

No 06081771

*M.A.*

THE COMPANIES ACT 2006

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

SDI GROUP LIMITED

(Adopted by Special Resolution passed on  
16 JANUARY 2015)

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MILLS & REEVE

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## INTERPRETATION AND LIMITATION OF LIABILITY

### 1 Definitions and interpretation

1.1 In these articles, unless the context requires otherwise:

**"alternate"** or **"alternate director"** has the meaning given in article 23;

**"appointor"** has the meaning given in article 23;

**"articles"** means the company's articles of association for the time being in force;

**"associated company"** means any subsidiary or holding company of the company or any other subsidiary of the company's holding company;

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

**"B Shares"** means "B" Ordinary Shares of £0.01 each in the capital of the company;

**"board"** means the board of directors for the time being of the company or a duly appointed committee of the board of directors at which a quorum is present;

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

**"CA 2006"** means the Companies Act 2006;

**"chairman"** has the meaning given in article 12.2;

**"chairman of the meeting"** has the meaning given in article 55.3;

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

**"Conflict"** has the meaning given in article 15.1;

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

**“distribution recipient”** has the meaning given in article 47.1;

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

**“electronic form”** has the meaning given in section 1168 CA 2006;

**“eligible director”** means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);

**“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 Company”** means any wholly owned or controlled subsidiary of the company from time to time

**“hard copy form”** has the meaning given in section 1168 CA 2006;

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

**“instrument”** means a document in hard copy form;

**“Model Articles”** means the model articles for private companies limited by shares contained in Schedule 1 of The Companies (Model Articles) Regulations 2008 (SI 2009/3229) as amended prior to the date of adoption of these articles;

**“ordinary resolution”** has the meaning given in section 282 CA 2006;

**“Ordinary Shares”** means ordinary shares of £0.01 each in the capital of the company;

**“paid”** means paid or credited as paid;

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

**“proxy notice”** has the meaning given in article 61.1;

**“relevant officer”** means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) CA 2006),

but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);

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

“**shares**” means the Ordinary Shares or the “B” Shares or, as the context requires, the Ordinary Shares and “B” Shares;

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

“**Share Incentive Plan**” the SDI Group Limited Share Option Scheme adopted by the company for the provision of options to employees and directors of any Group Company to subscribe for and be allotted with B Ordinary Shares of £0.01 each in the capital of the company.

“**special resolution**” has the meaning given in section 283 CA 2006;

“**subsidiary**” has the meaning given in section 1159 CA 2006;

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

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

- 1.2 No regulations or articles set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies (including the regulations in the Model Articles) shall apply as the articles of the company.
- 1.3 Save as otherwise specifically provided in these articles, words and expressions which have particular meanings in the CA 2006 shall have the same meanings in these articles.
- 1.4 Headings in these articles are used for convenience only and shall not affect the construction or interpretation of these articles.
- 1.5 A reference in these articles to an “article” is a reference to the relevant article of these articles unless expressly provided otherwise.

- 1.6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
- 1.6.1 any subordinate legislation from time to time made under it; and
  - 1.6.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.7 Any phrase introduced by the terms “**including**”, “**include**”, “**in particular**” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.8 Any words importing the singular include the plural and vice versa and words importing a gender include every gender.

## **2 Liability of members and change of name**

- 2.1 The liability of the members is limited to the amount, if any, unpaid on the shares held by them.
- 2.2 Subject to the CA 2006, the directors may by resolution change the name of the company.

## **DIRECTORS**

### **DIRECTORS' POWERS AND RESPONSIBILITIES**

## **3 Directors' general authority**

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

## **4 Shareholders' reserve power**

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

## **5 Directors may delegate**

5.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:

- 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;
- 5.1.6 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 Committees**

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

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

### **DECISION-MAKING BY DIRECTORS**

## **7 Directors to take decisions collectively**

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

7.2 If:

- 7.2.1 the company only has one director for the time being; and

7.2.2 no provision of the articles requires it to have more than one director

the general rule does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

## **8 Unanimous decisions**

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

8.2 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.

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

## **9 Calling a directors' meeting**

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

9.2 Notice of any directors' meeting must indicate:

9.2.1 its proposed date and time;

9.2.2 where it is to take place; and

9.2.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

9.3 Notice of a directors' meeting must be given to each director, but need not 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 not more than 7 days after the date on which the meeting is held. Where such notice

is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

## **10 Participation in directors' meetings**

10.1 Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:

10.1.1 the meeting has been called and takes place in accordance with the articles; and

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

10.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

10.3 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.

## **11 Quorum for directors' meetings**

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

11.2 Subject to article 7.1 and to article 11.3, the quorum for the transaction of business at a meeting of directors may be fixed by the directors as any number of eligible directors and unless so fixed at any other number shall be any two eligible directors.

11.3 For the purposes of any meeting (or part of a meeting) held pursuant to article 15.1 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

11.4 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:

11.4.1 to appoint further directors; or

11.4.2 to call a general meeting so as to enable the shareholders to appoint further directors.

## **12 Chairing of directors' meetings**

- 12.1 The directors may appoint a director to chair their meetings.
- 12.2 The person so appointed for the time being is known as the chairman.
- 12.3 The directors may terminate the chairman's appointment at any time.
- 12.4 If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

## **13 Casting vote**

- 13.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting has a casting vote.
- 13.2 Article 13.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the articles, the chairman or other director is not an eligible director for the purposes of that meeting (or part of a meeting).

## **14 Transactions or other arrangements with the company**

- 14.1 Subject to the provisions of CA 2006 and provided he has declared the nature and extent of any interest of his (unless the circumstances in any of sections 177(5) and 177(6) or sections 182(5) and 182(6) CA 2006 apply, in which case no disclosure is required), a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company, notwithstanding his office:
  - 14.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
  - 14.1.2 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;
  - 14.1.3 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 promoted by the company or in which the company is otherwise (directly or indirectly) interested;

- 14.1.4 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 CA 2006)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate which he is permitted to hold or enter into by virtue of articles 14.1.1, 14.1.2, or 14.1.3 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 CA 2006; and
- 14.1.5 shall subject to article 15.1, be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) and shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, on any matter referred to in articles 14.1.1 to 14.1.3 (inclusive) or on any resolution which in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever and if he shall vote on any such resolution his vote shall be counted.
- 14.2 For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- 14.3 Any disclosure required by article 14.1 may be made at a meeting of the directors, by notice in writing or by general notice or otherwise in accordance with section 177 CA 2006.
- 14.4 Subject to article 14.5, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is final and conclusive.
- 14.5 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as

participating in the meeting (or that part of the meeting) for voting or quorum purposes.

## **15 Directors' conflicts of interest**

15.1 A director shall be authorised for the purposes of section 175 CA 2006 to act or continue to act as a director of the company notwithstanding that at the time of his appointment or subsequently he also holds office as a director or other officer of, or is employed by, or is otherwise interested in (including by the holding of shares), any other group company and no further authorisation under article 15.2 shall be necessary in respect of any such interest.

15.2 For the purposes of section 175 CA 2006, the directors may authorise any matter proposed to them in accordance with these articles which would, if not so authorised, involve a breach of duty by a director under that section, including, without limitation, any matter which relates to a situation in which a director has, or can have, an interest which conflicts, or possibly may conflict, with the interests of the company (a "**Conflict**"). Any such authorisation will be effective only if:

15.2.1 any requirement as to quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and

15.2.2 the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

The directors may (whether at the time of the giving of the authorisation or subsequently) make any such authorisation subject to any limits or conditions they may expressly impose but such authorisation is otherwise given to the fullest extent permitted. The directors may vary or terminate any such authorisation at any time, but this will not affect anything done by the director in question prior to such variation or termination, in accordance with the terms of such authorisation.

For the purposes of these articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.

15.3 A director shall be under no duty to the company with respect to any information which he obtains or has obtained otherwise than as a director of the company and in respect of which he owes a duty of confidentiality to another person. However, to the

extent that his relationship with that other person gives rise to a Conflict, this article applies only if the existence of that relationship has been authorised pursuant to article 15.1 or approved by the directors pursuant to article 15.2. In particular, the director shall not be in breach of the general duties he owes to the company by virtue of sections 171 to 177 CA 2006 (inclusive) because he fails:

15.3.1 to disclose any such information to the board or to any director or other officer or employee of the company; and/or

15.3.2 to use or apply any such information in performing his duties as a director of the company.

15.4 Where the existence of a director's relationship with another person has been authorised pursuant to article 15.1 or approved by the board pursuant to article 15.2 and his relationship with that person gives rise to a Conflict, the director shall not be in breach of the general duties he owes to the company by virtue of sections 171 to 177 CA 2006 (inclusive) because he:

15.4.1 absents himself from meetings of the board at which any matter relating to the Conflict will or may be discussed or from the discussion of any such matter at a meeting or otherwise; and/or

15.4.2 makes arrangements not to receive documents and information relating to any matter which gives rise to the Conflict sent or supplied by the company and/or for such documents and information to be received and read by a professional adviser,

15.4.3 for so long as he reasonably believes such Conflict subsists.

15.5 The provisions of articles 15.3 and 15.4 are without prejudice to any equitable principle or rule of law which may excuse the director from:

15.5.1 disclosing information, in circumstances where disclosure would otherwise be required under these articles; or

15.5.2 attending meetings or discussions or receiving documents and information as referred to in article 15.4, in circumstances where such attendance or receipt of such documents and information would otherwise be required under these articles.

15.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised in accordance with article 15.1 or by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

## **16 Records of decisions to be kept**

16.1 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.

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

## **17 Directors' discretion to make further rules**

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

## **APPOINTMENT OF DIRECTORS**

### **18 Number of directors**

18.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be more than twelve and shall not be less than two.

### **19 Methods of appointing directors**

19.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:

19.1.1 by ordinary resolution; or

19.1.2 by a decision of the directors,

provided that the appointment does not cause the number of directors in office for the time being (excluding alternate directors who are not also directors) to exceed any maximum number fixed or otherwise determined in accordance with these articles

- 19.2 In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.
- 19.3 For the purposes of article 19.2, where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

## **20 Termination of director's appointment**

- 20.1 A person ceases to be a director as soon as:
- 20.1.1 that person ceases to be a director by virtue of any provision of the CA 2006 or is prohibited from being a director by law;
  - 20.1.2 a bankruptcy order is made against that person;
  - 20.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
  - 20.1.4 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
  - 20.1.5 notification is received by the company from the director that the director is resigning from office as director, and such resignation has taken effect in accordance with its terms.

## **21 Directors' remuneration**

- 21.1 Directors may undertake any services for the company that the directors decide.
- 21.2 Directors are entitled to such remuneration as the directors determine:

- 21.2.1 for their services to the company as directors; and
  - 21.2.2 for any other service which they undertake for the company.
- 21.3 Subject to the articles, a director's remuneration may:
- 21.3.1 take any form; and
  - 21.3.2 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.
- 21.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 21.5 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.

## **22 Directors' expenses**

- 22.1 The company must pay any reasonable expenses which the directors (including alternate directors) and the company secretary (if any) properly incur in connection with their attendance at:
- 22.1.1 meetings of directors or committees of directors;
  - 22.1.2 general meetings; or
  - 22.1.3 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.

## **ALTERNATE DIRECTORS**

### **23 Appointment and removal of alternate directors**

- 23.1 Any director ("appointor") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

23.1.1 exercise that director's powers; and

23.1.2 carry out that director's responsibilities

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.

23.2 Any appointment or removal of an alternate must be effected by notice in writing to the company (marked for the attention of the chairman or company secretary (if any)) signed by the appointor, or in any other manner approved by the directors.

23.3 The notice must:

23.3.1 identify the proposed alternate; and

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

## **24 Rights and responsibilities of alternate directors**

24.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

24.2 Except as the articles specify otherwise, alternate directors:

24.2.1 are deemed for all purposes to be directors;

24.2.2 are liable for their own acts and omissions;

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

24.2.4 are not deemed to be agents of or for their appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.

24.3 A person who is an alternate director but not, in the absence of such appointment, a director:

- 24.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
  - 24.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
  - 24.3.3 shall not be counted as more than one director for the purposes of articles 24.3.1 and 24.3.2.
- 24.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.
- 24.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but 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.

## **25 Termination of alternate directorship**

- 25.1 An alternate director's appointment as an alternate terminates:
- 25.1.1 when the alternate's appointor revokes the appointment by notice to the company in writing (marked for the attention of the chairman or company secretary (if any)) specifying when it is to terminate;
  - 25.1.2 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;
  - 25.1.3 on the death of the alternate's appointor; or
  - 25.1.4 when the alternate's appointor's appointment as a director terminates.

## SECRETARY

### 26 Secretary

- 26.1 The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

## SHARES AND DISTRIBUTIONS

### SHARES

### 27 Shares

- 27.1 The Ordinary Shares and the "B" Shares shall be separate classes of shares but save as otherwise provided in these articles shall carry the same rights and privileges and shall rank pari passu in all respects.
- 27.2 Subject to section 334 of the 2006 Act, the "B" Shares shall not carry a vote and shall not entitle the holder of the "B" Shares to receive notice of, attend or vote at general meetings of the Company (and the holder of the "B" Shares shall not be counted in any quorum at any general meeting of the Company).
- 27.3 The company may by special resolution re-designate any Ordinary Share as a "B" Share or any "B" Share as an Ordinary Share.

### 28 All shares to be fully paid up

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

### 29 Powers to issue different classes of share

- 29.1 Subject to any special rights conferred upon the holders of any shares or class of shares, any share in the company may be issued with or have attached thereto such rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise as the company may by special resolution determine.

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

### **30 Variation of rights**

30.1 The special rights attached to the Ordinary Shares and the "B" Shares may in either case, whether or not the company is or is about to be wound up, be varied or abrogated with the prior consent in writing of the holders of three-fourths of the Ordinary Shares for the time being in issue together with the prior consent in writing of the holders of three-fourths of the "B" Shares for the time being in issue or with the sanction of special resolutions passed at separate general meetings of the holders of shares of both classes each voting separately as a class.

30.2 To every such separate meeting the provisions of these articles with respect to notice of and proceedings at general meetings shall mutatis mutandis apply, but so that the requisite quorum shall be one or more persons holding or representing not less than one-quarter of the issued shares of the class and that any holder of shares of the appropriate class present or represented may demand a poll.

### **31 Directors' authority to allot shares**

31.1 Save to the extent authorised from time to time by these articles or by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company.

31.2 The directors of the company are generally and unconditionally authorised in accordance with section 551 CA 2006 to exercise all the powers of the company:

31.2.1 to allot shares in the company; and/or

31.2.2 to grant rights to subscribe for or to convert any security into shares in the company ("**Rights**"),

up to an aggregate nominal amount of £110,000 of Ordinary Shares or "B" Shares for a period of five years from the date of adoption of these articles save that in accordance with section 551(7) CA 2006 the company may before the expiry of such period make any offer(s) or agreement(s) which would or might require shares to be allotted or Rights to be granted after such expiry and the directors may allot shares or

grant Rights pursuant to any such offer(s) or agreement(s) as if this authority had not expired.

### **32 Exclusion of statutory pre-emption rights**

32.1 Pursuant to section 567 CA 2006, the provisions of section 561 CA 2006 (existing shareholders' right of pre-emption) and section 562 CA 2006 (communication of pre-emption offers to shareholders) shall not apply to an allotment of equity securities (as defined in section 560 CA 2006) made by the company.

### **33 Power to purchase own shares for cash**

33.1 Subject to the CA 2006, the company is authorised in accordance with section 692 CA 2006 to purchase shares in the company with cash up to an aggregate amount in any financial year not exceeding the lower of:

33.1.1 £15,000; and

33.1.2 the value of 5% of the company's share capital.

33.2 The company shall immediately cancel any shares acquired pursuant to this article 33.

### **34 Company not bound by less than absolute interests**

34.1 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 the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

### **35 Share certificates**

35.1 The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

35.2 Every certificate must specify:

35.2.1 in respect of how many shares, of what class, it is issued;

35.2.2 the nominal value of those shares;

35.2.3 that the shares are fully paid; and

- 35.2.4 any distinguishing numbers assigned to them.
- 35.3 No certificate may be issued in respect of shares of more than one class.
- 35.4 If more than one person holds a share, only one certificate may be issued in respect of it.
- 35.5 Certificates must:
  - 35.5.1 have affixed to them the company's common seal; or
  - 35.5.2 be otherwise executed in accordance with the Companies Acts.

### **36 Replacement share certificates**

- 36.1 If a certificate issued in respect of a shareholder's share is:
  - 36.1.1 damaged or defaced; or
  - 36.1.2 said to be lost, stolen or destroyedthat shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- 36.2 A shareholder exercising the right to be issued with such a replacement certificate:
  - 36.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
  - 36.2.2 must return the certificate which is to be replaced to the company if it is damaged or defaced; and
  - 36.2.3 must comply with such conditions as to evidence and indemnity and the payment of a reasonable fee as the directors decide.

### **37 Share transfers**

- 37.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.
- 37.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

- 37.3 The company may retain any instrument of transfer which is registered.
- 37.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- 37.5 The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.
- 37.6 Notwithstanding anything contained in these articles:
- 37.6.1 any pre-emption rights conferred on existing members or any other person by these articles or otherwise and any other restrictions on transfer of shares contained in these articles or otherwise shall not apply to; and
- 37.6.2 the directors, the secretary and/or the company shall not refuse to register, nor suspend registration of,
- any transfer of shares where such transfer is:
- (i) in favour of any bank, lender, financial institution or other person (or any agent, trustee, nominee or nominees of such a bank, lender, financial institution or other person) (a "**Financial Institution**") to whom such shares are being transferred by way of security (whether such bank, financial institution or other person is acting as agent, trustee or otherwise) or to a purchaser, transferee or other recipient of the shares from such Financial Institution following enforcement of the security and a certificate signed by an official of such Financial Institution that the relevant shares are subject to security and such security has been enforced shall be conclusive evidence of such fact, and/or
  - (ii) duly executed by a Financial Institution to whom such shares (including any further shares in the company acquired by reason of its holding of such shares) are to be transferred as aforesaid pursuant to a power of sale under any security document which creates any security interest over such shares; and/or

- (iii) duly executed by a receiver appointed by a Financial Institution pursuant to any security document which creates any security interest over such shares.

For the purposes of this article, “**person**” includes any person, individual, firm, company, corporation, government, state or agency of a state or any undertaking (within the meaning of section 1161(1) CA 2006) or other association (whether or not having separate legal personality) or any two or more of the foregoing.

- 37.7 Any lien on shares which the company has shall not apply in respect of any shares which have been charged by way of security to, or otherwise secured in favour of, a Financial Institution or a subsidiary of a Financial Institution or which are transferred in accordance with the provisions of article 37.6.

### **38 Transmission of shares**

- 38.1 If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.

- 38.2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:

- 38.2.1 may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person; and

- 38.2.2 subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

- 38.3 But, subject to article 19.2, transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder’s death or bankruptcy or otherwise, unless they become the holders of those shares.

### **39 Exercise of transmittees’ rights**

- 39.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.

- 39.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

39.3 Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

#### **40 Transmittees bound by prior notices**

40.1 If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name, or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 39.2, has been entered in the register of members.

#### **41 Transfers of "B" Shares**

41.1 Unless holders of a majority for the time being of each of the Ordinary Shares and the "B" Shares otherwise agree in writing, none of the "B" Shares shall be transferred and the directors shall not register any transfer of any "B" Shares except:

41.1.1 any transfer of "B" Shares pursuant to article 42 or article 43; and

41.1.2 any transfer of "B" Shares by one holder to another holder of "B" Shares.

#### **42 Compulsory transfer of "B" Shares**

42.1 This article 42 applies when an Employee B Shareholder (i) ceases, for any reason, to be an employee or officer of the company or any Group Company or (ii) is adjudicated as bankrupt.

42.2 On the date of his ceasing to be an employee or officer of the company or any Group Company or being adjudicated bankrupt (the "**Compulsory Event Date**") an Employee B Shareholder (or his personal representatives in the case of his death) ("**Compulsory Seller**") shall be deemed to have served a notice to the company constituting the company as agent for the sale of all his "B" Shares ("**Sale Shares**"), free from all liens, charges and encumbrances and with all rights attaching to them, to the holder of the majority of the Shares as at the Compulsory Event Date (the "**Majority Shareholder**") and/or the company on the following terms:

42.2.1 the price payable (the "**Compulsory Purchase Price**") for each of the Sale Shares shall be:

- (i) in the case of a Good Leaver, the aggregate Issue Price of the Sale Shares or such higher price as the company may determine; and
- (ii) in the case of a Bad Leaver the lower of:
  - (A) the fair selling value of the Sale Shares on the open market as between a willing seller and a willing purchaser without taking into account the fact that the Employee B Shareholder's shareholding may be a minority shareholding in the company immediately after the Compulsory Event Date, as determined by a chartered accountant (acting as an expert and not as an arbitrator) nominated by the board within 30 business days of the Compulsory Event Date; and
  - (B) the aggregate Issue Price of the Sale Shares;

42.2.2 within seven days after the price has been determined in accordance with article 42.2.1, the company shall notify the price per share to the Compulsory Seller and shall give notice to the Majority Shareholder of the number of Sale Shares on offer to him/her and the price per share;

42.2.3 within seven days of receipt of such notification, the Majority Shareholder shall notify the company in writing of the number, if any, of the Sale Shares that the Majority Shareholder is willing to purchase. If the Majority Shareholder fails to notify the company in accordance with this article he/she shall be deemed to have declined to purchase any of the Sale Shares;

42.2.4 the company shall allocate such of the Sale Shares as the Majority Shareholder wishes to purchase, to the Majority Shareholder and, if there remain some or all of the Sale Shares unsold then, providing the provisions of Part 18 CA 2006 are complied with, the company shall be entitled to purchase the remaining Sale Shares;

42.2.5 within seven days after the price has been determined in accordance with article 42.2.1, the company shall:

- (i) notify the Compulsory Seller of the number of Sale Shares to be transferred to the Majority Shareholder and/or the company (as the

case may be) and the name and address of the Majority Shareholder (if applicable); and

- (ii) the company's notice shall state a date, between seven and 14 days later, on which the sale and purchase of the Sale Shares is to be completed ("**Compulsory Purchase Date**").

42.3 For the purpose of this article 42:

42.3.1 "**Bad Leaver**" means any Employee B Shareholder who ceases to be an employee or officer of the company or any Group Company and who is not a Good Leaver;

42.3.2 "**Employee B Shareholder**" means a holder of "B" Shares who is or has been a director and/or an employee of or a consultant to the company or any Group Company;

42.3.3 "**Good Leaver**" means an Employee B Shareholder who ceases to be an employee or officer of the company or any Group Company and such cessation occurs as a result of:

- (i) his or her death; or
- (ii) his or her permanent ill health as evidenced by an independent medical report; or
- (iii) such other matter as the board may determine;

42.3.4 "**Issue Price**" means, in relation to any B Share, the amount paid up or credited as paid up on it (including the full amount of any premium at which such B Share was issued whether or not such premium is applied for any purpose after that);

42.3.5 the date upon which a shareholder ceases be an employee or officer of the Company shall be:

- (i) where a contract of employment or directorship is terminated by the employer by giving notice to the employee of the termination of the employment or directorship, the date of that notice (whether or not a payment is made by the employer in lieu of all or part of the

notice period required to be given by the employer in respect of such termination);

- (ii) where a contract of employment or directorship is terminated by the employee by giving notice to the employer of the termination of the employment or directorship, the date of that notice;
- (iii) where an employer or employee wrongfully repudiates the contract of employment and the other accepts that the contract of employment has been terminated, the date of such acceptance;
- (iv) where a contract of employment is terminated under the doctrine of frustration, the date of the frustrating event; and
- (v) where a contract of employment or directorship is terminated for any reason other than in the circumstances set out in article 42.3.5(i) to 42.3.5(iv), the date on which the action or event giving rise to the termination occurs.

42.4 By the Compulsory Purchase Date, the Compulsory Seller shall execute and deliver stock transfer forms for the Sale Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the company. On the Compulsory Purchase Date the company shall pay to the Compulsory Seller, on behalf of the Majority Shareholder (or itself) (as the case may be), the Compulsory Purchase Price for the Sale Shares but only, in the case of a purchase of any Sale Shares by the Majority Shareholder, to the extent that the company has been put in the requisite funds. The company's receipt for the price shall be a good discharge to the Majority Shareholder. The company shall hold the price in trust for the Compulsory Seller without any obligation to pay interest.

42.5 In the case of a purchase of any Sale Shares by the Majority Shareholder, to the extent that the Majority Shareholder has not, by the Compulsory Purchase Date, put the company in funds to pay the Compulsory Purchase Price, the Compulsory Seller shall be entitled to the return of the stock transfer form and share certificate for the relevant Sale Shares.

42.6 If a Compulsory Seller fails to execute and deliver a stock transfer form for the Sale Shares to the company by the Compulsory Purchase Date, the Compulsory Seller shall be deemed to have irrevocably appointed any director to be his agent to

execute and deliver all necessary transfer(s) of the Sale Shares on the Compulsory Seller's behalf to the Majority Shareholder and/or the company (as the case may be and, in the case of a purchase of any Sale Shares by the Majority Shareholder, to the extent that the Majority Shareholder has, by the Compulsory Purchase Date, put the company in funds to pay the Compulsory Purchase Price for the Sale Shares accepted by it. The directors shall then authorise registration of the transfers of the Sale Shares once appropriate stamp duty has been paid. The validity of such proceedings shall not be questioned by any person and failure to produce a share certificate in respect of the Sale Shares shall not impede the registration of shares under this article 42.6 If the defaulting Compulsory Seller surrenders the share certificate for the Sale Shares to the company he shall be entitled, on surrender, to the Compulsory Purchase Price for the Sale Shares.

#### **43 Drag along rights**

43.1 If a Sale is effected (or proposed), the acquirer (or proposed acquirer) of Control of the company or the Controlling Interest, as the case may be, (the "**Acquirer**"), may, by serving a notice (a "**Compulsory Purchase Notice**") on all the other holders of shares in the company (the "**Remaining Shareholders**"), require all the Remaining Shareholders to sell their shares in the company to the Acquirer or to such person as it may nominate at the Specified Price.

43.2 The shares subject to the Compulsory Purchase Notice shall be sold and purchased in accordance with the following terms:

43.2.1 the sale and purchase shall occur after or be conditional upon completion of the Sale;

43.2.2 the completion date for the acquisition of the shares held by the Remaining Shareholders (the "**Completion Date**"), which may be after or simultaneous with but not before completion of the Sale, shall be notified to the Remaining Shareholders by the Acquirer or the board and on such date or as soon as practicable thereafter (and in any event within 60 days of completion of the Sale) the Remaining Shareholders shall deliver stock transfer forms for all their respective shares together with the relevant share certificates (or a suitable indemnity for any lost share certificate) to the company;

- 43.2.3 on the Completion Date or on such later date as the stock transfers and share certificates (or suitable indemnity) in respect of the Remaining Shareholders' shares shall be received, to the extent that the Acquirer has put the company in the requisite funds, the company shall pay the Remaining Shareholders on behalf of the Acquirer the Specified Price. The company's receipt for the Specified Price shall be a good discharge of the Acquirer's obligation to pay the Specified Price. The company shall hold the funds so provided to it by the Acquirer in trust for the Remaining Shareholders without any obligation to pay interest.
- 43.3 To the extent that the Acquirer has not, by the Completion Date, or if later, the date on which the stock transfers and share certificates (or suitable indemnity) in respect of the Remaining Shareholders' shares are received pursuant to article 43.2.2, put the company in funds to pay the Specified Price, the Remaining Shareholders shall be entitled to the return of any stock transfer forms and share certificates (or suitable indemnity) delivered pursuant to article 43.2.2 and the Remaining Shareholders shall have no further rights or obligations under this article 43 in respect of their shares in relation to such Acquirer.
- 43.4 If a Remaining Shareholder fails to execute and deliver stock transfer forms for his shares to the company by the Completion Date, or within 10 days after such date, each such defaulting Remaining Shareholder shall be deemed to have irrevocably appointed any director to be his agent to execute all necessary transfer(s) on its behalf, against receipt by the company (on trust for such holder) of the Specified Price payable to such defaulting Remaining Shareholder in respect of all of his respective shares, and to deliver such transfer(s) to the Acquirer (or as it may direct) as the holder thereof. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. Such defaulting Remaining Shareholder shall surrender share certificates for all of his shares to the company or provide an appropriate indemnity for a lost share certificate in such form as the board may prescribe. On surrender or provision of such indemnity, he shall be entitled to the Specified Price for such shares. The Specified Price for any shares of a defaulting Remaining Shareholder who fails to deliver his share certificate or provide a suitable indemnity pursuant to article 43.2.2 or who fails surrender his share certificates or provide such an indemnity pursuant to this article 43.4, shall be paid by the company into a separate account. The company shall be deemed to be a debtor to, and not a trustee for, such defaulting Remaining Shareholder in respect of such monies.

Monies paid into such separate account may either be employed in the business of the company or invested in such investments as the board may think fit. No interest shall be payable to such member or other person in respect of such monies and the company does not have to account for any money earned on them. Failure of such a defaulting Remaining Shareholder to surrender a share certificate or provide such an indemnity shall not affect the validity of the transfer of his shares pursuant to this article 43 and once the name and address of the Acquirer is entered in the register of shareholders of the company as the holder of such shares the validity of the transfer may not be brought into question and the entry of the Acquirer's name and address in the register of shareholders shall be conclusive evidence of the Acquirer's legal and beneficial title to the shares.

43.5 While any shares are subject to transfer under this article, they may not be transferred to any other person.

43.6 For the purposes of this article:

43.6.1 **"Acquiring Company"** or **"Acquirer"** means a company that obtains Control of the company or, as the case may be, a Controlling Interest in the Holding Company;

43.6.2 **"Control"** has the meaning given to it in Section 995 Income Tax Act 2007 and **"Controlled"** will be construed accordingly;

43.6.3 **"Controlling Interest"** means, in relation to the Holding Company, as the case may be, the power of a person or persons acting In Concert with each other to secure that the Holding Company's affairs are conducted in accordance with his or their wishes by means of a holding of shares which in aggregate confers 75% or more of the voting rights normally exercisable at general meetings of the Holding Company;

43.6.4 **"Excluded Holding Company Sale"** means a transaction:

- (i) where a Controlling Interest in the Holding Company is acquired by a company which is Controlled by persons who, taken together, had a Controlling Interest in the Holding Company immediately before such change of Control (and for the purposes of assessing Control of the Acquiring Company under these circumstances there shall be disregarded any shares in the Acquiring Company

that are newly-issued at the time of and in connection with the change of Control of the Holding Company to persons who were not shareholders of either the Holding Company or the Acquiring Company immediately prior to the transaction); or

- (ii) which is determined by the board in circumstances where there is a change of Control of the Holding Company arising as part of a group or corporate reorganisation as not constituting a Sale;

43.6.5 **"Excluded Sale"** means a transaction:

- (i) where Control of the company is acquired by a company which is Controlled by persons who, taken together, Controlled the company immediately before such change of Control (and for the purposes of assessing Control of the Acquiring Company under these circumstances there shall be disregarded any shares in the Acquiring Company that are newly-issued at the time of and in connection with the change of Control of the company to persons who were not shareholders of either the company or the Acquiring Company immediately prior to the transaction); or
- (ii) which is determined by the board in circumstances where there is a change of Control of the company arising as part of a group or corporate reorganisation as not constituting a Sale;

43.6.6 **"Holding Company"** means FSU Investments Limited or, if different, the company's ultimate holding company for the purposes of the Companies Act 2006;

43.6.7 **"In Concert"** has the meaning given to that term in the City Code on Take-overs and Mergers as amended from time to time;

43.6.8 **"Sale"** means:

- (i) the acquisition of Control of the company (but disregarding for such purposes any shares issued on the exercise of options as a result of or in contemplation of such acquisition) by a person or persons acting In Concert to acquire shares in the company in circumstances where, on completion of such acquisition, the proposed acquirer will have a holding of shares which in aggregate

confers 75% or more of the voting rights normally exercisable at general meetings of the company, other than an Excluded Sale; or

- (ii) the acquisition of a Controlling Interest in the Holding Company by a person or persons acting In Concert to acquire shares in the Holding Company in circumstances where, on completion of such acquisition, the proposed acquirer will acquire, directly or indirectly, a holding of shares which in aggregate confers 75% or more of the voting rights normally exercisable at general meetings of the company (but disregarding for such purposes any voting rights attributable to any shares issued on the exercise of options as a result of or in contemplation of such acquisition), other than an Excluded Holding Company Sale;

43.6.9 **“Specified Price”** means:

- (i) in the case of the acquisition of all of the issued equity share capital of the company, the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the Acquirer or its nominee for the shares being acquired; plus the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable; or
- (ii) in the case of a Sale effected by way of the acquisition of a Controlling Interest, such price (in cash or otherwise) per share as is equal to the consideration paid or payable to the members of the Holding Company divided by the number of shares in the company held by the Holding Company, as agreed by the Panel on Takeovers and Mergers or (in the absence of the same) as determined by a chartered accountant (acting as an expert and not as an arbitrator) whose decision shall be final and binding.

For the purposes of this definition it is permissible for the Specified Price offered to certain identified shareholder(s) to comprise cash consideration only and for the Specified Price offered to other identified shareholder(s) to

comprise either in whole or in part the issue of loans, loan note share consideration and/or contingent consideration and, as to any balance only, to comprise cash consideration, provided that where consideration comprises loans, loan note, share consideration or contingent consideration the value of that consideration reasonably assessed must be equivalent in value to the consideration which would have been paid had such consideration been paid wholly in cash.

43.7 Following the issue of a Compulsory Purchase Notice and completion of a Sale, 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 (a "**New Shareholder**"), a Compulsory Purchase Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Compulsory Purchase Notice. The New Shareholder shall then be bound to sell and transfer all shares to be acquired by it once acquired to the Acquirer (or as the Acquirer may direct) and the provisions of this article shall apply with the necessary changes to apply 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.

#### **44 Power of sale of shares of untraced shareholders**

44.1 Without prejudice to the powers, obligations and rights in article 43, the company shall be entitled to sell, at the best price reasonably obtainable, any share of a shareholder, or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or otherwise by operation of law if and provided that:

44.1.1 for a period of twelve years, no cash dividend payable in respect of the shares has been claimed, no cheque or warrant sent by the company through the post in a pre-paid envelope addressed to the member or to the person entitled to the shares at his address on the register of members or (if different) the last known address given by the member or the person so entitled to which cheques and warrants are to be sent has been paid, each attempt to make a payment in respect of the shares by means of bank transfer or other method for the payment of dividends or other moneys in respect of shares has failed and no communication has been received by the company from the member or the person so entitled (in his capacity as member or person entitled);

- 44.1.2 in such period of twelve years at least three dividends (whether interim or final) have become payable on the shares;
  - 44.1.3 the company has at the expiration of the said period of twelve years by advertisement in both a national newspaper and in a newspaper circulating in the area in which the address referred to in article 44.1.1 is located given notice of its intention to sell such shares; and
  - 44.1.4 during the period of three months following the publication of the said advertisements the company has received no communication in respect of such share from such member or person entitled.
- 44.2 If at any time during or after the said period of twelve years further shares have been issued in right of those held at the commencement of that period or of any issued in right during that period and, since the date of issue, the requirements of articles 44.1.1 to 44.1.4 have been satisfied in respect of such further shares, the company may also sell the further shares.

#### **45 Procedure on sale**

- 45.1 To give effect to any sale of shares under article 44, the directors may authorise any director to execute an instrument of transfer or otherwise effect the transfer of the shares in question and may enter the name of the transferee in respect of the transferred shares in the register of members even if no share certificate has been lodged for such shares and may issue a new certificate to the transferee. An instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the shares. The buyer shall not be bound to see to the application of the purchase monies, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 45.2 The company shall account to the former shareholder or other person previously entitled to the shares for the net proceeds of a sale under article 44 by paying all monies relating to such sale into a separate account. The company shall be deemed to be a debtor to, and not a trustee for, such shareholder or other person in respect of such monies. Monies paid into such separate account may either be employed in the business of the company or invested in such investments as the board may think fit. No interest shall be payable to such shareholder or other person in respect of such monies and the company does not have to account for any money earned on

them. If after a period of 12 years, such monies remain unclaimed by the former shareholder or other person previously entitled to the shares, the debt shall be cancelled and the company shall be entitled to retain such funds for its own benefit.

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **46 Procedure for declaring dividends**

- 46.1 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends to the holders of the shares or any class of them.
- 46.2 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.
- 46.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 46.4 Unless the shareholders' resolution to declare or directors' decisions to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 46.5 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.
- 46.6 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.
- 46.7 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.

### **47 Payment of dividends and other distributions**

- 47.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:
  - 47.1.1 transfer to a bank or building society account specified by the distribution recipient in writing;

- 47.1.2 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;
  - 47.1.3 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
  - 47.1.4 any other means of payment as the directors agree with the distribution recipient in writing.
- 47.2 In the articles, "distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable:
- 47.2.1 the holder of the share; or
  - 47.2.2 if the share has two or more joint holders, whichever of them is named first in the register of members; or
  - 47.2.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

**48 No interest on distributions**

- 48.1 The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:
- 48.1.1 the terms on which the share was issued; or
  - 48.1.2 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 twelve 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) to the holders of the Ordinary Shares or the "B" Shares or both.

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**

51.1 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:

51.1.1 the share has more than one holder; or

51.1.2 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

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

## CAPITALISATION OF PROFITS

### **52 Authority to capitalise and appropriation of capitalised sums**

52.1 Subject to the articles, the directors shall, if they are so authorised by an ordinary resolution:

52.1.1 decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and

52.1.2 appropriate any sum which they so decide to capitalise ("**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend ("**persons entitled**") and in the same proportions.

52.2 Capitalised sums must be applied:

52.2.1 on behalf of the persons entitled; and

52.2.2 in the same proportions as a dividend would have been distributed to them.

52.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

52.4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.

52.5 Subject to the articles, the directors may:

52.5.1 apply capitalised sums in accordance with articles 52.3 and 52.4 partly in one way and partly in another;

52.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and

52.5.3 authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## **DECISION-MAKING BY SHAREHOLDERS**

### **ORGANISATION OF GENERAL MEETINGS**

#### **53 Attendance and speaking at general meetings**

53.1 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.

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

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

53.2.2 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.

53.3 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.

53.4 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.

53.5 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.

## **54 Quorum for general meetings**

- 54.1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
- 54.2 If the company has only one shareholder, one qualifying person present at a meeting is a quorum.
- 54.3 If the company has more than one shareholder, two qualifying persons present at a meeting are a quorum, unless each is a representative of a corporation or each is appointed as proxy of a member and they are representatives of the same corporation or are proxies of the same member.
- 54.4 For the purposes of these articles, a “**qualifying person**” is:
- 54.4.1 an individual who is a shareholder of the company;
  - 54.4.2 a person authorised to act as the representative of a corporation in relation to the meeting; or
  - 54.4.3 a person appointed as proxy of a shareholder in relation to the meeting.

## **55 Chairing general meetings**

- 55.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 55.2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:
- 55.2.1 the directors present; or
  - 55.2.2 (if no directors are present), the meeting
- must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 55.3 The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

**56 Attendance and speaking by directors and non-shareholders**

56.1 Directors may attend and speak at general meetings, whether or not they are shareholders.

56.2 The chairman of the meeting may permit other persons who are not:

56.2.1 shareholders of the company; or

56.2.2 otherwise entitled to exercise the rights of shareholders in relation to general meetings

to attend and speak at a general meeting.

**57 Adjournment**

57.1 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.

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

57.2.1 the meeting consents to an adjournment; or

57.2.2 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.

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

57.4 When adjourning a general meeting, the chairman of the meeting must:

57.4.1 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

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

57.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

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

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

57.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## VOTING AT GENERAL MEETINGS

### **58 Voting: general**

58.1 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 the articles.

### **59 Errors and disputes**

59.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

59.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

### **60 Poll votes**

60.1 A poll on a resolution may be demanded:

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

60.1.2 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.

60.2 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 CA 2006) present and entitled to vote at the meeting.

60.3 A demand for a poll may be withdrawn if:

- 60.3.1 the poll has not yet been taken; and
  - 60.3.2 the chairman of the meeting consents to the withdrawal.
  - 60.3.3 A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.
- 60.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

## **61 Content of proxy notices**

- 61.1 Proxies may only validly be appointed by a notice in writing ("**proxy notice**") which:
- 61.1.1 states the name and address of the shareholder appointing the proxy;
  - 61.1.2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
  - 61.1.3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
  - 61.1.4 is delivered to the company in accordance with the articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate.

and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting.

- 61.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 61.3 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.
- 61.4 Unless a proxy notice indicates otherwise, it must be treated as:
- 61.4.1 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

61.4.2 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.

## **62 Delivery of proxy notices**

62.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.

62.2 An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

62.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

62.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

## **63 Amendments to resolutions**

63.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

63.1.1 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

63.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

63.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

63.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and

63.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

63.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

## **ADMINISTRATIVE ARRANGEMENTS**

### **64 Means of communication to be used**

64.1 Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the CA 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

64.2 Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

64.3 A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

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

64.4.1 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);

64.4.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

64.4.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

64.4.4 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 business day.

64.5 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 addressed to an address permitted for the purpose by CA 2006.

## **65 Company seals**

65.1 Any common seal may only be used by the authority of the directors.

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

65.3 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.

65.4 For the purposes of this article, an authorised person is:

65.4.1 any director of the company;

65.4.2 the company secretary (if any); or

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

## **66 No right to inspect accounts and other records**

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

**67 Provision for employees on cessation of business**

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

**DIRECTORS' INDEMNITY AND INSURANCE**

**68 Indemnity**

68.1 Subject to the provisions of, and so far as may be consistent with, the Companies Acts and any other provision of law, but without prejudice to any indemnity to which a relevant officer may otherwise be entitled, the company shall indemnify every relevant officer out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties and/or the actual or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office, including (without prejudice to the generality of the foregoing) any liability incurred by him in relation to any proceedings (whether civil or criminal) or any regulatory investigation or action which relate to anything done or omitted or alleged to have been done or omitted by him as a relevant officer provided that, in the case of any director, any such indemnity shall not apply to any liability of that director:

68.1.1 to the company or to any of its associated companies;

68.1.2 to pay any fine imposed in criminal proceedings or any sum payable to a regulatory authority by way of penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or

68.1.3 incurred:

- (i) in defending any criminal proceedings in which he is convicted or any civil proceedings brought by the company, or any of its associated companies, in which judgment is given against him; or
- (ii) in connection with any application under any statute for relief from liability in respect of any such act or omission in which the court refuses to grant him relief

in each case where the conviction, judgment or refusal of relief by the court is final within the meaning stated in section 234(5) CA 2006.

68.2 Every director shall be entitled to have funds provided to him by the company to meet expenditure incurred or to be incurred in connection with any proceedings (whether civil or criminal) or any regulatory investigation or action brought by any party which relate to anything done or omitted or alleged to have been done or omitted by him as a director, provided that he will be obliged to repay such amounts no later than:

68.2.1 in the event he is convicted in proceedings, the date when the conviction becomes final;

68.2.2 in the event of judgment being given against him in proceedings, the date when the judgment becomes final; or

68.2.3 in the event of the court refusing to grant him relief on any application under any statute for relief from liability, the date when refusal becomes final

in each case where the conviction, judgment or refusal of relief by the court is final within the meaning stated in section 234(5) CA 2006.

## **69 Insurance**

69.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

69.2 In this article 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, any associated company or any pension fund or employees’ share scheme of the company or associated company.