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## Articles of Association of OneSavings Bank plc

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The Companies Act 2006 Public  
Company Limited by Shares (as adopted  
by a special resolution passed on 1 April 2014)

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THE COMPANIES ACT 2006

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PUBLIC COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

(Adopted by special resolution passed on  
[1 April 2014])

- of -

ONESAVINGS BANK PLC

1 **Disapplication of model articles**

The model articles of association for public companies contained in Schedule 3 to The Companies (Model Articles) Regulations 2008 shall not apply to the Company. This document sets out the regulations applicable to the Company.

2 **Definitions and interpretation**

2.1 In these Articles the following words and expressions shall have the following meanings:

**the Act:** the Companies Act 2006,

**Agent:** any Independent E Shareholder appointed by the Independent E Shareholders (acting by a majority of E Shares held by them from time to time) as agent to receive monies payable to all Independent E Shareholders under the provisions of these Articles (and receipt by the Agent shall be a sufficient discharge for the payer/Company of their obligations to make payment to the Independent E Shareholders, and who shall not be concerned to see to the application thereof or be responsible for the loss or misapplication of such sum),

**A Director:** a director appointed by the A Shareholders under Article 21.1,

**A Ordinary Shares:** A Ordinary Shares of £1 each in the capital of the Company,

**A Shareholders:** members for the time being holding A Ordinary Shares,

**acting in concert:** has the meaning given in The City Code on Takeovers and Mergers,

**Adjusted Prestige NVA** means the amount agreed or determined in accordance with the Prestige Share Purchase Agreement

**Affiliate:** in relation to a company, a member of the same Group as that company, and in relation to a person which is, or holds shares as trustee or nominee for, or

otherwise on behalf of, a partnership or fund (however constituted, and including a carry vehicle or co-investment scheme), the partners in or members of or investors in such partnership or fund and any partnership or fund which has the same general partner, manager or adviser as such partnership or fund, or whose general partner, manager or adviser is a member of the same Group as the general partner, manager or adviser of such partnership or fund, and any trustee or nominee for any such partnership or fund,

**Articles:** the Company's articles of association,

**B Director:** a director appointed by the B Shareholders under Article 21 1,

**B Ordinary Shares:** B Ordinary Shares of £1 each in the capital of the Company,

**B Shareholders:** members for the time being holding B Ordinary Shares,

**B Preference Shareholder:** the member(s) for the time being holding the B Preference Shares or, if there are no such B Preference Shares in issue, the B Ordinary Shares,

**B Preference Shares:** B Preference Shares of £1 each in the capital of the Company,

**B Shareholder Nominee(s):** any individual(s) which the B Shareholder designates as (a) B Shareholder Nominees(s) by notice in writing to the Company,

**business day:** any day other than a Saturday, a Sunday or any other day which is a public holiday in England or Scotland,

**certificate:** a paper certificate evidencing a person's title to specified shares or other securities,

**clear days:** in relation to a period of a notice means that period excluding the day when the notice is deemed to be received (or, if earlier, received) and the day of the meeting,

**Companies Acts:** the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the Company,

**company:** includes any body corporate,

**Conflict Situation:** a situation in which a director has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company, including in relation to the exploitation of any property, information or opportunity and regardless of whether the Company could take advantage of the property, information or opportunity itself, but excluding a situation which could not reasonably be regarded as likely to give rise to a conflict of interest,

**Connected Person:** in relation to a Shareholder who is a natural person, any immediate family member of that Shareholder (including parents, children, step parents, step children, spouses, civil partners, siblings and in laws and the children of any such people), any family trust or trustees of any family trust or any undertaking directly or indirectly controlled by any of them,

**Control:** in relation to a corporate body, ownership (directly or indirectly) of more than one half of the shares or other ownership interests in that corporate body,

**Change of Control:** the acquisition of Control of a corporate body by a person, or persons who are connected or acting in concert, who did not previously have Control,

**director:** a director of the Company, and includes any person occupying the position of director, by whatever name called,

**document:** includes, unless otherwise specified, any document sent or supplied in electronic form,

**E Shareholders:** members for the time being holding E Shares,

**E Shares:** E Ordinary Shares of £150 each in the capital of the Company,

**E Purchase Notice** means a notice delivered pursuant to Article 42,

**E Purchase Option** means the option of the B Shareholder to purchase certain of the E Shares pursuant to Article 42,

**E Purchase Date** means the date 60 days from the date of approval of the audited accounts of the Company by the directors for a given financial year, commencing with the year ending 31 December 2013,

**E Put Option** means the option of the Independent E Shareholders to require the B Shareholder to purchase certain of the E Shares pursuant to Article 43,

**E Put Purchase Notice** means a notice delivered pursuant to clause 43,

**E Put Purchase Date** means any day falling 30 days from the E Purchase Date for each of the years ending 31 December 2017, 31 December 2019 and 31 December 2021, as applicable,

**electronic form:** has the meaning given in section 1168 of the Act,

**Exit:** a Sale or Listing,

**financial year and financial period:** a financial year (as defined by the Act) of the Company,

**FCA:** the Financial Conduct Authority (or its replacement or successor from time to time),

**FCA Handbook** the FCA Handbook of Rules and Guidance,

**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:** in relation to a company, that company and each undertaking which is from time to time a holding undertaking of that undertaking or a subsidiary undertaking of that company or of any such holding company,

**GENPRU:** the General Prudential Sourcebook for Banks, Building Societies, Insurers and Investment Firms as published by the FCA and the PRA from time to time,

**hard copy and hard copy form:** have the meaning given in section 1168 of the Act,

**holder:** in relation to shares means the person whose name is entered in the register of members as the holder of the shares,

**holding company:** has the meaning given in section 1159 of the Act,

**Independent E Shareholder:** an E Shareholder who is neither (i) a B Preference Shareholder or a member of the same Group as a B Preference Shareholder or an Affiliate of a B Preference Shareholder or a Connected Person of a B Preference Shareholder, nor (ii) a person who has acquired E Shares from a B Preference Shareholder or any person mentioned in the foregoing (i),

**instrument:** a document in hard copy form,

**K Shareholders:** members for the time being holding K Shares,

**K Shares:** K Ordinary Shares of £1 00 each in the capital of the Company,

**Listing:**(a) the admission of any of the Company's equity shares to trading on the London Stock Exchange's markets for listed securities becoming effective in accordance with paragraph 2.1 of the London Stock Exchange's Admission and Disclosure Standards, or (b) the grant of permission for the dealing in any of the Company's equity shares on any other public securities market (including the Alternative Investment Market of the London Stock Exchange or any successor market) becoming effective, whether effected by way of an offer for sale, a new issue of shares, an introduction, a placing or otherwise,

**member:** a person who is the holder of a share,

**member of the same group:** in relation to any company, a company which is for the time being a holding company of that company or a subsidiary of that company or of any such holding company,

**ordinary resolution:** has the meaning given in section 282 of the Act,

**Ordinary Shares:** A Ordinary Shares, B Ordinary Shares, K Shares and E Shares,

**paid:** in relation to a share, means paid or credited as paid (as to its nominal value or any premium on it),

**participate:** in relation to a directors' meeting has the meaning given in Article 12,

**partly paid:** in relation to a share, means that part of that share's nominal value or any premium at which it was issued has not been paid to the Company,

**Patient:** a person who lacks capacity as defined in Mental Capacity Act 2005 section 2,

**Permitted Transfer:** a transfer of Shares in accordance with Article 41,

**PRA:** the Prudential Regulation Authority (or its replacement or successor from time to time),

**PRA Handbook:** the Handbook of Rules and Guidance published by the PRA,

**Prestige Share Purchase Agreement:** the share purchase agreement entered into in September 2012 by the E Shareholders and the Company for the entire issued share capital of Prestige Finance Limited and Swingcastle Limited

**Sale** means (i) the sale of any shares to any person resulting in that person together with any person acting in concert (as defined in the City Code on Takeovers and Mergers) with such person holding all of the A Ordinary Shares and more than 50% of the B Ordinary Shares in the Company (noting that persons who are holders of shares in September 2012 shall not be deemed to be acting in concert with each other) or (ii) the sale of all or substantially all or the assets of the Company to a third party,

**Senior Independent Director:** the director from time to time designated as such by the board of directors,

**shares:** shares of any class in the Company,

**Shareholders:** the members for the time being holding shares,

**Shareholders Agreement:** as the context may require (i) the agreement between the A Shareholder and the B Shareholder entered into on or about the date the A Ordinary Shares and the B Ordinary Shares were first issued (as amended and restated on or around the date of adoption of these Articles in November 2013), and/or (ii) the agreement entered into between the B Shareholder and the E Shareholders entered into on or about the date the E Shares were first issued,

**special resolution:** has the meaning given in section 283 of the Act,

**subsidiary:** has the meaning given in section 1159 of the Act,

**transmittee:** a person entitled to a share by reason of the insolvency of a member or otherwise by operation of law,

**Total Issued E Shares** means the aggregate number of E Shares which have been issued and allotted by the Company pursuant to the Prestige Share Purchase Agreement,

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

2 2 In these Articles

- 2 2 1 the term "**transfer**" shall, unless the context otherwise requires, include
- 2 2 1 1 a sale or disposal of any legal or equitable interest in a share, whether or not by the member registered as the holder of that share, and
- 2 2 1 2 any renunciation or other direction by a member entitled to an allotment or transfer of shares that such shares be allotted, issued or transferred to another person;
- 2 2 2 any reference to an "**interest**" in the context of any transfer of shares shall include any interest in shares as defined by section 820 of the Act,
- 2 2 3 any notice, consent, approval or other document or information, including the appointment of a proxy, required to be given in writing may be given in writing in hard copy form or electronic form, save where expressly provided otherwise in these Articles,



- 2 2 4 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,
- 2 2 5 save as expressly provided otherwise
- 2 2 5 1 words or expressions contained in these Articles bear the same meaning as in the Act as in force from time to time, and
- 2 2 5 2 any reference to any statute, statutory provision or subordinate legislation (**Legislation**) includes a reference to that Legislation as from time to time amended or re-enacted (whether with or without modification) and any reference to any statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, whether before or after the date of adoption of these Articles, as in force from time to time,
- 2 2 6 any question as to whether a person is connected with any other person shall be determined in accordance with the provisions of Sections 1122 and 1123 Corporation Tax Act 2010, and
- 2 2 7 any right, power or discretion (excluding voting rights) exercisable by the A Shareholders, the B Shareholders, the E Shareholders, K Shareholders, the Independent E Shareholders or the B Preference Shareholder shall be exercisable in such manner as the holders of a majority in number of the A Ordinary Shares, the B Ordinary Shares, the E Shareholders, K Shareholders, the Independent E Shareholders or the B Preference Shares (as the case may be) for the time being in issue may direct

### **3 Liability of members**

The liability of the members is limited to the amount, if any, unpaid on the shares held by them

### **4 Company name**

The name of the Company may be changed by special resolution of the members, or otherwise in accordance with the Act

### **5 Directors' general authority**

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

### **6 Members' reserve power**

- 6 1 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action
- 6 2 No such special resolution invalidates anything which the directors have done before the passing of the resolution

**7 Directors may delegate**

7 1 Subject to the Articles, the directors may delegate any of the powers which are conferred on them under the Articles (a) to such person or committee, (b) by such means (including by power of attorney), (c) to such an extent, (d) in relation to such matters or territories, and (e) on such terms and conditions, as they think fit

7 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

7 3 The directors may revoke any delegation in whole or part, or alter its terms and conditions

**8 Committees**

8 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

8 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

**9 Directors to take decisions collectively**

Any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with Article 10

**10 Unanimous decisions**

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10 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

10 2 Such a decision may take the form of a resolution in writing, of which each eligible director has signed one or more copies or to which each eligible director has otherwise indicated agreement in writing

10 3 References in this Article 10 to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting (but exclude in respect of the authorisation of a Conflict Situation, the director subject to that Conflict Situation)

10 4 Notwithstanding the requirements of Articles 10 1 to 10 3

10 4 1 if a person who is an alternate director indicates on behalf of his appointor whether or not he shares the common view his appointor is not also required to do so in order to satisfy those requirements,

10 4 2 if a director who has appointed an alternate indicates pursuant to Article 10 1 whether or not he shares the common view his alternate is not also required to do so in order to satisfy those requirements

10 5 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

## **11 Calling a directors' meeting**

11 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

11 2 Notice of any directors' meeting must indicate

11 2 1 its proposed date and time,

11 2 2 where it is to take place, and

11 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

11 3 Notice of a directors' meeting must be given to each director, but need not be in writing

11 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 seven 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

## **12 Participation in directors' meetings**

12 1 Subject to the Articles, directors (or their alternates) participate in a directors' meeting, or part of a directors' meeting, when

12 1 1 the meeting has been called and takes place in accordance with the Articles, and

12 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

12 2 In determining whether directors (or their alternates) are participating in a directors' meeting, it is irrelevant where any director (or his alternate) is or how they communicate with each other

12 3 If all the directors (or their alternates) 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. In default of such a decision, the meeting shall be treated as being held where the majority of the directors (or their alternates) are located or, if there is no such majority, where the chairman is located

## **13 Quorum for directors' meetings**

13 1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting

13 2 Unless otherwise stated in these Articles, the quorum for directors' meetings shall be as follows

13 2 1 whilst there are at least two A Directors in office, two A Directors, or whilst there is only one A Director in office, that A Director, and

13 2 2 whilst there are at least two B Directors in office of whom at least one is a B Shareholder Nominee, two B Directors of whom at least one shall be a B Shareholder Nominee, or whilst there is only one B Director in office, that B Director,

provided that

- (a) Article 13 2 1 shall not apply if the A Shareholder holds less than 10% by number of all the Ordinary Shares in issue,
- (b) Article 13 2 2 shall not apply if the B Shareholder holds less than 15% by number of the aggregate of all the Ordinary Shares and Preference Shares in issue,
- (c) neither Article 13 2 1 nor 13 2 2 shall apply, where a meeting has been adjourned for lack of quorum, to the reconvened meeting provided it is held not less than five nor more than ten days after the date of the original meeting provided that, subject to Article 13 3, at least two directors are present, and
- (d) where there are no A Directors and no B Directors in office, the quorum shall be any two directors

13 3 For the purposes of any directors' meeting (or part of a meeting) at which it is proposed to authorise a Conflict Situation in respect of one or more directors, if there is only one director in office other than the director or directors subject to the Conflict Situation, the quorum for such meeting (or part of a meeting) shall be one director

13 4 At a directors' meeting

13 4 1 a director who is also an alternate director may be counted more than once for the purposes of determining whether a quorum is participating,

13 4 2 a person who is an alternate director, but is not otherwise a director, shall be counted as participating for the purposes of determining whether a quorum is participating,

but only, in each case, if that director's or other person's appointor is not participating. If on that basis there is a quorum the meeting may be held notwithstanding the fact (if it is the case) that only one director is participating

13 5 If the total number of directors for the time being is less than the quorum required, the directors may take a decision

13 5 1 to appoint further directors, or

13 5 2 to call a general meeting so as to enable the members to appoint further directors,

but may take no other decisions

## 14 Chairing of directors' meetings

14 1 The directors shall appoint as the chairman of the board (**chairman**) such director as the directors may agree

14 2 The chairman shall chair each directors' meeting at which he is present. If there is no director holding that office, or if the chairman is unwilling to chair the meeting or is not participating in the meeting within ten minutes after the time at which it was to start, the participating directors shall appoint one of their number as chairman of that meeting.

**15 Casting vote**

15 1 In the case of an equality of votes at any meeting of the board of directors, the chairman shall not by virtue of his office have a second or casting vote.

15 2 In the case of an equality of votes at any meeting of the board of directors, the Senior Independent Director (if any) appointed pursuant to Article 21.3 shall be entitled to a second or casting vote.

**16 Voting at directors' meetings**

16 1 Subject to the Articles, each director participating in a directors' meeting has one vote.

16 2 An alternate director whose appointor is not participating in the directors' meeting and who would have been entitled to vote shall also have one vote in that capacity (as well as his own vote if he is also a director entitled to vote in his own right).

**17 Exercise of directors' duties**

17 1 If a Conflict Situation arises, the directors may authorise it for the purposes of section 175(4)(b) of the Act by a decision of the directors made in accordance with that section and these Articles. At the time of the authorisation, or at any time afterwards, the directors may impose any limitations or conditions or grant the authority subject to such terms which (in each case) they consider appropriate and reasonable in all the circumstances. Any authorisation may be revoked or varied at any time in the discretion of the directors.

17 2 It is recognised that a director or any alternate for a director

17 2 1 may be an employee, consultant, director, member or other officer of a Shareholder who has appointed him or of an Affiliate of such a Shareholder,

17 2 2 may be taken to have, through previous or existing dealings, a commercial relationship with, or an economic interest in, the Shareholder who appointed him or with, or in, an Affiliate of such Shareholder, and

17 2 3 may be a director or other officer of, or be employed by, or otherwise be involved, or have an economic interest, in the business of other entities in which the Shareholder who has appointed him or an Affiliate of that Shareholder has or may have an interest from time to time.

17 3 It is also recognised that any Shareholder or Affiliate may have an interest in, or be involved in, the business of other entities which conflicts, or may possibly conflict, with the Company from time to time.

17 4 Subject as provided in Article 17.6, a director and any alternate for a director shall not, by reason of his office

- 17 4 1 be in breach of the duties he owes to the Company, including his duties to exercise independent judgement and to avoid a Conflict Situation, solely as a result of matters arising from the relationships contemplated by Article 17 2 or 17 3, nor
- 17 4 2 (notwithstanding his duty not to accept benefits from third parties) be accountable to the Company for any benefit which he derives from any other directorship, membership, office, employment, relationship or his involvement with the Shareholder who has appointed him, with an Affiliate of such Shareholder or with any entity referred to in Article 17 2 or 17 3
- 17 5 In the circumstances contemplated by Article 17 2 and 17 3 and notwithstanding any other provision of these Articles, but subject always to Article 17 6, each director affected shall
- 17 5 1 be entitled to receive any papers or other documents in relation to, or concerning, matters to which the Conflict Situation relates, provided that he undertakes not to use any information gained thereby for the benefit of, or disclose such information to, any entity referred to in Article 17 2 or 17 3 which operates in competition with the Company,
- 17 5 2 not be excluded from those parts of directors' meetings or meetings of any committee of the directors at which matters to which the Conflict Situation relates are considered, provided that he undertakes not to use any information gained thereby for the benefit of, or disclose such information to, any entity referred to in Article 17 2 or 17 3 which operates in competition with the Company,
- 17 5 3 be entitled to vote (and form a part of the quorum) at any such meeting, and
- any information which he obtains, other than in his capacity as a director or employee of the Company, which is confidential in relation to an entity referred to in Article 17 2 or 17 3, need not be disclosed or used for the benefit of the Company where such disclosure or use would constitute a breach of confidence
- 17 6 No director may, whilst he holds office as a director of the Company, hold office in, be employed by, or accept any personal benefit from, any other company or business which directly competes with the business of the Group
- 17 7 No director shall be entitled to vote on any matter which relates to his employment, or the employment of any person connected with him, by the Company or any of its subsidiaries, or to participate in any meeting of the directors (or any committee) during which such employment is under discussion
- 18 **Directors voting and counting in the quorum**
- Save as otherwise specified in these Articles or the Act and subject to any limitations, conditions or terms attaching to any authorisation given by the directors for the purposes of section 175(4)(b) of the Act, a director (or his alternate) may vote on, and be counted in the quorum in relation to any decision of the directors relating to a matter in which he (or, in the case of an alternate, he or his appointor) has, or can have, a direct or indirect interest or duty, including

18 1 an interest or duty which conflicts, or possibly may conflict, with the interests of the Company, and

18 2 an interest arising in relation to an existing or a proposed transaction or arrangement with the Company

19 **Records of decisions to be kept**

The directors must ensure that the Company keeps a record, in writing, for at least ten years from the date of the decision recorded, of every unanimous or majority decision taken by the directors

20 **Directors' discretion to make further rules**

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

21 **Appointing and removing directors**

21 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 as follows

21 1 1 The holders of a majority of the A Ordinary Shares in issue from time to time may appoint

21 1 1 1 for as long as there are more A Ordinary Shares in issue than B Ordinary Shares in issue, up to seven A Directors, and

21 1 1 2 otherwise, for as long as the A Ordinary Shares in issue represent at least 10% by number of all the A Ordinary Shares and B Ordinary Shares in issue, up to three A Directors, and

21 1 1 3 otherwise, one A Director,

and may similarly remove from office and/or replace any A Director so appointed

21 1 2 The holders of a majority of the B Ordinary Shares in issue from time to time may appoint

21 1 2 1 for as long as there are more B Ordinary Shares in issue than A Ordinary Shares in issue, up to seven B Directors, and

21 1 2 2 otherwise, for as long as the B Ordinary Shares in issue represent at least 15% by number of all the A Ordinary Shares and B Ordinary Shares in issue, up to three B Directors, and

21 1 2 3 otherwise, one B Director, who shall be a B Shareholder Nominee,

and may similarly remove from office and/or replace any B Director so appointed

21 2 Any appointment or removal made pursuant to Article 21 1 shall be by written notice given to the Company, or to a meeting of the directors, and shall be effective on delivery

21 3 The board (or a committee of the board with delegated authority for that purpose), or the holders of a majority of the issued A Ordinary Shares and B Ordinary Shares from time to time may

21 3 1 appoint any person who is willing to act as a director, and is permitted by law to do so, to be a director provided that not more than eight directors shall hold office at any time excluding A Directors and B Directors, and

21 3 2 remove from office and/or replace any director so appointed (but not, for the avoidance of doubt, an A Director or a B Director),

provided that, in the event of any dispute between the board (or such committee of the board) and the holders of a majority of the issued A and B Ordinary Shares in relation to any such appointment or removal, the wishes of such holders of A and B Ordinary Shares shall prevail

21 4 In any case where, as a result of death, the Company has no members and no directors, the personal representatives of the last member to have died have the right, by notice in writing, to appoint a person to be a director

21 5 For the purposes of Article 21 4, where two or more members die in circumstances rendering it uncertain who was the last to die, a younger member is deemed to have survived an older member--

21 6 The E Shareholders and K Shareholders (in their capacity as holders of E Shares and K Shares respectively) shall not be entitled to appoint or remove any directors

## 22 **Maximum number of Directors**

The maximum number of directors, in office at any time shall be fifteen, and no person shall validly be appointed as a director if their appointment would cause the number of directors to exceed that number

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

23 1 A person ceases to be a director as soon as

23 1 1 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law,

23 1 2 that person becomes a bankrupt,

23 1 3 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 that person otherwise becomes a Patient,

23 1 4 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,



- 23 1 5 notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms,
- 23 1 6 notification is received by the Company of the removal of the director from office in accordance with Articles 21 1 or 21 3 2, or
- 23 1 7 in the case of an A Director or a B Director, where as a result of a change of the respective proportions of A Ordinary Shares and B Ordinary Shares the shareholder which appointed that director would no longer be entitled to appoint him (or to appoint him as well as any other directors appointed by that shareholder on the same date or prior to the date of that director's appointment) that director shall, if so required by a shareholder holding a majority of the A Ordinary Shares (in the case of a B Director), or a majority of the B Ordinary Shares (in the case of an A Director), cease to be a director on the date the relevant shareholder gives notice to the Company to that effect
- 23 2 On any resolution to remove an A Director, the number of votes available to be cast by the shareholders for the time being entitled to appoint A Directors shall be one more than all the other votes available to be cast on that resolution
- 23 3 On any resolution to remove a B Director, the number of votes available to be cast by the shareholders for the time being entitled to appoint B Directors shall be one more than all the other votes available to be cast on that resolution
- 24 Directors' remuneration**
- 24 1 A director may undertake any services for the Company that the directors decide
- 24 2 Directors' fees may be paid to, or in respect of the services of, a director who is not also an employee of the Company or any of its Subsidiaries
- 24 3 Remuneration may be paid to any director for any services which he undertakes for the Company other than as a director
- 24 4 Subject to the Articles, a director's remuneration may
- 24 4 1 take any form, and
- 24 4 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
- 24 5 Unless the directors decide otherwise, a director's remuneration accrues from day to day
- 24 6 Unless the directors decide otherwise, no director is accountable to the Company for any remuneration or other benefit which he receives as a director or other officer or employee of any of the Company's subsidiaries or of any holding company of the Company from time to time or of any other body corporate in which the Company or any such holding company is interested
- 25 Directors' expenses**
- The Company may pay any reasonable expenses which the directors properly incur in connection with their attendance at

- 25 1 meetings of directors or committees of directors,  
25 2 general meetings, or  
25 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

## 26 **Appointment and removal of alternates**

- 26 1 Any director may appoint as his alternate any other director to  
26 1 1 exercise that director's powers, and  
26 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
- 26 2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors
- 26 3 The notice must  
26 3 1 identify the proposed alternate, and  
26 3 2 confirm that the proposed alternate is willing to act as the alternate of the director giving the notice

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

- 27 1 An alternate director has the same rights, in relation to any directors' meeting or a decision taken in accordance with Article 10, as the alternate's appointor
- 27 2 Except as the Articles specify otherwise, alternate directors  
27 2 1 are deemed for all purposes to be directors,  
27 2 2 are liable for their own acts and omissions,  
27 2 3 are subject to the same restrictions as their appointors, and  
27 2 4 are not deemed to be agents of or for their appointors
- 27 3 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company

## 28 **Termination of alternate directorship**

- An alternate director's appointment as an alternate terminates  
28 1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

- 28 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,
- 28 3 on the death of the alternate's appointor, or
- 28 4 when the alternate's appointor's appointment as a director terminates

29 **Share capital**

- 29 1 The share capital of the Company at the date of adoption of these Articles is divided into A Ordinary Shares, B Ordinary Shares, E Shares, K Shares and B Preference Shares
- 29 2 The A Ordinary Shares, B Ordinary Shares, E Shares and K Shares shall rank pari passu in all respects except as expressly provided in these Articles
- 29 3 Any B Preference Share may be converted at any time (or shall be converted as contemplated by any Shareholders Agreement) into a B Ordinary Share if the holder of such B Preference Share serves a written notice on the Company specifying that such B Preference Share shall be converted into a B Ordinary Share, together with the certificate representing such share, subject to any restriction provided in any Shareholders Agreement

The B Preference Shares shall also be converted in the following circumstances

- 29 3 1 Upon any one of (A) a Trigger Event occurring, (B) the Company (acting by unanimous resolution of its directors) so requesting, or (C) the FCA or the PRA so requesting in writing, the then principal amount of the B Preference Shares shall be converted into an equivalent number of B Ordinary Shares, subject only to the PRA first consenting to any change in the controllers of the Company that may result from such conversion where such consent is required by law
- 29 3 2 A "Trigger Event" will occur if the Company's Common Equity Tier 1 Capital Ratio (as reported from time to time) falls to or below 5 125%
- 29 3 3 On the occurrence of a Trigger Event or receipt of such a request from the Company or the FCA or the PRA, the holder of the B Preference Shares to be converted shall (to the extent that it has not already done so) be obliged to surrender any share certificate which it holds and which represents the B Preference Shares to be converted and the Company shall then cancel any share certificate surrendered and (where not all the B Preference Shares represented by the certificate are to be cancelled) issue a replacement for the balance of the B Preference Shares and issue a new certificate in respect of the new B Ordinary Shares created by such conversion
- 29 4 Where A Ordinary Shares are transferred to a member who already holds B Ordinary Shares, the A Ordinary Shares shall convert on transfer to B Ordinary Shares (and vice versa)
- 29 5 Where B Preference Shares held by a holder of A Ordinary Shares are converted into B Ordinary Shares in accordance with Article 29 3, such resulting B Ordinary Shares shall upon conversion convert into A Ordinary Shares

**30 Return of capital**

30 1 On a return of capital on liquidation or otherwise, the surplus assets of the Company remaining after payment of, or provision for, its liabilities shall be distributed as follows

30 1 1 first, amongst the holders of B Preference Shares (or to such person as they may direct) in an amount equal to the greater of (i) the subscription price paid for the B Preference Shares (or a pro rata amount where there are insufficient surplus assets to repay the subscription on each such share in full) and (ii) a pro rata proportion of the surplus assets apportioned equally among all the Ordinary Shares and B Preference Shares then in issue, and

30 1 2 as to the balance amongst the holders of Ordinary Shares in proportion to the numbers of Ordinary Shares held by them respectively

**31 Voting rights**

31 1 On any resolution, whether at a meeting, on a poll or by written resolution, each member of the Company holding A Ordinary Shares and B Ordinary Shares shall be entitled to cast one vote for every A Ordinary Share and/or B Ordinary Share held by him

31 2 Holders of B Preference Shares shall not be entitled to cast a vote except at a separate meeting (or written resolution) of the holders of B Preference Shares to approve a resolution affecting the rights of the B Preference Shares as a class when each such member shall be entitled to cast one vote for every B Preference Share held by him

31 3 Holders of E Shares shall not be entitled to receive any notice of any members meeting or cast a vote except in respect of a separate meeting (or written resolution) of the holders of E Shares to approve

31 3 1 the matters referred to in Article 32 2, or

31 3 2 a resolution affecting the rights of the E Shares as a class,

when each such member shall be entitled to cast one vote for every E Share held by him, provided that the E Shareholders shall not unreasonably withhold or unreasonably delay their votes in favour of any resolution (or written resolution) as referred to in Article 31 3 2, and provided further that any such resolution as referred to in Article 31 3 1 or 31 3 2 must be passed by (i) the holders of three-fourths of the votes cast by the E Shareholders and (ii) the holders of three-fourths of the votes cast by the Independent E Shareholders at such meeting (or, in the case of a written resolution, by (i) E Shareholders holding three-fourths of the E Shares and (ii) the holders of three-fourths of the E Shares held by the Independent E Shareholders)

31 4 Holders of K Shares shall not be entitled to receive any notice of any members meeting or cast a vote except in respect of a separate meeting (or written resolution) of the holders of K Shares to approve

31 4 1 the matters referred to in Article 32 3, or

31 4 2 a resolution affecting the rights of the K Shares as a class,

when each such member shall be entitled to cast one vote for every K Share held by him, provided that the K Shareholders shall not unreasonably withhold or unreasonably delay their votes in favour of any resolution (or written resolution) as referred to in Article 31 4 2, and provided further that any such resolution as referred to in Article 31 4 1 or 31 4 2 must be passed by (i) the holders of three-fourths of the votes cast by the K Shareholders at such meeting (or, in the case of a written resolution, by K Shareholders holding three-fourths of the K Shares)

31 5 In the case of shares held jointly by more than one member, the member whose name appears first in the register of members in respect of a share shall, in the case of conflict, be entitled to cast the vote attributable to that share

## 32 Issue of new shares

32 1 Subject to Articles 32 2 and 32 3, the Company has the power to allot and issue shares and to grant rights to subscribe for, or to convert any security into, shares pursuant to those rights That power shall, subject to these Articles and to the provisions of the Companies Acts relating to the allotment of shares, pre-emption rights and otherwise and to any resolution of the company in general meeting passed pursuant to those provisions, be exercisable by the Directors

32 2 The Company may not issue any further E Shares without the consent in writing of the holder(s) of three-fourths of both (i) the issued E Shares and of (ii) the issued E Shares held by the Independent E Shareholders or the sanction of a special resolution passed at a separate meeting of the holders of the E Shares, voting as a separate class which is passed by E Shareholders holding both three-fourths of (i) the issued E Shares and of (ii) the issued E Shares held by Independent E Shareholders

32 3 The Company may not issue any further K Shares and the Shareholders shall not pass any resolution for the re-denomination of any shares into K Shares without the consent in writing of the holder(s) of three-fourths of the issued K Shares or the sanction of a special resolution passed at a separate meeting of the holders of the K Shares, voting as a separate class which is passed by K Shareholders holding three-fourths of the issued K Shares

32 4 Save as contemplated by any Shareholders Agreement, the provisions of sections 561 and 562 of the Act shall apply to the Company, subject always to the provisions of sections 570 and 571 of the Act, with the following modifications

32 4 1 the A Ordinary Shares and B Ordinary Shares shall be deemed to be shares of the same class,

32 4 2 no shares shall be offered to the holders of K Shares in their capacity as holders of K Shares,

32 4 3 in the event that the Company proposes to issue any further E Shares, all such shares shall be offered first to the E Shareholders at a price of £150 per share before being offered to any other shareholder (and the provisions of section 562 of the Act shall apply mutatis mutandis to such pre-emptive offer to the E Shareholders), and

32 4 4 the holders of equity securities (as defined in section 560 of the Act) who accept all the equity securities offered to them (**acceptors**) shall be entitled to indicate whether they would accept equity securities not accepted by other offerees (**Excess Shares**), and any such Excess

Shares shall be allotted to such acceptors in the numbers in which they have been accepted by such acceptors or, if the number of Excess Shares is insufficient for all such acceptors to be allocated all the Excess Shares they have indicated they would accept, then the Excess Shares shall be allocated as nearly as practicable in the proportion that the number of shares which each such acceptor already holds (but so that no shareholder shall be allocated more Excess Shares than any maximum specified by him) Fractional entitlements to equity securities shall be ignored

32 4 5 Where as a result of any acceptance of an offer of Ordinary Shares

32 4 5 1 any Ordinary Shares fall to be allotted to a holder of A Ordinary Shares, such shares shall be allotted as A Ordinary Shares, and

32 4 5 2 any Ordinary Shares fall to be allotted to a holder of B Ordinary Shares, such shares shall be allotted as B Ordinary Shares

### 33 **Variation of class rights**

33 1 Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated either whilst the Company is a going concern, or during or in contemplation of a winding up, with the consent in writing of the holders of three fourths of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of the holders of that class ~~save in respect of the E-Shares and K-Shares;~~ where the provisions of Articles 31 3 and 31 4 respectively shall apply instead For the avoidance of doubt, A Ordinary Shares, B Ordinary Shares, E Shares and K Shares shall be deemed to be different classes for these purposes

33 2 The rights attached to any class of shares shall not (unless otherwise provided by the rights attached to the shares of that class) be deemed to be varied by the creation or issue of further shares ranking in some or all respects pari passu with or in priority to those shares or by the purchase or redemption by the Company of any of its own shares

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

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 member, free of charge, with one or more certificates in respect of the shares which that member holds

35 2 Every certificate must specify in respect of how many shares, of what class, it is issued, the nominal value of those shares, the amount paid up on them, and 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 member's shares is

36 1 1 damaged or defaced, or

36 1 2 said to be lost, stolen or destroyed,

that member is entitled to be issued with a replacement certificate in respect of the same shares

36 2 A member 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, indemnity and the payment of a reasonable fee as the directors decide

### 37 Procedure for share transfers

37 1 Shares may be transferred only in accordance with the following provisions of this Article (to the extent applicable) and any Shareholders Agreement, any other transfer shall be void

37 2 E Shares may not be transferred otherwise than in accordance with any Shareholders Agreement or in the context of a Permitted Transfer

37 2A On a transfer of some or all of the A Ordinary Shares, the transferor must transfer to the same transferee(s) and at the same time an equal (as nearly as possible) proportion of the K Shares held by such transferor K Shares may not be transferred except in accordance with this Article 37 2A

37 3 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor (and, if any of the shares is partly paid, the transferee)

37 4 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share

37 5 The Company may retain any instrument of transfer which is registered

37 6 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it

- 37 7 Subject only as expressly provided below, the directors shall register any transfer of shares made in accordance with the following provisions (to the extent applicable) within 21 days of the following being lodged at the Company's registered office or such other place as the directors have appointed
- 37 7 1 the duly stamped instrument of transfer, and
  - 37 7 2 the certificate for the shares to which the transfer relates or an indemnity in lieu of the certificate in a form reasonably satisfactory to the directors
- 37 8 The directors may refuse to register the transfer of a share if
- 37 8 1 the share is not fully paid,
  - 37 8 2 the transfer is not lodged at the Company's registered office or such other place as the directors have appointed,
  - 37 8 3 the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf,
  - 37 8 4 the transfer is in respect of more than one class of share,
  - 37 8 5 the transfer is in favour of more than four transferees,
  - 37 8 6 the transfer is in favour of an individual under the age of 18, or who is bankrupt or a Patient,
  - 37 8 7 the proposed transferee has failed to comply with any provision of these Articles requiring him first to offer the shares to any other Shareholder, or to purchase any other shares,
  - 37 8 8 the transferee has failed to comply with any requirement to adhere to any Shareholders Agreement (if applicable), or
  - 37 8 9 where the transfer requires the prior approval of a regulatory body in accordance with applicable law, then unless and until such approval has been given
- 37 9 If the directors refuse to register the transfer of a share, they shall
- 37 9 1 send to the transferee notice of refusal, together with the reasons for the refusal, as soon as practicable and in any event within two months of the date on which the instrument of transfer was lodged with the Company,
  - 37 9 2 return the instrument of transfer to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent
- 37 10 For the purpose of ensuring that a transfer of shares is authorised under these Articles or that no circumstances have arisen by reason of which the proposed transferee should have made an offer to purchase any other shares in accordance with these Articles, the directors may from time to time require any member or past



member or any person named as transferee in any instrument of transfer lodged for registration to provide to the Company such information as the directors reasonably think fit regarding any matter which they consider relevant. Unless that information is supplied within 30 days of the date of the request, the directors may declare the shares in question to be Restricted Shares until such time as that information is supplied or (as the case may be) may refuse to register the relevant transfer.

37 11 Reference to a member or past member includes the personal representatives, trustee in bankruptcy, receiver or liquidator of any member and any deputy or other person authorised by the Court of Protection to act on behalf of a Patient.

### **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 Nothing in these Articles releases a member from any liability in respect of a share solely or jointly held by that member, or from any obligation to transfer or offer the shares for sale where so required under these Articles.

38 3 A transmittee who produces such evidence of entitlement to shares as the directors may properly require

38 3 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 3 2 subject to the Articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

38 4 Transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, or to exercise any right to appoint a director, in respect of shares to which they are entitled by reason of the holder's insolvency, unless they become registered as 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**

If a notice is given to a member 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 member before the transmittee's name or the name of any person named as the transferee in an instrument of transfer executed pursuant to Article 39 2 has been entered in the register of members.

## 41 Permitted Transfers

Subject to the provisions of Article 37, any share may at any time be transferred

- 41 1 1 by a Shareholder to a member of the same Group as that Shareholder, or
- 41 1 2 by a Shareholder to an Affiliate of that Shareholder, or
- 41 1 3 by a Shareholder to a Connected Person of that Shareholder, or
- 41 1 4 in the case of an individual Shareholder who dies, to his personal representatives, who shall be entitled to transfer the shares to any person(s) to whom the deceased would have been entitled to transfer the shares whilst he was alive in accordance with these Articles, or
- 41 1 5 by a Shareholder to any other Shareholder pursuant to the terms of any Shareholders Agreement, or
- 41 1 6 by an E Ordinary Shareholder to the B Preference Shareholder in accordance with Articles 42 and 43, or
- 41 1 7 by any member in consequence of a repurchase of shares by the Company approved in accordance with the procedures in the Act,

provided that where shares have been transferred by one or more consecutive Permitted Transfer in reliance on this Article, and the relationship between the original holder and the current holder by virtue of which any such Permitted Transfer was so permitted ceases to apply (and for these purposes, the death of any individual shall not be deemed to alter the nature of any such relationship), the current holder shall promptly transfer those shares back to the original holder

## 42 E Purchase Option

- 42 1 The B Preference Shareholder shall be entitled, but shall not be obliged, to purchase and call for the transfer of some or all of the E Shares held by Independent E Shareholders in issue according to the provisions of this Article 42 ("**Purchase Option**") The aggregate purchase price payable by the B Preference Shareholder shall be paid to the Independent E Shareholders pro rata to the portion of E Shares held by each of them at the relevant time
- 42 2 In each period starting on (i) the date of approval of the audited accounts of the Company by the directors for the preceding financial year (a "Prior Year") and ending on (ii) the corresponding E Purchase Date, the B Preference Shareholder may issue a Purchase Notice to the Independent E Shareholders stating the number of E Shares to be purchased, which can be up to 100% of the E Shares held by them in issue (provided that if the B Preference Shareholder purchases any E Shares pursuant to this clause, it shall purchase such shares in tranches of 5% of the E Shares held by Independent E Shareholders in issue, and may not purchase less than 10% of the E Shares held by Independent E Shareholders in issue in any such purchase) the B Preference Shareholder wishes to purchase, and requiring each of them to sell the relevant number of their E Shares as set out in the Purchase Notice (in each case rounded to the nearest whole number), stating the completion date of the proposed sale and transfer (which shall be not less than 5 Business Days and not more than 15 Business Days following the date on which such notice is served)

- 42 3 The aggregate price payable by the B Preference Shareholder to the Independent E Shareholders for each such purchase shall be equal to 70% of the Adjusted Prestige NVA in respect of the Prior Year for all of the issued E Shares held by the Independent E Shareholders at the relevant time (or a pro rated amount of such aggregate price where not all of the issued E Shares held by the Independent E Shareholders at the relevant time are to be purchased)
- 42 4 In the event of an Exit, the B Preference Shareholder shall be entitled to purchase (or nominate a purchaser for) all (but not some only) of the issued E Shares held by Independent E Shareholders in issue on or prior to the date of completion of such Exit at an aggregate price equal to 70% of the most recently determined Adjusted Prestige NVA at the date of the Exit
- 42 5 The B Preference Shareholder shall pay the purchase price as detailed in Article 42 3 or 42 4 (as appropriate) to the Agent on behalf of each Independent E Shareholder upon the delivery to the B Preference Shareholder of his share certificate(s) or suitable indemnity and such standard form of stock transfer as is necessary in the circumstances in respect of his relevant proportion of E Shares
- 42 6 Any E Shares purchased pursuant to this Article 42 shall be transferred by the relevant Independent E Shareholder with full title guarantee, free and clear of any and all encumbrances
- 42 7 The right of the B Preference Shareholder to purchase shares in accordance with this Article 42 shall be assignable with the approval of the board of directors of the B Preference Shareholder to any of its Affiliates, subject to the Independent E Shareholders (acting by simple majority of the E Shares held by all of them) first giving prior written confirmation of their satisfaction with the financial strength of the proposed assignee (such confirmation not to be unreasonably withheld or delayed)
- 42 8 In the event that there is more than one B Preference Shareholder the rights of the B Preference Shareholder in this Article 42 shall be exercised by those holder(s) of a simple majority of the B Preference Shares in issue at the relevant time on behalf of all the B Preference Shareholders, and the said simple majority may direct that such rights shall be deemed to be exercised by each B Preference Shareholder pro rata to their holding of B Preference Shares or in such other proportions as such simple majority may determine Any acquisition of E Shares in accordance with this Article 42 shall be made from all Independent E Shareholders pro rata to the number of E Shares held by them at the relevant time

#### 43 **E Put Option**

- 43 1 The Independent E Shareholders may exercise their rights under this Article 43 only if (i) by the E Put Purchase Date in respect of the financial year ending 31 December 2017, the B Preference Shareholder has purchased a number of E Shares which is less than 50% of the Total Issued E Shares, (ii) by the E Put Purchase Date in respect of the financial year ending 31 December 2019, the B Preference Shareholder has purchased a number of E Shares which is less than 80% of the Total Issued E Shares, or (iii) by the E Put Purchase Date in respect of the financial year ending 31 December 2021, the B Preference Shareholder has purchased a number of E Shares which is less than 100% of the Total Issued E Shares
- 43 2 If any of the circumstances set forth in Article 43 1 arise, the Independent E Shareholders (acting by simple majority of the E Shares held by all of them at that time) shall be entitled, but shall not be obliged, to (i) exercise a put option ("E Put

**Option**") by issue of an E Put Purchase Notice to the B Preference Shareholder in respect of that part only of their E Shares which would have the effect of the B Preference Shareholder purchasing such E Shares in amounts not exceeding the thresholds set out in Article 43 1at the relevant time, and (ii) compel the B Preference Shareholder to purchase such E Shares according to the provisions of this Article 43

- 43 3 Any E Put Purchase Notice delivered in accordance with Article 43 2 shall state the date of the proposed sale and transfer (which shall be not less than five and not more than 15 Business Days following the date on which such notice is served)
- 43 4 The aggregate price payable by the B Preference Shareholder for exercise of the E Put Option shall be equal to 70% of the Adjusted Prestige NVA in respect of the relevant financial year above for all of the issued E Shares held by Independent E Shareholders at the relevant time (or a pro rated amount of such aggregate price where not all of the issued E Shares held by Independent E Shareholders at the relevant time are to be purchased)
- 43 5 The B Preference Shareholder shall, unless it has issued an E Purchase Notice under Article 42, notify the Independent E Shareholders no less than 15 Business Days prior to any proposed Exit, unless such notification is not permitted under any law or regulation or practicable in the circumstances in which case the B Preference Shareholder shall notify the Independent E Shareholder as soon as it is permitted to do so or it is practicable to do so (as appropriate) ("**an Exit Option Notice**")
- 43 6 Following the receipt of an Exit Option Notice, the Independent E Shareholders shall be entitled to serve an exit put notice on the B Preference Shareholder, following-which-the Independent-E Shareholders-shall-be required-to-sell to the B Preference Shareholder, and the B Preference Shareholder shall be bound to purchase, in each case conditional only upon the completion of the Exit referred to in the Exit Option Notice, all of the issued E Shares held by them on or prior to the date of completion or occurrence of such Exit at an aggregate price equal to 70% of the most recently determined Adjusted Prestige NVA at the date of the Exit Completion of the sale and purchase of the relevant E Shares shall occur on or prior to (but conditional upon) completion of the relevant Exit
- 43 7 The B Shareholder shall pay the purchase price as detailed in this Article 43 to the Agent upon the delivery to the B Preference Shareholder of his share certificate(s) or suitable indemnity and such standard form of stock transfer as is necessary in the circumstances in respect of his relevant proportion of E Shares
- 43 8 Any Shares purchased pursuant to this Article 43 shall be transferred by the relevant Shareholder with full title guarantee, free and clear of any and all encumbrances
- 43 9 The right of the Independent E Shareholders to sell shares in accordance with this Article 43 shall not be assignable to any other person (other than pursuant to a Permitted Transfer to a Connected Person) without the prior written consent of the B Preference Shareholder, acting in its sole discretion
- 43 10 The Independent E Shareholders shall not dispose of any interest in the E Shares or any right attaching to any of them (save as may be required in pursuance of their obligations under these Articles or pursuant to a Permitted Transfer) or create or allow to be created any security interest over such shares or agree (whether subject to any condition precedent or condition subsequent or otherwise) to do any of such things

43 11 In the event that there is more than one B Preference Shareholder, the obligations of the B Preference Shareholder in this Article 43 shall be borne by all B Preference Shareholders, pro rata to their holding of B Preference Shares or in such other proportions as may be directed by the holder(s) of a simple majority of the B Preference Shares in issue at the relevant time Any sale of E Shares in accordance with this Article 43 shall be made by all Independent E Shareholders pro rata to the number of E Shares held by them at the relevant time

43 12 In the event that there are no B Preference Shares in issue at any time, then all references in Articles 42 and 43 to B Preference Shares shall be deemed to be references to B Ordinary Shares, and references to B Preference Shareholder(s) shall be references to B Ordinary Shareholder(s)

#### 44 **Completion**

44 1 Completion of each and every sale and purchase of the E Shares in accordance with Articles 42 and/or 43 shall take place at the registered office of the Company (or at such other place in the United Kingdom as may be agreed by the B Preference Shareholders and the Agent) at the relevant time and date specified for completion in these Articles (provided that if such day is not a Business Day then Completion shall take place at 12 noon on the first business day thereafter)

44 2 On each completion

44 2 1 the Independent E Shareholders shall -

44 2 1 1 transfer the relevant number of E Shares to the B Preference Shareholder or its nominated purchaser,

44 2 1 2 deliver all relevant share certificates in respect of the relevant number of E Shares to the B Preference Shareholder or its nominated purchaser (or a duly executed indemnity for lost share certificate(s) in a reasonably standard form), and

44 2 1 3 deliver to the B Preference Shareholder or its nominated purchaser such standard form of stock transfer form as is necessary in the circumstances, duly executed, and

44 2 2 the B Preference Shareholder shall pay (or procure payment by its nominated purchaser of) the applicable purchase price to the Agent in cleared funds to such bank account as the Agent may specify in writing

44 3 If any of the provisions of Article 44 2 are not complied with on the date fixed for completion, the B Preference Shareholder (if any Independent E Shareholder is in default) or the Agent (if the B Preference Shareholder is in default) may (without prejudice to his or its other rights and remedies) -

44 3 1 defer completion to a date not more than 28 days after such date (and so that the provisions of Article 44 2 shall apply to completion as so deferred), or

44 3 2 proceed to completion so far as practicable (without prejudice to his or its rights hereunder)

#### 45 **Power of attorney on default in transferring Shares**

45 1 If the B Preference Shareholder is ready willing and able to pay the applicable purchase price, but an Independent E Shareholder fails for any reason to transfer any Shares when required pursuant to these Articles, the defaulting Independent E Shareholder shall be deemed to have irrevocably appointed the B Preference Shareholder as his agent for the purpose of executing each necessary transfer of such Shares and the B Preference Shareholder is authorised to deliver it on the Independent E Shareholder's behalf against payment for such Shares

45 2 In the event that the B Preference Shareholder exercises its agency under clause 45 1, it may pay the relevant amount payable for the Shares to the Company and shall use all voting powers available to it to procure that the Company shall hold an amount equal to such monies on trust in a separate trust account for the relevant Independent E Shareholder payable on demand of such Independent E Shareholder(s), provided that the Company shall be under no obligation to account for interest in respect of any monies so held Upon such amount being held in a trust account as aforesaid, the B Preference Shareholder shall not be concerned to see to the application of such funds or be responsible for the loss or misapplication of such funds

#### 46 Procedure for declaring dividends

46 1 The Company may by ordinary resolution declare dividends No dividend may exceed the amount recommended by the directors The directors may not decide to pay interim dividends without an ordinary resolution of the Company

46 2 No dividend may be declared or paid unless it is in accordance with members' respective rights

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46 3 Unless the members' resolution to declare or directors' decision to pay a dividend, or the rights attached to the shares, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it

46 4 The E Shares and K Shares shall have no entitlement to any dividend

#### 47 Calculation of dividends

47 1 Except as otherwise provided by the Articles or the rights attached to shares, all dividends must be

47 1 1 declared and paid according to the amounts paid up (as to nominal value only) on the shares on which the dividend is paid, and

47 1 2 apportioned and paid proportionately to the amounts paid up (as to nominal value only) on the shares during any portion or portions of the period in respect of which the dividend is paid

47 2 If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly

47 3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount

**48 Payment of dividends and other distributions**

48 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

48 1 1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,

48 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 either in writing or as the directors may otherwise decide,

48 1 3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide, or

48 1 4 any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide

48 2 In the Articles, the **distribution recipient** means, in respect of a share in respect of which a dividend or other sum is payable

48 2 1 the holder of the share, or

48 2 2 if the share has two or more joint holders, whichever of them is named first in the register of members, or

48 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

**49 No interest on distributions**

The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by the rights attached to the share

**50 Unclaimed distributions**

50 1 All dividends or other sums which are

50 1 1 payable in respect of shares, and

50 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

50 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

50 3 If

50 3 1 twelve years have passed from the date on which a dividend or other sum became due for payment, and

- 50 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

## 51 **Non-cash distributions**

51 1 Subject to the rights attaching to 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 shares or other securities in any company)

51 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

51 2 1 fixing the value of any assets,

51 2 2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and

51 2 3 vesting any assets in trustees

## 52 **Waiver of distributions**

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect, but if

52 1 the share has more than one holder, or

52 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

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

53 1 Subject to the Articles, the directors may, if they are so authorised by an ordinary resolution

53 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 capital redemption reserve, and

53 1 2 appropriate any sum which they so decide to capitalise (a **capitalised sum**) to the persons who would have been entitled to it if it were distributed by way of dividend (the **persons entitled**) and in the same proportions)

53 2 Capitalised sums must be applied

53 2 1 on behalf of the persons entitled, and



- 53 2 2 in the same proportions as a dividend would have been distributed to them,  
or otherwise as required by any Shareholders Agreement
- 53 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
- 53 4 A capitalised sum which was appropriated from profits available for distribution may be applied
- 53 4 1 in or towards paying up any amounts unpaid on existing shares held by the persons entitled, or
- 53 4 2 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
- 53 5 Subject to the Articles the directors may
- 53 5 1 apply capitalised sums in accordance with Article 49 3 and 49 4 partly in one way and partly in another,
- 53 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 or the ignoring of fractions altogether), and
- 53 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
- 53 6 The directors shall if so required by any Shareholders Agreement, apply all or part of the sum standing to the credit of the Company's share premium account in paying up and allotting to a Shareholder, credited as fully paid, such number of shares of such classes as may be required under any Shareholders Agreement
- 54 Members may call general meeting if not enough directors**
- If
- 54 1 the Company has fewer directors than are required to form a quorum, and
- 54 2 the director(s) (if any) is unable or unwilling to appoint sufficient directors to make up a quorum or to call a general meeting to do so,
- then any two or more members may call a general meeting (or instruct the company secretary (if any) to do so) for the purpose of appointing one or more directors
- 55 Attendance and speaking at general meetings**
- 55 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
- 55 2 A person is able to exercise the right to vote at a general meeting when

- 55 2 1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- 55 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
- 55 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
- 55 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
- 55 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
- 56 Quorum for general meetings**
- 56 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
- 56 2 For as long as the number of A Ordinary Shares in issue equals or exceeds 10% of the total number of Ordinary Shares in issue, the quorum shall include at least one member holding A Ordinary Shares (or his proxy or representative), except at a meeting which is adjourned and reconvened at least seven days later for lack of quorum at the original meeting
- 56 3 For as long as the number of B Ordinary Shares in issue equals or exceeds 15% of the total number of shares in issue, the quorum shall include at least one member holding B Ordinary Shares (or his proxy or representative), except at a meeting which is adjourned and reconvened at least seven days later for lack of quorum at the original meeting
- 56 4 Subject to Articles 56 2 and 56 3, the quorum shall be members present in person or by proxy or representative holding at least 25% by number of the Ordinary Shares in issue
- 57 Chairing general meetings**
- 57 1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so
- 57 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 after the time at which a meeting was due to start
- 57 2 1 the directors present, or
- 57 2 2 (if no directors are present), the meeting,
- must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting

57 3 The person chairing a meeting in accordance with this Article is referred to as the chairman of the meeting

58 **Attendance and speaking by directors and non-members**

58 1 Directors may attend and speak at general meetings, whether or not they are members

58 2 The chairman of the meeting may permit other persons who are not

58 2 1 members of the Company, or

58 2 2 otherwise entitled to exercise the rights of members in relation to general meetings,

to attend and speak at a general meeting

59 **Adjournment**

59 1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start (or such longer period as those present agree) do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it

59 2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if

59 2 1 the meeting consents to an adjournment, or

59 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

59 3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting

59 4 When adjourning a general meeting, the chairman of the meeting must

59 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

59 4 2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting

59 5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, or if no date and time for the continuation of the adjourned meeting was specified by the chairman to those present at the adjourned meeting, the Company must give at least 7 clear days' notice of it

59 5 1 to the same persons to whom notice of the Company's general meetings is required to be given, and

59 5 2 containing the same information which such notice is required to contain

59 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 (subject to Article 56 as regards changes to the quorum requirement)

60 **Voting: general**

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

61 **Errors and disputes**

61 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

61 2 Any such objection must be referred to the chairman of the meeting, whose decision is final

62 **Poll votes**

62 1 A poll on a resolution may be demanded 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

62 2 A poll may be demanded by

62 2 1 the chairman of the meeting,

~~62 2 2 two or more persons having the right to vote on the resolution, or~~

62 2 3 a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution

62 3 A demand for a poll may be withdrawn if

62 3 1 the poll has not yet been taken, and

62 3 2 the chairman of the meeting consents to the withdrawal

62 4 Polls must be taken when, where and in such manner as the chairman of the meeting directs

63 **Content of proxy notices**

63 1 Proxies may only validly be appointed by a notice in writing (a **proxy notice**) which

63 1 1 states the name and address of the member appointing the proxy,

63 1 2 identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed,

63 1 3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine, and

- 63 1 4 is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate
- 63 2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes
- 63 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
- 63 4 Unless a proxy notice indicates otherwise, it must be treated as
- 63 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
- 63 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
- 64 Delivery of proxy notices**
- 64 1 Any notice of a general meeting must specify the address or addresses (**proxy notification address**) at which the Company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form
- 64 2 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person
- 64 3 Subject to the following Articles, a proxy notice must be delivered to a proxy notification address not less than 24 hours before the general meeting or adjourned meeting to which it relates
- 64 4 In the case of a poll taken more than 48 hours after it is demanded, the notice must be delivered to a proxy notification address not less than 24 hours before the time appointed for the taking of the poll
- 64 5 In the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded, the proxy notice must be delivered
- 64 5 1 in accordance with Article 64 3, or
- 64 5 2 at the meeting at which the poll was demanded to the chairman of the meeting, company secretary (if any) or any director
- 64 6 The directors may, in their sole discretion, determine from time to time that in calculating the periods referred to in Articles 64 3 and 64 4 no account shall be taken of any part of a day that is not a working day
- 64 7 A proxy notice which is not delivered in accordance with the foregoing Articles shall be invalid unless the directors, in their sole discretion, accept the proxy notice at any time before the meeting

64 8 An appointment under a proxy notice may be revoked by delivering to a proxy notification address a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given

64 9 A notice revoking a proxy appointment only takes effect if it is delivered before

64 9 1 the start of the meeting or adjourned meeting to which it relates, or

64 9 2 (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll to which it relates

64 10 If a proxy notice is not signed by the person appointing the proxy, it must be accompanied by written evidence, satisfactory to the directors, of the authority of the person who signed it to do so on the appointor's behalf

64 11 If more than one proxy notice relating to the same share is delivered for the purposes of the same meeting, the proxy notice last delivered shall prevail in conferring authority on the person named in the notice to attend the meeting and vote. A proxy notice in electronic form found by the Company to contain a computer virus shall not be accepted by the Company and shall be invalid.

## 65 Amendments to resolutions

65 1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if

65 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

65 1 2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution

65 2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if

65 2 1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

65 2 2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution

65 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

## 66 Class meetings

Section 334 of the Act and the provisions of these Articles relating to general meetings shall, with necessary modifications, apply to separate meetings of the holders of any class of shares, but so that any holder of shares of the class in question present in person or by proxy may demand a poll

**67 Communications**

67 1 The company communications provisions (as defined in the Act) shall also apply to any document or information not otherwise authorised or required to be sent or supplied by or to a company under the Companies Acts but to be sent or supplied pursuant to the Articles

67 1 1 by or to the Company, or

67 1 2 by or to the directors acting on behalf of the Company, or

67 1 3 by or to the members of the Company

67 2 The provisions of section 1168 of the Act (hard copy and electronic form and related expressions) shall apply to the Company as if the words "and the Articles" were inserted after the words "the Companies Acts" in sections 1168(1) and 1168(7)

67 3 Section 1147 of the Act shall apply to any document or information to be sent or supplied by the Company to its members under the Companies Acts or pursuant to these Articles as if

67 3 1 in section 1147(2) the words "or by airmail in hard copy or in electronic form to an address outside the United Kingdom" were inserted after the words "in the United Kingdom",

67 3 2 in section 1147(3) the words "48 hours after it was sent" were deleted and replaced with the words "when sent, notwithstanding that the Company may be aware of the failure in delivery of such document or information",

67 3 3 a new section 1147(4)(A) were inserted as follows

"Where the document or information is sent or supplied by hand in hard copy or in electronic form and the Company is able to show that it was properly addressed and sent at the cost of the Company, it is deemed to have been received by the intended recipient when delivered",

67 3 4 section 1147(5) were deleted

67 4 Proof that a document or information sent by electronic means was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the document or information was properly addressed as required by section 1147(3) of the Act and that the document or information was sent or supplied

67 5 In the case of members who are joint holders of shares, anything to be agreed or specified by the holder may be agreed or specified by the holder whose name appears first in the register of members Schedule 5, Part 6, paragraph 16(2) of the Act shall apply accordingly

**68 Failure to notify contact details**

68 1 If the Company sends two consecutive documents or pieces of information to a member over a period of not less than 12 months and

68 1 1 each of them is returned undelivered, or

- 68 1 2 the Company receives notification that neither of them has been delivered,
- that member ceases to be entitled to receive documents or information from the Company
- 68 2 A member who has ceased to be entitled to receive documents or information from the Company shall become entitled to receive documents or information again by sending the Company
- 68 2 1 a new address to be recorded in the register of members, or
- 68 2 2 if the member has agreed that the Company should use a means of communication other than sending things to such an address, the information that the Company needs to use that means of communication effectively
- 69 Destruction of documents**
- 69 1 The Company is entitled to destroy
- 69 1 1 all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entries are made in the register of members, from six years after the date of registration,
- 69 1 2 all notifications of change of address, from two years after they have been recorded, and
- ~~69 1 3 all share certificates which have been cancelled from one year after the date of the cancellation~~
- 69 2 If the Company destroys a document in good faith, in accordance with the Articles, and without notice of any claim to which that document may be relevant, it is conclusively presumed in favour of the Company that
- 69 2 1 entries in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed were duly and properly made,
- 69 2 2 any instrument of transfer so destroyed was a valid and effective instrument duly and properly registered,
- 69 2 3 any share certificate so destroyed was a valid and effective certificate duly and properly cancelled, and
- 69 2 4 any other document so destroyed was a valid and effective document in accordance with its recorded particulars in the books or records of the Company
- 69 3 This Article does not impose on the Company any liability which it would not otherwise have if it destroys any document before the time at which this Article permits it to do so
- 69 4 In this Article, references to the destruction of any document include a reference to its being disposed of in any manner



**70 Company seals**

70 1 Any common seal may only be used by the authority of the directors

70 2 The directors may decide by what means and in what form any common seal is to be used

70 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

70 4 For the purposes of this Article, an authorised person is

70 4 1 any director of the Company, or

70 4 2 any person authorised by the directors for the purpose of signing documents to which the common seal is applied

**71 No right to inspect accounts and other records**

Except as provided by law or authorised by the directors or an ordinary resolution of the Company, or pursuant to any Shareholders Agreement or other legally binding obligation entered into by the Company with that member from time to time, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a member

**72 Provision for employees on cessation or transfer of business**

72 1 The directors may, subject to the following Article, exercise the power to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary

72 2 Any exercise by the directors of the power to make provision of the kind referred to in the preceding Article (including, without prejudice to the provisions of Article 24, remuneration) for the benefit of directors, former directors or shadow directors employed or formerly employed by the Company or any of its subsidiaries must be approved by an ordinary resolution of the Company before any payment to or for the benefit of such persons is made

**73 Indemnities and funding of defence proceedings**

73 1 This Article shall have effect, and any indemnity provided by or pursuant to it shall apply, only to the extent permitted by, and subject to the restrictions of, the Act It does not allow for or provide (to any extent) an indemnity which is more extensive than is permitted by the Act and any such indemnity is limited accordingly This Article is also without prejudice to any indemnity to which any person may otherwise be entitled

73 2 The Company may indemnify any person who is a director or other officer (other than an auditor) of the Company or any associated company of the Company out of the assets of the Company from and against any loss, liability or expense incurred by him or them in relation to the Company or associated company

73 3 The Company may indemnify any person who is a director of a company that is a trustee of an occupational pension scheme (as defined in section 235(6) of the Act)

out of the assets of the Company from and against any loss, liability or expense incurred by him or them in connection with such company's activities as trustee of the scheme

73 4 The directors may, subject to the provisions of the Act, exercise the powers conferred on them by sections 205 and 206 of the Act to

73 4 1 provide funds to meet expenditure incurred or to be incurred in defending any proceedings, investigation or action referred to in those sections or in connection with an application for relief referred to in section 205, or

73 4 2 take any action to enable such expenditure not to be incurred

#### 74 **Insurance**

The directors may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time a director or other officer (other than an auditor) of the Company or of any associated company (as defined in section 256 of the Act) of the Company or a trustee of any pension fund or employee benefits trust for the benefit of any employee of the Company

#### 75 **Objects**

75 1 The Company's objects are unrestricted

75 2 Prior to the adoption of these Articles, the Company acquired the business and assets of Kent Reliance Building Society and, on completion of that transfer, issued shares to Kent Reliance Provident Society Limited (the **Society**), an industrial & provident society, formed to operate as a co-operative society. The Society will offer membership (inter alia) to those customers from time to time of the Company and/or subsidiaries of the Company who hold qualifying membership accounts or qualifying mortgage accounts with the Company, being initially the former members of Kent Reliance Building Society. The core purpose of the Company is to provide a range of financial services to members of the Society in support of its co-operative principles and accordingly the affairs of the Company shall be conducted with a view to furthering this purpose rather than the purpose of maximising the profits for distribution to the Company's members. The Company will also offer services to customers other than members of the Society

75 3 For the avoidance of doubt, the provisions of Article 75 2 may only be amended or removed by a special resolution of the Company