

and (c) In the event of a Winding Up, the amount to be distributed (including the Cash Equivalent Value of any Non-Cash Consideration) in the Winding Up to the Members in respect of their holding of Shares.

Cash Equivalent Value: means In the case of

- (a) Non-Cash Consideration represented by Shares not sold on a Listing, the value of such Shares (calculated by multiplying the Listing Price by the number of Shares); or
- (b) any other form of Non-Cash Consideration not included in (a) above, the value of such Non-Cash Consideration; or
- (c) any other form of Non-Cash Consideration, the net present value of the Non-Cash Consideration,

being in the case of (b) and (c) above alone, such sum as the Board shall in its reasonable discretion decide as being (in the case of deferred consideration) the then current value of the right to receive the Non-Cash Consideration in question or (in the case of consideration payable otherwise than in cash) the monetary value of such consideration at that time.

Contingent Consideration: means any consideration (whether in cash or otherwise), the payment of which is subject to the satisfaction of a condition (other than a condition solely relating to the effluxion of time) which is to be satisfied after the Exit (and which, for the avoidance of doubt, shall include any consideration in the form of an earn-out);

Company's lien: has the meaning given in Article 28;

Conflict: has the meaning given in Article 14.1;

Controlling Interest: means an interest in Shares giving to the holder or holders control of the Company within the meaning of 1124 of the Corporation Tax Act 2010.

ED: Refers to an Executive Director and means a director of the Company who is not a Qualifying Director and is employed by the Company or a subsidiary of the Company.

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);

Exit: a Share Sale or a Listing or a return of capital to the members;

Exit Value: if there is an Exit it shall be the Capitalisation Value and if there is no Exit at the time of the redemption or transfer of the B Shares the Exit Value shall be determined in accordance with Article 6.3;

Good Leaver: means a member holding B Shares who becomes a Leaver by reason of:

- (a) death, disability or ill-health of the member (other than where such ill health arises by reason of the abuse of alcohol and/or drugs and/or other substances); or
- (b) retirement at the normal retirement age on a date agreed with the Board; or
- (c) the Board in their absolute discretion determine that the Leaver is to be treated as a Good Leaver;

Group: means the Company and its subsidiaries (each such company being a Group Company);

Growth Value: means in relation to each B Share, the amount (if any) by which the Exit Value exceeds the Original Value;

Leaver: a member who owns B Shares and ceases to be a director or employee for any reason and does not continue as or immediately become a director or employee of a company in the Group;

Lien Enforcement Notice: has the meaning given in Article 29;

Listing: the successful application and admission of all or any of the Shares in the capital of the Company, or securities representing such Shares (including American depositary receipts, American depositary Shares and/or other instruments to the Official List of the UK Listing Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc., or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000 (as amended)));

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

NED: refers to a Non-Executive Director and means a director of the Company who is not a Qualifying Director and is not employed by any Group Company;

Non Cash Consideration: means any consideration which is received or receivable by the holders of the Shares and which can be reasonably be said to form part of the consideration for the sale of the Shares and in respect of deferred or Contingent Consideration such sum as shall in the reasonable opinion of the Board represent the net present value of such consideration;

Ordinary Shares: the Ordinary Shares of £1.00 each in the issued share capital of the Company;

Original Adoption Date: 22 November 2017;

Original Value: means:

(a) in respect of any B Share issued during the period between the Original Adoption Date and the first anniversary, shall be £9.2m; and

(b) in respect of any B Share issued on or after the Original Adoption Date, shall be calculated as the Exit Value on the date of issue of the B Share in question;

Privileged Relation: the spouse, civil partner, widow or widower of a shareholder and the shareholder's children and grandchildren (including step and adopted children);

Qualifying Director: means a director who holds Ordinary Shares in the Company and has in his own right or through a company or other vehicle carried on trade with the Group in the 12 months prior to his appointment as a director and is a baker and/or confectioner engaged in the production of bakery and/or confectionery products;

Relevant Date: in relation to the valuation of a B Share means the date at which that value is to be determined in accordance with these Articles;

Share Sale: the sale of (or the grant of a right to acquire or to dispose of) any of the Shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the buyer of those Shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where the shareholders and the proportion of Shares held by each of them following

completion of the sale are the same as the shareholders and their shareholdings in the Company immediately before to the sale;

Shares: means the Ordinary Shares, the B Shares or the A Shares and or rights to subscribe for, or to convert securities into, Ordinary Shares, B Shares or A Shares;

Transfer Notice: has the meaning defined in article 5.2;

Valuation Date: means in respect of any B Share that falls to be valued by the Valuers, in respect of the issue of a B Share the date of issue of that B Share or in the case of a sale of a B Share, the Relevant Date;

Valuer: means the principal accountants for the time being of the Company and if they are unwilling to provide a valuation an independent firm of accountants or other suitably qualified valuer determined and appointed, in its absolute discretion by the Board.

- 1.2 Save as otherwise specifically provided in these articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an 'Article' is a reference to the relevant Article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - (a) any subordinate legislation from time to time made under it; and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 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.
- 1.7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.8 Articles 8, 1.1(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 26 (l) and (2), 30(3), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the Company.
- 1.9 Article 7 (l) of the Model Articles shall be amended by the deletion of the words 'either a majority decision at a meeting or a decision taken in accordance with Article 8' and the insertion of the words 'a majority decision at a meeting' after the word 'be'.
- 1.10 Article 7 (2) of the Model Articles shall be amended by the insertion of the words '(for so long as he remains the sole director)' after the words 'and the director may'.
- 1.11 Article 20 of the Model Articles shall be amended by the insertion of the words '(including any alternate directors) and the secretary' before the words 'properly incur'.
- 1.12 Article 27(3) of the Model Articles shall be amended by the insertion of the words 'subject to Article 10' after the word 'but'.

1.13 Article 29 of the Model Articles shall be amended by the insertion of the words ', or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under Model Article 28(2),' after the words 'the transmittee's name'.

1.14 Article 36(4) of the Model Articles shall be amended by the insertion of the words, or towards paying up any amounts unpaid on existing Shares held by the persons entitled" after the words "or as they may direct".

2 OBJECTS OF THE COMPANY

2.1 The Company's objects are:

- (a) To carry on business as a general commercial company; and
- (b) any other trade or business which may seem to the Company and its directors to be advantageous and to directly or indirectly enhance all or any of the business of the Company.

2.2 Notwithstanding Article 2.1, the Company's objects are unrestricted.

SHARES

3 FURTHER ISSUES OF SHARES: AUTHORITY

3.1 The share capital of the Company is comprised of A Shares of £10.00 each, Ordinary Shares of £1.00 each and B Shares of £1.00 each

3.2 Subject to the remaining provisions of this Article 3 and to Article 4, the directors are generally and unconditionally authorised, for the purposes of section 551 (l) of the Act and generally, to exercise any power of the Company to:

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

Shares of the class(es) described in Article 3.1 above to any person, at any time and subject to any terms and conditions as the directors think proper Shares may be issued as nil, partly paid or fully paid Shares provided that the directors shall not be authorised to issue any Shares which would rank ahead or equal to the A Shares without the consent of 75% of the A Shares by way of class resolution.

3.3 The authority referred to in Article 3.2:

- (a) in respect of the allotment of B Shares shall be limited to a maximum nominal amount of £100;
- (b) in respect of the allotment of Ordinary Shares shall be limited to a maximum nominal amount of £120,000;
- (c) shall only apply insofar as the company has not renewed, waived or revoked it by ordinary resolution; and
- (d) may only be exercised for a period of five years commencing on the date on which these articles are adopted, save that the directors may make an offer or agreement which would, or might, require Shares to be allotted after the expiry of such authority (and the directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).

- 3.4 No shareholder (holding Shares by virtue of being a baker and/or confectioner engaged in the production of bakery goods) shall be entitled to hold, own or be registered as the holder of more than forty (40) Ordinary Shares in the Company. Further such shareholder shall not be entitled to transfer their Ordinary Shares other than in accordance with the provisions of Article 5 and nor shall such shareholder be entitled to transfer their A Shares other than in accordance with Article 7.
- 3.5 No B Shares shall be issued or allotted to any current or prospective employee or director of the Company or any company in the Group unless such person shall first have entered into a joint election with the relevant company pursuant to section 431 of the Income Tax (Earnings and Pensions) Act 2003.

4 FURTHER ISSUES OF SHARES: PRE-EMPTION RIGHTS

The provisions of sections 561 and 562 of the 2006 Act shall not apply to the allotment of equity securities by the Company.

5 SHARE RIGHTS

The rights attaching to the respective classes of Shares in the capital of the Company shall be as follows:

As regards voting

- 5.1 Subject to any other provisions of these Articles concerning voting rights, each issued Ordinary Share shall carry the right to attend, speak at and vote at all general meetings. The B Shares and the A Shares shall not confer any right to receive notice of, attend or speak at, or vote at any general meeting of the Company and they shall not be counted for the purposes of determining whether a quorum is present at any general meeting of the Company.

As regards income

- 5.2 In addition to the provisions as set out in the Model Articles, except as otherwise provided for by the Articles or the rights attached to Shares, all dividends must be:
- (a) declared and paid according to the amounts paid up on the Shares on which the dividend is paid, and
 - (b) 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.
- 5.3 If any share is issued on terms providing that it ranks for dividend as from a particular date that share ranks for dividend accordingly. 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.
- 5.4 If in respect of any financial year all accrued dividends have been paid and there remain Available Profits, the Board may determine to distribute the remaining Available Profits to the holders of the Ordinary Shares pro rata to their holding of Ordinary Shares.
- 5.5 The holders of the A Shares and the B Shares shall not be entitled to receive any dividend.

As regards Capital

- 5.6 On a return of assets on liquidation or capital reduction or otherwise (except upon a redemption of Shares of any class or the purchase by the Company of its own Shares)

the surplus assets of the Company available for distribution amongst the members after payment of its liabilities (**Surplus Assets**) shall be distributed as set out in Article 5.7 as if references to Exit Proceeds were references to Surplus Assets.

As regards an Exit

- 5.7 On an Exit the proceeds of an exit, after the deduction of the costs and expenses (**Exit Proceeds**) shall be distributed as follows:
- (a) First in paying to the holders of the A Shares the sum of £19,784.94 per A Share and, if there is a shortfall of Exit Proceeds remaining to satisfy the entitlements of holders of A Shares in full, the proceeds shall be distributed to the holders of the A Shares pro rata to the number of A Shares held;
 - (b) Secondly in paying to the holders of the B Shares the amount to which they are entitled under Article 6;
 - (c) Any balance shall be distributed amongst the holders of the Ordinary Shares.
- 5.8 Immediately prior to and conditionally upon a Listing the members shall enter into such reorganisation of share capital of the Company as they may agree, or in default of agreement, as the Board may determine to ensure that the proceeds of a Listing attributable to the Ordinary Shares, A Shares and B Shares are reallocated between the members in the same proportions as the preceding provisions of these Articles would provide on a Share Sale.

Redemption

- 5.9 Subject to the provisions of the Act, the Company may redeem all or any number of the B Shares:
- (a) the subject of a Transfer Notice;
 - (b) in contemplation of and conditional upon a Share Sale or a Listing; and
 - (c) by agreement with the B Shareholder.

The Company shall initiate a redemption by serving on the holder(s) of the B Shares to be redeemed a notice of redemption which shall specify the date on which the redemption is to take place. The price payable by the Company on redemption shall be the B Share Value.

- 5.11 Each holder of B Shares who receives a notice of redemption shall surrender to the Company on or before the date set for redemption the certificate representing the B Shares or an indemnity in respect of a lost or damaged certificate in a form determined by the Board and upon such redemption the Company shall pay to the holder of B Shares the B Share Value for each B Share redeemed and cancelled.

6 B SHARE VALUE

- 6.1 The B Share Value shall be £1.00 in aggregate in each of the following circumstances:
- (a) The B Shares are the subject of a Transfer Notice as a result of the holder of B Shares being a Bad Leaver; or
 - (b) The Growth Value is a negative number or is equal to or does not exceed the Original Value; or
 - (c) The B Shares have been held for less than three years.

- 6.2 In all other circumstances the value of each B Share Value shall be 0.25% of the Growth Value, unless the B Share has been registered in the name of the B Shareholder for less than 5 years in which case the following percentages shall be used instead of 0.25% when calculating the B Share Value:

Length of time as a registered holder of B Shares	Percentage applied to the Growth Value to determine the value of each B Share
Less than three years	0%
At least three years but less than five years	0.05%
At least five years	0.25%

- 6.3 Where it is necessary to determine the Exit Value to calculate the Growth Value in circumstances where there is no Exit being undertaken the Board shall appoint the Valuers to determine the Exit Value in accordance with the provisions of this Article 6.3. The Exit Value of the Shares on the Relevant Date shall be determined on the basis that:

- (a) It shall be assumed that there is a Share Sale on the Relevant Date between a willing buyer and willing seller of the whole of the issued share capital of the Company in the open market; and
- (b) No account shall be taken of the fact that the Shares in question comprise a majority or a minority interest in the Company nor the fact that the transferability of such Shares is restricted and/or there are restricted voting rights attaching to any of the Shares and it shall be determined on the basis that all of the Shares are being sold at the same time.

For the purposes of this Article 6.3 the Relevant Date shall be, in the case of a Leaver, the date being the date on which that member became a Leaver and in the event of a redemption of B Shares the date being the date of redemption as set out in the redemption notice.

- 6.4 The Board shall require the Valuer to determine the Original Value on each occasion that the Company issues a B Share and to determine the Growth Value on each occasion that a B Share is transferred or redeemed for value.

7 PERMITTED TRANSFERS

- 7.1 The Ordinary Shares and the B Shares shall not be transferable other than to the Company.

- 7.2 Notwithstanding any other provision of these Articles, a transfer of any A Shares:

- (a) to a Privileged Relation; or
- (b) by any shareholder which is a body corporate to any company which is for the time being a holding company or a subsidiary of that shareholder;
- (c) by any shareholder which is a body corporate to any individual who is a shareholder of such body corporate, and is the holder of not less than 25% of the issued share capital of the body corporate.

may be made without any price or other restriction and any such transfer shall be registered by the Directors.

8 COMPULSORY TRANSFERS

8.1 In this Article 8 a "Transfer Event" means, in relation to any holder of Ordinary Shares;

- (a) the shareholder suspends, or threatens to suspend, payment of its debts as they fall due or admits inability to pay its debts, or (being a company) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986, or (being an individual) is deemed either unable to pay its debts or as having no reasonable prospects of so doing, in either case, within the meaning of section 268 of the Insolvency Act 1986;
- (b) the shareholder commences negotiations with all or any class of its creditors other than (where the shareholder is a company) where these events take place for the sole purpose of a scheme for a solvent amalgamation of the member with one or more other companies or the solvent reconstruction of the shareholder;
- (c) (being a company) a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the shareholder, other than for the sole purpose of a scheme for a solvent amalgamation of the shareholder with one or more companies or the solvent reconstruction of the shareholder;
- (d) (being an individual) the shareholder the subject of a bankruptcy petition or order;
- (e) a creditor or encumbrancer of the shareholder attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of its assets and such attachment or process is not discharged within 14 days;
- (f) (being a company) an application is made to the Court, or an order is made, for the appointment of an administrator or if notice of intention to appoint an administrator is given or if an administrator is appointed over the shareholder;
- (g) (being a company) a floating charge holder over the shareholder's assets has become entitled to appoint or has appointed an administrative receiver;
- (h) A person becomes entitled to appoint a receiver over the shareholder's assets or a receiver is appointed over the shareholder's assets;
- (i) (being a company) there is a change of control, which for the purposes of this Article 5 shall mean as follows:

Control: shall mean in relation to a body corporate, the power of a person to secure that the affairs of the body corporate are conducted in accordance with the wishes of that person

- (i) by means of the holding of shares, or the possession of voting power, in or in relation to that or any other body corporate, or
- (ii) by virtue of any powers conferred by the constitutional or corporate documents, or any other document, regulating that or any other body corporate, and

Change of Control: occurs if a person who controls any body corporate ceases to do so or if another person acquires Control of it;

- (j) the shareholder is a baker and/or confectioner and ceases to be fully engaged in the production of bakery products and/or confectionary;
- (k) (being an individual) the shareholder dies or becomes of unsound mind;
- (l) any event occurs, or proceeding is taken, with respect to a shareholder in any Jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in Article 8.1(a) and Article 8.1(i) above (inclusive);
- (m) failure to trade with the Group in any Accounting Period, which for the purposes of this Article 9 shall mean the financial year of the Group, to the minimum trade value level set by the Board in respect of the Accounting Period ;

and in relation to any holder of B Shares

- (n) the shareholder dies or becomes of unsound mind (in the reasonable opinion of the Board);
- (o) the shareholder is the subject of a bankruptcy petition or order;
- (p) the shareholder becomes a Leaver.

8.2 Upon the happening of any Transfer Event and subject to the Company having sufficient distributable reserves to purchase the Shares held by that shareholder in accordance with the provisions of the Act, the Company may, at any time thereafter, serve on the shareholder in question a Transfer Notice in respect of all Shares held by that shareholder and any A Shares that have been transferred by that shareholder pursuant to Article 7.2. The Transfer Notice shall be accompanied by a sale agreement in terms approved by the Directors.

8.3 A Transfer Notice, once served, shall be irrevocable.

8.4 The price payable for any Ordinary Shares which are the subject of a Transfer Notice given as a consequence of a Transfer Event falling within Article 8.1 shall be their nominal value. The price payable for any A Shares which are the subject of a Transfer Notice shall be £ 19,784.94 per A Share. The price payable for any B Shares the subject of a Transfer Notice shall be determined as follows:

- (a) If the shareholder is a Bad Leaver then the price payable for the B Shares shall be their nominal value;
- (b) If the shareholder is a Good Leaver then the price payable for the B Shares shall be the B Share Value determined in accordance with Article 6.

8.5 Upon the service of a Transfer Notice:

- (a) the shareholder (and any holder of A Shares transferred by that shareholder) shall, within 5 working days of such notice deliver, or procure that there is delivered to the Company, (i) a duly executed sale agreement in terms delivered by the Company with the Transfer Notice, (ii) a duly completed share transfer form transferring the legal and beneficial ownership of the relevant Shares to the Company together with (iii) the relevant share certificates and such other documents as the Company may reasonably require;
- (b) the Company shall, once the purchase has been approved by the requisite majority of shareholders, deliver or procure that there is delivered to such shareholder a cheque for the price payable for such Shares, determined in accordance with Article 8.4.

8.6 Default

- (a) If a member shall fail for any reason (including death) to execute the sale agreement or the stock transfer form or in any other way fail to transfer any Shares when required to do so pursuant to these Articles, the Directors may authorise any Director to execute each necessary transfer of Shares on the member's behalf as agent and to deliver that transfer to the Company or the relevant Buyer.
- (b) The Company may receive the purchase money on behalf of the Member and shall then, cancel the Shares to the extent transferred to the Company. The receipt of the Company for the purchase money shall constitute a good discharge in respect of any payment due and the validity of the exercise of this power and the proceedings shall not be questioned by any person.
- (c) The Company shall hold the relevant purchase money on trust for the member (but without interest) and the Company shall not pay such money to the member until he has delivered to the Company the share sale agreement, the stock transfer form and the share certificate(s) in respect of the relevant Shares (or a suitable indemnity in a form reasonably satisfactory to the Directors).

9 REGISTRATION OF SHARES TO A SECURED INSTITUTION

9.1 Notwithstanding anything contained in these Articles, the directors shall not decline to register any transfer of Shares, nor may they suspend registration thereof where such transfer:

- (a) is to any bank or institution or any other person to which such Shares have been charged by way of security, or to any nominee of such a bank or institution (a **Secured Institution**); or
- (b) is delivered to the Company for registration by a Secured Institution or its nominee in order to perfect its security over the Shares; or
- (c) is executed by a Secured Institution or its nominee pursuant to the power of sale or other power under such security,

and the directors shall forthwith register any such transfer of Shares upon receipt. Furthermore, notwithstanding anything to the contrary contained in these Articles, no transferor of any Shares in the Company or proposed transferor of such Shares to a Secured Institution or its nominee and no Secured Institution or its nominee shall be required to provide any prior written notice to the Company or to offer the Shares which are or are to be the subject of any transfer aforesaid to the shareholders for the time being of the Company or any of them, and no such shareholder shall have any right under the Articles or otherwise howsoever to require such Shares to be transferred to them whether for consideration or not.

10 NO LIEN ON SHARES CHARGED TO A SECURED INSTITUTION

The Company shall have no lien on any Shares which have been charged by way of security to a Secured Institution and the provisions of the Articles relating to liens over Shares shall not apply in respect of any such Shares.

11 PRE-EMPTION RIGHTS IN RESPECT OF SHARES CHARGED TO A SECURED INSTITUTION

Any pre-emption rights contained in these Articles shall not apply in relation to any Shares which have been charged by way of security to a Secured Institution by any shareholder of the Company from time to time.

12 DIRECTORS' MEETINGS

- 12.1 A decision of the directors must be taken at a meeting of directors in accordance with the Act. All decisions made at any meeting of the directors shall be made only by resolution and resolutions at any meeting of the directors shall be decided by a majority of votes.
- 12.2 The quorum for the transaction of business at a meeting of directors is any three directors, two of whom must be Qualifying Directors. Where the combined number of NED's and ED's present at any meeting exceeds the number of Qualifying Directors present, then the Chairman shall be entitled to cast one more vote than the number of votes capable of being cast by the NED's and ED's.
- 12.3 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 shall have a casting vote.

13 DIRECTORS' DEALINGS WITH THE COMPANY

- 13.1 A director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 13.2 A director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act unless the interest has already been declared in accordance with Article 10.1 above.
- 13.3 Subject to sections 177(5), 177(6), 182(5) and 182(6) of the Act, the disclosures required under articles 13.1 and 13.2 and any terms and conditions imposed by the directors, a director shall be entitled to vote in respect of any proposed or existing transaction or arrangement with the Company in which he is interested and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present.
- 13.4 A director need not declare an interest under Article 13.1 and Article 13.2 as the case may be:
- (a) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
 - (b) of which the director is not aware, although for this purpose a director is treated as being aware of matters of which he ought reasonably to be aware;
 - (c) if, or 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; or
 - (d) if, or to the extent that, it concerns the terms of his service contract that have been, or are to be, considered at a board meeting.

14 DIRECTORS' CONFLICTS OF INTEREST

- 14.1 The directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**) provided that the required quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director.

- 14.2 Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently):
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
 - (b) be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine; and
 - (c) be terminated or varied by the directors at any time; and
- this will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation.
- 14.3 In authorising a Conflict, the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:
- (a) disclose such information to the directors or to any director or other officer or employee of the Company; or
 - (b) use or apply any such information in performing his duties as a director, where to do so would amount to a breach of that confidence.
- 14.4 Where the directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the director:
- (a) is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict;
 - (b) is not given any documents or other information relating to the Conflict; and
 - (c) may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.
- 14.5 Where the directors authorise a Conflict:
- (a) the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict, and insofar as he does not do so their authorisation will no longer be valid; and
 - (b) the director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation and provided that the conflicted director is not in breach of his duties set out in s171 to 177 of the Act otherwise than by reason of the mere existence of the conflict.
- 14.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors 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.

15 RETIREMENT OF DIRECTORS

- 15.1 One Qualifying Director shall be required to retire in every year. The director required to retire shall be the director who has been longest in office since his or her last election but as between persons who became directors on the same day the director to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 15.2 A retiring director shall be eligible for re-election.
- 15.3 The Company at the meeting at which a director retires in accordance with these articles may fill the directors vacated office by electing a person and in default the retiring director shall if offering himself for re-election be deemed to have been re-elected, unless at the meeting it is expressly resolved not to fill the vacated office or unless a resolution for re-election of the director has already been put to the meeting and not approved.
- 15.4 No person other than a director retiring at the meeting shall unless recommended by the directors be eligible for election to the office of director at any general meeting unless not less than 3 nor more than 21 days before the date appointed for the meeting a written notice signed by a member qualified to vote and attend the meeting has been left at the registered office of the Company stating that person's intention to propose such a person for election including notice in writing signed by the proposed person of their willingness to act.
- 15.5 The Company may from time to time by ordinary resolution increase or reduce the number of directors and may also determine in what rotation the increased or reduced number is to go out of office.
- 15.6 The directors shall have power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at such meeting.
- 15.7 The Company may, by ordinary resolution, of which at least 28 days' notice has been given remove any director before the expiration of his or her period of office notwithstanding any agreement between the Company and the Director.
- 15.8 The Company may, by ordinary resolution, appoint another person in place of a director removed from office under Article 15.7 without prejudice to the powers of the directors under 15.4 to appoint any person to fill a casual vacancy or as an additional director. A person appointed in place of a director removed from office in accordance with Article 15 shall be subject to retirement at the same time as if he had become a director on the day on which the removed director was last elected.
- 15.9 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 dated 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.
- 15.10 A person ceases to be a director as soon as:
- (a) if by notice in writing to the Company, he or she resigns the office of director;
 - (b) if he or she becomes bankrupt or insolvent or enters into an arrangement with the creditors;
 - (c) if 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;

- (d) if by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any power or rights which that person would otherwise have if that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
- (e) if he or she is in breach of the terms of a contract of service with the Company.

16 RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means (including but not limited to telephone, text message or e-mail) such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

17 NUMBER OF DIRECTORS

- 17.1 Unless otherwise determined by ordinary resolution, the maximum number of directors (other than alternate directors) shall be twelve, no more than four of whom are NED's and no more than four of whom are ED's and at least three in number of the total directors must each be a Qualifying Director.
- 17.2 Unless otherwise determined by ordinary resolution, the minimum number of Qualifying Directors (other than alternate directors) shall be three.
- 17.3 For so long as the Company has a sole director, the sole director may exercise all powers and authorities vested in the directors by the Model Articles and by these articles.

18 ALTERNATE DIRECTORS

- 18.1 Any director (other than an alternate director) (in this Article, the appointor) may appoint any person (whether or not a director) to be an alternate director to exercise that director's powers, and carry out that director's responsibilities, in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.
- 18.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company Signed by the appointor, or in any other manner approved by the directors.
- 18.3 The notice must:
 - (a) identify the proposed alternate; and
 - (b) 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.
- 18.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's appointor.
- 18.5 Except as the Articles specify otherwise, alternate directors:
 - (a) are deemed for all purposes to be directors;
 - (b) are liable for their own acts and omissions;
 - (c) are subject to the same restrictions as their appointors; and

(d) 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.

18.6 A person who is an alternate director but not a director:

(a) 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); and

(b) 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 himself participate).

18.7 A director who is also an alternate director is entitled, in the absence of his appointors, 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).

18.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's appointor as the appointor may by notice in writing to the Company from time to time direct.

18.9 An alternate director's appointment as an alternate terminates:

(a) when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

(b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director; or

(c) when the alternate director's appointor ceases to be a director for whatever reason.

19 APPOINTMENT OF DIRECTORS

The board of directors of the Company shall by a majority resolution, subject to article 14, be entitled to appoint and remove directors to and from the board.

20 SECRETARY

The Company is not required to have a secretary, but directors may choose to 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.

21 RIGHT TO DEMAND A POLL

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

21.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words 'A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made' as a new paragraph at the end of that Article.

22 PROXIES

Article 45(l)(d) of the Model Articles shall be deleted and replaced with the words 'is delivered to the Company in accordance with the articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate.

23 NOTICE

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

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- (d) 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.

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

23.3 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.

24 INDEMNITY

24.1 Subject to Article 24.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

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

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which Judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs but not including any of the matters set out in section 234 (3) of the Act, and

- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or

application referred to in Article and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

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

24.3 In this Article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a **relevant 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) of the Act), 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).

25 TRANSFER OF SHARES

25.1 Subject to the provisions of these Articles, 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,

25.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

25.3 The Company may retain any instrument of transfer which is registered.

25.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

25.5 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.

26 INSURANCE

In accordance with section 233 of the Act, 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 liability attaching to him which relates to the Company.

27 DEDUCTIONS FROM DISTRIBUTIONS IN RESPECT OF SUMS OWED TO THE COMPANY

27.1 If:

- (a) a share is subject to the Company's lien; and,
- (b) the directors are entitled to issue a Lien Enforcement Notice in respect of it, they may, instead of issuing a Lien Enforcement Notice, deduct from any dividend or other sum payable in respect of the share any sum of money which payable to the Company in respect of that share to the extent that they are entitled to require payment under a Lien Enforcement Notice.

27.2 Money so deducted under Article 27.1 above must be used to pay any of the sums payable in respect of that share.

27.3 The Company must notify the distribution recipient in writing of:

- (a) the fact and amount of any such deduction;
- (b) any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction, and
- (c) how the money deducted has been applied.

28 COMPANY'S LIEN OVER SHARES

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

28.2 The Company's lien over a share:

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

28.3 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.

29 ENFORCEMENT OF THE COMPANY'S LIEN

29.1 Subject to the provisions of this Article, if:

- (a) a Lien Enforcement Notice has been given in respect of a share, and (b) the person to whom the notice was given has failed to comply with it;
- (b) the Company may sell that share in such manner as the directors decide.

29.2 A Lien Enforcement Notice:

- (a) may only be given in respect of a share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
- (b) must specify the share concerned;
- (c) must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
- (d) must be addressed either to the holder of the share or to a transmittee of that holder; and
- (e) must state the Company's intention to sell the share if the notice is not complied with where Shares are sold under this Article the directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser; and
- (f) 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.

- 29.3 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and
 - (b) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the Company's lien for any money payable (whether payable immediately or at some time in the future) as existed upon the Shares before the sale in respect of all Shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the lien enforcement notice.
- 29.4 A statutory declaration by a director (or a Company secretary, if appointed) that the declarant is a director (or Company secretary) and that a share has been sold to satisfy the Company's lien on a specified date:
- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
 - (b) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share.

30 CALL NOTICES

- 30.1 Subject to the Articles and the terms on which Shares are allotted, the directors may send a notice (a call notice) to a shareholder requiring the shareholder to pay the Company a specified sum of money (a call) which is payable to the Company at the date when the directors decide to send the call notice.
- 30.2 A call notice:
- (a) may not require a shareholder to pay a call which exceeds the total amount of his indebtedness or liability to the Company;
 - (b) must state when and how any call to which it relates is to be paid; and
 - (a) may permit or require the call to be made in instalments.
- 30.3 A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent.
- 30.4 Before the Company has received any call due under a call notice the directors may:
- (a) revoke it wholly or in part; or
 - (b) specify a later time for payment than is specified in the notice,
- by a further notice in writing to the shareholder in respect of whose Shares the call is made.

31 LIABILITY TO PAY CALLS

- 31.1 Liability to pay a call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid.
- 31.2 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.
- 31.3 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:
- (a) to pay calls which are not the same; or
 - (b) to pay calls at different times.

32 WHEN CALL NOTICE NEED NOT BE ISSUED

- 32.1 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:
- (a) on allotment;
 - (b) on the occurrence of a particular event; or
 - (c) on a date fixed by or in accordance with the terms of issue.
- 32.2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

33 FAILURE TO COMPLY WITH CALL NOTICE: AUTOMATIC CONSEQUENCES

- 33.1 If a person is liable to pay a call and falls to do so by the call payment date:
- (a) the directors may issue a notice of intended forfeiture to that person; and
 - (b) until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.
- 33.2 For the purposes of this Article:
- (a) the "call payment date" is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "call payment date" is that later date; and
 - (b) the "relevant rate" is:
 - (i) the rate fixed by the terms on which the share in respect of which the call is due was allotted;
 - (ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
 - (iii) if no rate is fixed in either of these ways, 5 per cent per annum.
- 33.3 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.

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

34 NOTICE OF INTENDED FORFEITURE

A notice of intended forfeiture:

- (a) may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;
- (b) must be sent to the holder of that share (or all the joint holders of that share) or to a transmittee of that holder;
- (c) must require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
- (d) must state how the payment is to be made; and
- (e) 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.

35 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.

36 EFFECT OF FORFEITURE

36.1 Subject to the Articles, the forfeiture of a share extinguishes

- (a) all interests in that share, and all claims and demands against the Company in respect of it; and
- (b) all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company.

36.2 Any share which is forfeited in accordance with the Articles:

- (a) is deemed to have been forfeited when the directors decide that it is forfeited;
- (b) is deemed to be the property of the Company; and
- (c) may be sold, re-allotted or otherwise disposed of as the directors think fit.

36.3 If a person's Shares have been forfeited:

- (a) the Company must send that person notice that forfeiture has occurred and record it in the register of shareholders;
- (b) that person ceases to be a shareholder in respect of those Shares;
- (c) that person must surrender the certificate for the Shares forfeited to the Company for cancellation;

- (d) 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
 - (e) 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.
- 36.4 At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls, interest and expenses due in respect of it and on such other terms as they think fit.

37 PROCEDURE FOLLOWING FORFEITURE

- 37.1 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.
- 37.2 A statutory declaration by a director or the Company secretary that the declarant is a director or the Company secretary and that a share has been forfeited on a specified date:
- (a) conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
 - (b) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share.
- 37.3 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.
- 37.4 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:
- (a) was, or would have become, payable; and
 - (b) had not, when that share was forfeited, been paid by that person in respect of that share,
- but 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.

38 SURRENDER OF SHARES

- 38.1 A shareholder may surrender any share:
- (a) in respect of which the directors may issue a notice of intended forfeiture;
 - (b) which the directors may forfeit; or
 - (c) which has been forfeited.
- 38.2 The directors may accept the surrender of any such share.
- 38.3 The effect of surrender on a share is the same as the effect of forfeiture on that share.

38.4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.