment (the "**Required Information**"). The other Members may give notice to the Proposing Member that it does not approve the nominee, stating the reasons. If the other Members do not give such notice within 20 working days of the Proposing Member providing it with the Required Information they will be deemed to have approved such appointment. For the avoidance of doubt, approval shall not be deemed to be unreasonably withheld where the Proposing Member nominates a competitor of the Company to be appointed as a Director.*

18.9 *If no A Shares or B Shares remain in issue following a redesignation under these Articles, any Director appointed by a holder of Shares of that class will be deemed to have been removed as from the time of the redesignation.*

- 18.10 No A Director or B Director may be appointed or removed otherwise than pursuant to this Article, save as provided by law.

19. TERMINATION OF DIRECTOR'S APPOINTMENT

A person ceases to be a Director as soon as:-

- 19.1 that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law; or
- 19.2 a Bankruptcy order is made against that person; or
- 19.3 a composition is made with that person's creditors generally in satisfaction of that person's debts; or
- 19.4 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; or
- 19.5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
- 19.6 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; or
- 19.7 he has, for more than six consecutive months been absent without the permission of the other Directors from meetings of Directors held during that period and the other Directors resolve that he has ceased to be a Director.

20. DIRECTORS' REMUNERATION

- 20.1 Directors may undertake any services for the Company that the Directors decide.

- 20.2 Directors are entitled to such remuneration as the Directors determine:-

20.2.1 for their services to the Company as Directors; and

20.2.2 for any other service which they undertake for the Company.

- 20.3 A Director's remuneration may:-

20.3.1 take any form, and

20.3.2 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.

- 20.4 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.

- 20.5 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.

21. **DIRECTORS' EXPENSES**

The Company may pay any reasonable expenses which the Directors or any Alternate Director or the company secretary properly incur in connection with their attendance at:-

- 21.1 meetings of Directors or committees of Directors;
 - 21.2 general meetings;
 - 21.3 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.

22. **SHARES**

- 22.1 Except as otherwise provided in these Articles, the A Shares and the B Shares rank *pari passu* in all respects but are separate classes of shares. The Deferred Shares shall have the rights set out in Article 24 only.
- 22.2 No Shares nor any right to subscribe for or convert any security into any Share may at any time be allotted unless within one month before that allotment every Member has consented in writing to that allotment and its terms and to the identity of the proposed allottee.
- 22.3 *No Share nor any right to subscribe for or convert any security into a Share may be allotted otherwise than to the holder of a Share of that same class unless otherwise agreed in writing by all the Members.*
- 22.4 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act will not apply to an allotment of equity securities (as defined in section 560(1) of the Act) where the consent to that allotment of every Member has been obtained as required by these Articles and that allotment otherwise conforms to the requirements of these Articles.

23. **DIRECTORS' POWER TO ALLOT SHARES**

- 23.1 Subject to Article 22, the Directors may offer or allot Shares, grant rights to subscribe for or to convert any security into or otherwise deal in, or dispose in Shares on such terms and at such time as they may decide provided that:-
 - 23.1.1 the maximum amount of Shares in respect of which the Directors are so authorised is £300; and
 - 23.1.2 this authority may only be exercised for a period of five years commencing on the passing of the resolution by virtue of which these Articles were adopted provided that the Directors may, before such expiry make one or more offers or agreements which would or might require Shares to be allotted after such expiry and the Directors may allot Shares after such authority has expired in pursuance of every such offer or agreement as if the power conferred by these Articles had not expired; and
 - 23.1.3 this authority only applies insofar as the Company has not renewed, waived or revoked it by ordinary resolution or by a written resolution in accordance with section 282(2) of the Act.
- 23.2 Any previous authority given pursuant to section 80 of the Companies Act 1985 or section 551 of the Act is revoked save that the validity of any allotment, offer or

agreement made pursuant to any such earlier authority before the date of adoption of these Articles is not affected.

24. DEFERRED SHARES

- 24.1 Immediately upon the Conversion Event, there shall be converted into Deferred Shares such number of B Shares as is equal to the percentage of the fully diluted share capital set out in column (2) in the table below dependent on the highest Average PCN reached during the Initial Period and the members shall do all acts necessary so as to procure such conversion (including, as required, any sub-division, redesignation or consolidation):-

(1) Average PCN	(2) Percentage of fully diluted share capital (%)
2307 or more	0
Between 2115 and 2306	5
Between 1923 and 2114	10
Between 1730 and 1922	15
Between 1538 and 1729	20
Between 1346 and 1537	25
Between 1154 and 1345	30
Between 962 and 1153	35
Less than 962	40

- 24.2 The Deferred Shares shall:

24.2.1 not entitle the holders (in that capacity) to receive notice of or to attend or vote at any general meeting of the Company or to receive a copy of or to vote on any written resolution of the Company; and

24.2.2 not entitle the holders (in that capacity) to participate in any profits or assets of the Company.

- 24.3 Conversion of B Shares into Deferred Shares shall be deemed to confer an irrevocable authority on the Company at any time to appoint any one or more of the directors to execute on behalf of the holder of the Deferred Shares a transfer thereof and/or an agreement to transfer the same to the Company for £1.00 in aggregate for or in respect of all the Deferred Shares held by it.

- 24.4 In any circumstance where the holder of Deferred Shares transfers or is required to transfer its shares to any person including but not limited to the Company, the Company's nominee or any other Shareholder, the holder of Deferred Shares shall be entitled to receive £1.00 for or in respect of all of the Deferred Shares held by him.

- 24.5 If any fraction of a Deferred Share would otherwise arise as a result of the conversion of any Share in accordance with this Article 24, the total number of Deferred Shares attributable to the holders of the relevant Shares pursuant to such conversion shall be rounded up or down to the nearest whole number of Deferred Shares and the balance shall remain as the relevant class of Share prior to the conversion.
25. **VARIATION OF CLASS RIGHTS**
- 25.1 Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of not less than 75% of the issued shares of that class, or with the sanction of an special resolution passed at a separate meeting of the holders of the issued shares of that class, but not otherwise.
- 25.2 Without prejudice to the generality of Article 25.1, the special rights attached to the A Shares and the B Shares will each be deemed to be varied at any time by any of the following:-
- 25.2.1 an increase, reduction or other alteration in the authorised or issued share capital of the Company or any other member of the Group or a variation in the rights attaching to any class thereof;
 - 25.2.2 the grant of an option to subscribe for shares in the Company or any other member of the Group or the issue of any securities or instruments convertible into shares in any such company;
 - 25.2.3 the alteration of the these Articles or the passing of any special resolution of the Members;
 - 25.2.4 the institution of any proceedings or the making of any application for, or the passing of any resolution for the winding up or administration of the Company or any other member of the Group; and
 - 25.2.5 by the passing of any resolution to approve a contract by the Company to purchase any of its shares.
- 25.3 To every separate general meeting referred to in Article 25.1, the provisions of these Articles relating to general meetings of the Company and to the proceedings at those meetings shall, with the necessary changes, apply, except that:-
- 25.3.1 the necessary quorum at any such meeting (other than an adjourned meeting) will be two persons holding or representing by proxy not less than 10% in nominal amount of the issued shares of the class (unless only one person holds issued shares of the class in which event such quorum shall be one person holding such shares);
 - 25.3.2 at an adjourned meeting the necessary quorum will be one person holding shares of the class or his proxy;
 - 25.3.3 the holders of shares of the relevant class will on a poll have one vote in respect of every share of that class held by them respectively; and
 - 25.3.4 a poll may be demanded by any holder of shares of the class whether present in person or by proxy or by duly authorised representative.

26. **COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

- 26.1 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 these 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.

27. **SHARE CERTIFICATES**

- 27.1 The Company must issue each Member, free of charge, with one or more certificates in respect of the Shares which that Member holds.

- 27.2 Every certificate must specify:-

27.2.1 in respect of how many Shares, of what class, it is issued;

27.2.2 the nominal value of those Shares;

27.2.3 the amount paid up on them; and

27.2.4 any distinguishing numbers assigned to them.

- 27.3 No certificate may be issued in respect of Shares of more than one class.

- 27.4 If more than one person holds a Share, only one certificate may be issued in respect of the Share.

- 27.5 Certificates must:-

27.5.1 have affixed to them the Company's common seal; or

27.5.2 be otherwise executed in accordance with the Companies Acts.

28. **REPLACEMENT SHARE CERTIFICATES**

- 28.1 If a certificate issued in respect of a Member's Shares is:-

28.1.1 damaged or defaced; or

28.1.2 said to be lost, stolen or destroyed,

that Member is entitled to be issued with a replacement certificate in respect of the same Shares.

- 28.2 A Member exercising the right to be issued with such a replacement certificate:-

28.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;

28.2.2 must return the certificate which is to be replaced to the Company if it is damaged or defaced; and

28.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

29. **COMPANY'S LIEN OVER PARTLY PAID SHARES**

- 29.1 The Company has a lien (the "**Company's lien**") over every Share which is partly paid for any part of:-

- 29.1.1 that Share's nominal value, and
- 29.1.2 any premium at which it was issued,
- 29.1.3 which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a Call Notice has been sent in respect of it.
- 29.2 Company's lien over a Share:-
 - 29.2.1 takes priority over any third party's interest in that Share, and
 - 29.2.2 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.
- 29.3 The Directors 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.
- 30. **ENFORCEMENT OF THE COMPANY'S LIEN**
- 30.1 Subject to the provisions of this Article, if:-
 - 30.1.1 a lien enforcement notice has been given in respect of a Share, and
 - 30.1.2 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 Directors decide.
- 30.2 A lien enforcement notice:-
 - 30.2.1 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;
 - 30.2.2 must specify the Share concerned;
 - 30.2.3 must require payment of the sum payable within 14 days of the notice;
 - 30.2.4 must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, Bankruptcy or otherwise; and
 - 30.2.5 must state the Company's intention to sell the Share if the notice is not complied with.
- 30.3 Where Shares are sold under this Article:-
 - 30.3.1 the Directors may authorise any person to execute an instalment of transfer of the Shares to the purchaser or a person nominated by the purchaser, and
 - 30.3.2 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.
- 30.4 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:-
 - 30.4.1 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,

- 30.4.2 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 a suitable indemnity 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 in respect of the Shares after the date of the lien enforcement notice.
- 30.5 A statutory declaration by a Director or the Company that the declarant is a Director or the Company and that a Share has been sold to satisfy the Company's lien on a specified date:-
 - 30.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
 - 30.5.2 subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the Share.
- 31. **CALL NOTICES**
 - 31.1 Subject to these Articles and the terms on which Shares are allotted, the Directors may send a notice (a "**Call Notice**") to a member requiring the member to pay the Company a specified sum of money (a "**Call**") which is payable in respect of Shares which that member holds at the date when the Directors decide to send the Call Notice.
 - 31.2 A Call Notice:-
 - 31.2.1 may not require a member to pay a Call which exceeds the total sum unpaid on that member's Shares (whether as to the Share's nominal value or any amount payable to the Company by way of premium);
 - 31.2.2 must state when and how any Call to which it relates it is to be paid; and
 - 31.2.3 may permit or require the Call to be paid by instalments.
 - 31.3 A member must comply with the requirements of a Call Notice, but no member is obliged to pay any Call before 14 days have passed since the notice was sent.
 - 31.4 Before the Company has received any Call due under a Call Notice the Directors may:-
 - 31.4.1 revoke it wholly or in part, or
 - 31.4.2 specify a later time for payment than is specified in the notice,
 - 31.4.3 by a further notice in writing to the member in respect of whose Shares the Call is made.

32. **LIABILITY TO PAY CALLS**

- 32.1 Liability to pay a Call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid.
- 32.2 Joint holders of a Share are jointly and severally liable to pay all Calls in respect of that Share.
- 32.3 Subject to the terms on which Shares are allotted, the Directors may, when issuing Shares, provide that Call Notices sent to the holders of those Shares may require them:-

32.3.1 to pay Calls which are not the same, or

32.3.2 to pay Calls at different times.

33. WHEN CALL NOTICE NEED NOT BE ISSUED

33.1 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 (whether in respect of nominal value or premium):-

33.1.1 on allotment;

33.1.2 on the occurrence of a particular event; or

33.1.3 on a date fixed by or in accordance with the terms of issue.

33.2 *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.*

34. FAILURE TO COMPLY WITH CALL NOTICE: AUTOMATIC CONSEQUENCES

34.1 In this Article:-

34.1.1 the "**Call Payment Date**" is the time when the call notice states that a call is payable, unless the Directors give a notice specifying a later date, in which case the "Call Payment Date" is that later date;

34.1.2 the "**Relevant Rate**" is:-

(a) the rate fixed by the terms on which the share in respect of which the Call is due was allotted;

(b) such other rate as was fixed in the call notice which required payment of the Call, or has otherwise been determined by the Directors; or

(c) if no rate is fixed in either of these ways, 5 per cent per annum.

34.2 If a person is liable to pay a Call and fails to do so by the Call Payment Date:-

34.2.1 the Directors may issue a notice of intended forfeiture to that person, and

34.2.2 until the Call is paid, that person must pay the Company interest on the Call from the Call Payment Date at the Relevant Rate.

34.3 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.

34.4 The Directors may waive any obligation to pay interest on a Call wholly or in part.

35. NOTICE OF INTENDED FORFEITURE

A notice of intended forfeiture:-

- 35.1 may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice;
- 35.2 must be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, Bankruptcy or otherwise;
- 35.3 must require payment of the Call and any accrued interest by a date which is not less than 14 days after the date of the notice;
- 35.4 must state how the payment is to be made; and
- 35.5 must state that if the notice is not complied with, the Shares in respect of which the Call is payable will be liable to be forfeited.

36. DIRECTORS' POWER TO FORFEIT SHARES

If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the Directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.

37. EFFECT OF FORFEITURE

37.1 Subject to these Articles, the forfeiture of a Share extinguishes:-

- 37.1.1 all interests in that Share, and all claims and demands against the Company in respect of it, and
- 37.1.2 all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company.

37.2 Any Share which is forfeited in accordance with these Articles:-

- 37.2.1 is deemed to have been forfeited when the Directors decide that it is forfeited;
- 37.2.2 is deemed to be the property of the Company; and
- 37.2.3 may be sold, re-allotted or otherwise disposed of as the Directors think fit.

37.3 If a person's Shares have been forfeited:-

- 37.3.1 the Company must send that person notice that forfeiture has occurred and record it in the register of members;
- 37.3.2 that person ceases to be a member in respect of those Shares;
- 37.3.3 that person must surrender the certificate for the Shares forfeited to the Company for cancellation;
- 37.3.4 that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
- 37.3.5 the Directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.

- 37.4 At any time before the Company disposes of a forfeited Share, the Directors may decide to cancel the forfeiture on payment of all Calls and interest due in respect of it and on such other terms as they think fit.

38. PROCEDURE FOLLOWING FORFEITURE

- 38.1 If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the Directors may authorise any person to execute the instrument of transfer.

- 38.2 A statutory declaration by a Director or the Company that the declarant is a Director or the Company and that a Share has been forfeited on a specified date:-

38.2.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and

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

- 38.3 A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.

- 38.4 If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:-

38.4.1 was, or would have become, payable, and

38.4.2 had not, when that Share was forfeited, been paid by that person in respect of that Share,

38.4.3 no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.

39. SURRENDER OF SHARES

- 39.1 A member may surrender any Share:-

39.1.1 in respect of which the Directors may issue a notice of intended forfeiture;

39.1.2 which the Directors may forfeit; or

39.1.3 which has been forfeited.

- 39.2 The Directors may accept the surrender of any such Share.

- 39.3 The effect of surrender on a Share is the same as the effect of forfeiture on that Share,

- 39.4 A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeited.

40. SHARE TRANSFERS

- 40.1 No Member may transfer any Share or any interest in a Share unless they have the prior written consent of all other Members.

- 40.2 The Directors must immediately register any duly stamped transfer which is made in accordance with these Articles but must not register any transfer of a Share or any interest in a Share except with the prior written consent of all the Members other than the Member transferring the Share or interest in a Share.
- 40.3 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.
- 40.4 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share.
- 40.5 The Company may retain any instrument of transfer which is registered.
- 40.6 The transferor remains the Holder of a share until the transferee's name is entered in the register of members as Holder of it.
- 40.7 Save as expressly permitted by these Articles, a Member must not enter into any arrangement where the terms upon which that Member holds any Shares are to be varied if as a result any interest in those Shares is varied, disposed of or created or extinguished.
- 40.8 Notwithstanding any other provision of these Articles, the Directors must not register a transfer of any Share or any interest in any Share to any minor, undischarged bankrupt, trustee in Bankruptcy or person of unsound mind.

41. TRANSMISSION OF SHARES

- 41.1 If title to a Share passes to a Transmitttee, the Company may only recognise the Transmitttee as having any title to that Share.
- 41.2 A Transmitttee who produces such evidence of entitlement to Shares as the Directors may properly require:-
- 41.2.1 may, within 28 clear days of written notice to that effect, choose either to become the Holder of those Shares or to have them transferred to another person (and if no choice is made by the Transmitttee, he shall be deemed to have elected to become the Holder of those Shares); and
- 41.2.2 pending any transfer of the Shares to another person, has the same rights as the Holder had save that the Transmitttee does 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 he is entitled, by reason of the holder's death or Bankruptcy or otherwise, unless he becomes the Holder of those Shares.
- 41.3 Article 40 shall apply to the notice referred to in Article 41.2 1 as if it were an instrument of transfer executed by the member and the event resulting in title to the Share passing to the Transmitttee had not occurred.

42. EXERCISE OF TRANSMITTEES' RIGHTS

- 42.1 Transmitttees who wish to become the Holders of Shares to which they have become entitled must notify the Company in writing of that wish.
- 42.2 If the Transmitttee wishes to have a share transferred to another person, the Transmitttee must execute an instrument of transfer in respect of it.

- 42.3 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 Transmittree has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.

43. TRANSMITTEES BOUND BY PRIOR NOTICES

If a notice is given to a Member in respect of Shares and a Transmittree is entitled to those Shares, the Transmittree is bound by the notice if it was given to the Member before the Transmittree's name or the name of any person nominated under Article 41.2 has been entered in the register of members.

44. FRACTIONAL ENTITLEMENTS

- 44.1 If on any consolidation and division or sub-division of Shares members are entitled to fractions of Shares, the Directors may:-

44.1.1 sell the Shares representing the fractions to any person (including the Company) for the best price reasonably obtainable; and

44.1.2 distribute the net proceeds of sale in due proportion among the Holders of the Shares.

- 44.2 Where any Holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the Directors, that Member's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland.

- 44.3 The person to whom the Shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.

- 44.4 The transferee's title to the Shares is not affected by any irregularity in or invalidity of the process leading to their sale.

45. PROCEDURE FOR DECLARING DIVIDENDS

- 45.1 The Company may by ordinary resolution declare dividends, and the Directors may decide to pay interim dividends.

- 45.2 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.

- 45.3 No dividend may be declared or paid unless it is in accordance with Members' respective rights.

- 45.4 Unless the Members' 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 Member's holding of Shares on the date of the resolution or decision to declare or pay it.

- 45.5 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 arrears.

- 45.6 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.

- 45.7 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.

46. **CALCULATION OF DIVIDENDS**

46.1 Except as otherwise provided by these Articles or the rights attached to the Shares, all dividends must be:-

46.1.1 declared and paid according to the amounts paid up on the Shares on which the dividend is paid; and

46.1.2 apportioned and paid proportionately to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid.

46.2 If any Share is issued on terms providing that it ranks for dividend as from a particular date, that Share ranks for dividend accordingly.

46.3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a Share in advance of the due date for payment of that amount.

47. **PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

47.1 In these Articles, the "**Distribution Recipient**" means, in respect of a Share on which a dividend or other sum is payable:-

47.1.1 the Holder of the Share; or

47.1.2 if the Share has two or more joint Holders, whichever of them is named first in the register of members; or

47.1.3 if the Holder is no longer entitled to the Share by reason of death or Bankruptcy, or otherwise by operation of law, the transmittee.

47.2 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:-

47.2.1 transfer to a bank or building society account specified by the Distribution Recipient in writing;

47.2.2 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 in writing;

47.2.3 sending a cheque made payable to such person by post to such person at such address as the Distribution Recipient has specified in writing; or

47.2.4 any other means of payment as the Directors agree with the Distribution Recipient in writing.

48. **NO INTEREST ON DISTRIBUTIONS**

The Company must not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by:-

48.1 the terms on which the Share was issued; or

48.2 the provisions of another agreement between the Holder of that Share and the Company.

49. UNCLAIMED DISTRIBUTIONS

49.1 All dividends or other sums which are:-

49.1.1 payable in respect of Shares; and

49.1.2 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.

49.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.

49.3 If:-

49.3.1 12 years have passed from the date on which a dividend or other sum became due for payment; and

49.3.2 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.

50. NON-CASH DISTRIBUTIONS

50.1 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).

50.2 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:-

50.2.1 fixing the value of any assets;

50.2.2 paying cash to any Distribution Recipient on the basis of that value in order to adjust the rights of recipients; and

50.2.3 vesting any assets in trustees.

51. WAIVER OF DISTRIBUTIONS

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:-

51.1 the Share has more than one Holder; or

51.2 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;

51.3 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.

52. NOTICE OF GENERAL MEETINGS

The notice of a general meeting of the Company must state:-

- 52.1 the time and date of the meeting;
- 52.2 the place of the meeting; and
- 52.3 the general nature of the business to be transacted.

53. ANNUAL GENERAL MEETINGS

The Company is not required to hold an annual general meeting.

54. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

- 54.1 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.

- 54.2 A person is able to exercise the right to vote at a general meeting when:-

- 54.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

- 54.2.2 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.

- 54.3 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.

- 54.4 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.

- 54.5 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.

55. QUORUM FOR GENERAL MEETINGS

- 55.1 The quorum at any general meeting of the Company or adjourned general meeting shall be two Members present in person or by proxy or (if a corporation) by duly authorised representative, of whom one must be a holder of A Shares and one must be a holder of B Shares.

- 55.2 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.

- 55.3 If a general meeting is adjourned because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved.

56. CHAIRING GENERAL MEETINGS

- 56.1 The Chairman appointed for the purposes of Directors' meetings shall chair general meetings if present and willing to do so. If the Chairman is unable to attend any general meeting or unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start, the Member who appointed him shall be entitled to appoint another of its nominated Directors present at the meeting to

chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

- 56.2 *The person chairing a meeting in accordance with this Article is referred to as the "chairman of the meeting".*

57. **ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-MEMBERS**

- 57.1 Directors may attend and speak at general meetings, whether or not they are Members.

- 57.2 The chairman of the meeting may at the relevant meeting permit other persons who are not:-

57.2.1 Members of the Company; or

57.2.2 otherwise entitled to exercise the rights of Members in relation to general meetings,

to attend and speak at such meeting.

58. **ADJOURNMENT**

- 58.1 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.

- 58.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:-

58.2.1 the meeting consents to an adjournment; or

58.2.2 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.

- 58.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

- 58.4 When adjourning a general meeting, the chairman of the meeting must:-

58.4.1 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

58.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

- 58.5 *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 seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):-*

58.5.1 to the same persons to whom notice of the Company's general meetings is required to be given; and

58.5.2 containing the same information which such notice is required to contain.

- 58.6 *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.*

59. **VOTING: GENERAL**

59.1 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 these Articles.

59.2 At a general meeting, on a show of hands and on a poll all holders of A Shares who are present in person or by proxy have one vote in aggregate and the holders of B Shares who are present in person or by proxy have one vote in aggregate except that during the Initial Period, the holders of A Shares are entitled to cast a second or casting vote.

60. **VOTING: MENTAL DISORDER**

If a court has appointed a person to manage the affairs of a member as a result of a mental disorder of such member, the person appointed by that court may, provided he has not less than 48 hours before the time appointed for the relevant meeting, deposited at the registered office of the Company evidence to the satisfaction of the Directors that he has authority to exercise the right to vote, attend any general meeting of the Company and vote at such meeting whether on a show of hands or on a poll.

61. **POLL VOTES**

61.1 A poll on a resolution may be demanded:-

61.1.1 in advance of the general meeting where it is to be put to the vote; or

61.1.2 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.

61.2 A poll may be demanded by:-

61.2.1 the chairman of the meeting;

61.2.2 the Directors;

61.2.3 two or more persons having the right to vote on the resolution; or

61.2.4 a person or persons representing not less than one tenth of the total voting rights of all the Members having the right to vote on the resolution.

61.3 A demand for a poll may be withdrawn if:-

61.3.1 the poll has not yet been taken; and

61.3.2 the chairman of the meeting consents to the withdrawal,

and such demand will not invalidate the result of a show of hands declared before the demand was made.

61.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs. The result of the poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.

61.5 A demand for a poll does not prevent a general meeting from continuing except as regards the question on which the poll was demanded.

61.6 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other

case, at least seven days' notice must be given specifying the time and place at which the poll is to be taken.

62. CONTENT OF PROXY NOTICES

62.1 Proxies may only validly be appointed by a notice in writing (a "**Proxy Notice**") which:-

- 62.1.1 states the name and address of the Member appointing the proxy;
- 62.1.2 identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;
- 62.1.3 is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Directors may determine; and
- 62.1.4 is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the general meeting to which they relate.

62.2 The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.

62.3 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.

62.4 Unless a Proxy Notice indicates otherwise, it must be treated as:-

- 62.4.1 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
- 62.4.2 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.

63. DELIVERY OF PROXY NOTICES

63.1 Any notice of a general meeting must specify the address or addresses ("**Proxy Notification Address**") at which the Company or its agents will receive Proxy Notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.

63.2 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.

63.3 Subject to Articles 63.4 and 63.5, a Proxy Notice must be delivered to a Proxy Notification Address not less than 48 hours before the general meeting or adjourned meeting which it relates. A Proxy Notice which is not delivered in such manner shall be invalid [unless the Directors in their absolute discretion, accept the Proxy Notice at any time before the meeting].

63.4 In the case of a poll taken more than 48 hours after it is demanded, the notice must be delivered to a Proxy Notification Address not less than 24 hours before the time appointed for the taking of the poll.

63.5 In the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded, the Proxy Notice must be delivered:-

- 63.5.1 in accordance with Article 63.3; or

- 63.5.2 at the meeting at which the poll was demanded to the chairman of the meeting, the secretary or any Director.
- 63.6 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.
- 63.7 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.
- 63.8 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.
- 64. AMENDMENTS TO RESOLUTIONS**
- 64.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:-
- 64.1.1 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
- 64.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 64.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:-
- 64.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
- 64.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 64.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, his error does not invalidate the vote on that resolution.
- 65. NOTICES AND COMMUNICATION**
- 65.1 The Company may send, supply or give any document, information or notice to a Member by hard copy, electronic form or by making that document or information available on a website and giving notice of the availability of that document or information to the relevant Member (provided that Member has individually agreed (or is deemed to have agreed) to the Company sending or supplying documents or information generally or those documents or information in question to him by means of a website), in each case subject to the provisions of sections 1143 to 1148 and Schedule 5 of the Act.
- 65.2 A notice given by means of a website shall be deemed to have been sent, supplied or given when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.
- 65.3 Any document, information or notice which is required to be sent or given to the Company shall be sent by hard copy or electronic form in each case, subject to the provisions of sections 1143 to 1148, Schedule 4 and Schedule 5 of the Act.

65.4 Any notice, document or other information will be deemed served on or delivered to the intended recipient:-

- 65.4.1 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)];
- 65.4.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 65.4.3 if properly addressed and sent or supplied by electronic means, [one] hour after the document or information was sent or supplied; and
- 65.4.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

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

65.5 Proof that an envelope containing a document, notice or information was properly addressed, prepaid and posted shall be conclusive evidence that the document, notice or information was sent, supplied or given by post. A comprehensive transaction report or log generated by fax machine, suitably certified by or on behalf of the Company, shall be conclusive evidence that a document, notice or information was sent, supplied or given by fax. A copy of a record of the total number of recipients sent to or each recipient to whom an e-mail message was sent together with any notices of failed transmissions and copies of records of subsequent re-sending, suitably certified by or on behalf of the Company, shall be conclusive evidence that the document, notice or information was sent, supplied or given by e-mail.

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

65.7 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.

65.8 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.

66. **COMPANY SEALS**

66.1 Any common seal may only be used by the authority of the Directors.

66.2 The Directors may decide by what means and in what form any common seal is to be used.

66.3 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.

66.4 In this Article, an authorised person is:-

66.4.1 any Director of the Company;

66.4.2 the Company (if any); or

66.4.3 any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.

67. **INDEMNITY AND INSURANCE**

67.1 Subject to Article 67.2 but without prejudice to any indemnity to which he is otherwise entitled, a Relevant Director shall be indemnified out of the Company's assets against:-

67.1.1 any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company; and/or

67.1.2 any other liability incurred by that Director as an officer of the Company.

67.2 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.

67.3 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.

67.4 In this Article:-

67.4.1 a "**Relevant Director**" means any Director or secretary or former Director or secretary of the Company;

67.4.2 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 or any pension fund or employees' share scheme of the Company.