

**LENNOX INDUSTRIES**

**Company Number: 00671868**

**(the "Company")**

**Written Resolution of the Company**

**Circulation date August 31, 2016**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the members of the Company propose that the following resolutions are passed as special resolutions

**SPECIAL RESOLUTIONS**

- 1 That, in accordance with section 21 of the Companies Act 2006, the Company's articles of association are amended by the deletion of the provisions of the Company's memorandum of association which, by virtue of section 28 of the Companies Act 2006, are treated as provisions of the Company's articles
- 2 That, in accordance with section 21 of the Companies Act 2006, the articles of association contained in the document which is attached to this record are approved and adopted as the Company's articles of association in substitution for, and to the exclusion of, the Company's existing articles of association

Signed

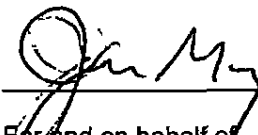


Date

2 September 2016

Heide Martino, Director  
For and on behalf of  
HCF-Lennox Limited

Signed



Date

31 August 2016

For and on behalf of  
Heatcraft Technologies, Inc

SATURDAY



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15/10/2016

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COMPANIES HOUSE

**THE COMPANIES ACT 2006**

**AN UNLIMITED COMPANY**

**ARTICLES OF ASSOCIATION**

**OF**

**LENNOX INDUSTRIES**

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## Part 1

### Interpretation and Limitation of Liability

#### 1 DEFINED TERMS

In the articles, unless the context requires otherwise

**"Act"** means the Companies Act 2006,

**"articles"** means the company's articles of association,

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

**"chairman"** has the meaning given in article 10,

**"chairman of the meeting"** has the meaning given in article 48,

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

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

**"distribution recipient"** has the meaning given in article 38,

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

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

**"fully paid"** in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company,

**"group company"** means the company's ultimate holding company (if any) and any body corporate which is directly or indirectly a wholly-owned subsidiary of the company or such ultimate holding company, in each case from time to time,

**"hard copy form"** has 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,

**"instrument"** means a document in hard copy form,

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

**"paid"** means paid or credited as paid,

**"participate"**, in relation to a directors' meeting, has the meaning given in article 9,

**"proxy notice"** has the meaning given in article 54,

**"shareholder"** means a person who is the holder of a share,

**"shares"** means shares in the company,

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

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

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

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

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Act as in force on the date when these articles become binding on the company

## **Part 2**

### **Directors**

#### **Directors' Powers And Responsibilities**

##### **2 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

##### **3 SHAREHOLDERS' RESERVE POWER**

3 1 The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action

3 2 No such special resolution invalidates anything which the directors have done before the passing of the resolution

##### **4 DIRECTORS MAY DELEGATE**

4 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

4 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

4 3 The directors may revoke any delegation in whole or part, or alter its terms and conditions

##### **5 COMMITTEES**

5 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

- 5 2 The directors may make rules of procedure for all or any committees, such rules prevail over rules derived from the articles if they are not consistent with them

### **Decision-Making by Directors**

#### **6 DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

- 6 1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 7

#### **7 UNANIMOUS DECISIONS**

- 7 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
- 7 2 Such a decision may take the form of a resolution in writing, at least one copy of which has been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing. A resolution signed by an alternate director need not also be signed by or agreed to by his appointer
- 7 3 References in this article 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
- 7 4 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

#### **8 CALLING A DIRECTORS' MEETING**

- 8 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
- 8 2 Notice of any directors' meeting must indicate
- (a) its proposed date and time,
  - (b) where it is to take place, and
  - (c) 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
- 8 3 Notice of a directors' meeting must be given to each director, but need not be in writing
- 8 4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company either before or not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it

#### **9 PARTICIPATION IN DIRECTORS' MEETINGS**

- 9 1 Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when-
- (a) the meeting has been called and takes place in accordance with the articles, and

- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting

9 2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other

9 3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is

#### 10 **QUORUM FOR DIRECTORS' MEETINGS**

10 1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting

10 2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two

10 3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision-

- (a) to appoint further directors, or
- (b) to call a general meeting so as to enable the shareholders to appoint further directors

#### 11 **CHAIRING OF DIRECTORS' MEETINGS**

11 1 The directors may appoint a director to chair their meetings

11 2 The person so appointed for the time being is known as the chairman

11 3 The directors may terminate the chairman's appointment at any time

11 4 If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors may appoint one of themselves to chair it

#### 12 **CASTING VOTE AT DIRECTORS' MEETINGS**

12 1 If the numbers of votes at a meeting of directors for and against a proposal are equal (ignoring any votes which in accordance with the Act are to be discounted), the chairman or other director chairing the meeting has a casting vote

12 2 But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes

#### 13 **TRANSACTIONS OR ARRANGEMENTS WITH THE COMPANY**

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director

- (a) may be a party to, or otherwise interested in, any contract, transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested (a "**Relevant Matter**"),



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

#### 14 DIRECTORS' CONFLICTS OF INTEREST

- 14 1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an "**Interested Director**") breaching his duty under section 175 of the Act to avoid conflicts of interest ("**Conflicts**")

Any authorisation under this article 14 will be effective only if

- (a) the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of the articles or in such other manner as the directors may determine,
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted

- 14 2 Any authorisation of a Conflict under this article 14 may (whether at the time of giving the authorisation or subsequently)

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
- (b) provide that the Interested Director be excluded from the receipt of documents and information related to the Conflict and from participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,
- (c) provide that the Interested Director shall or shall not be entitled to vote in respect of any future decision of the directors in relation to any resolution related to the Conflict,

- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,
  - (e) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters
- 14 3 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict
- 14 4 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director prior to such revocation or variation, in accordance with the terms of such authorisation
- 14 5 An Interested Director shall be under no duty to the company with respect to any information which he obtains or has obtained otherwise than as a director of the company and in respect of which he owes a duty of confidentiality to another person. In particular, the director shall not be in breach of the general duties he owes to the company by virtue of sections 171 to 177 of the Act because he fails
- (a) to disclose any such information to the directors or to any director or other officer or employee of the company, or
  - (b) to use or apply any such information in performing his duties as a director

However to the extent that his relationship with that other person gives rise to a conflict of interest or possible conflict of interest, this article applies only if the existence of that relationship has been approved by the directors pursuant to this article 14

- 14 6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

## **15 RECORDS OF DECISIONS TO BE KEPT**

The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors

## **16 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

## **17 CHANGE OF NAME**

The company may change its name by resolution of the directors

## **Appointment of Directors**

### **18 METHODS OF APPOINTING DIRECTORS**

18 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

- (a) by ordinary resolution,
- (b) by a decision of the directors, or
- (c) by a notice of his appointment given in accordance with article 20

18 2 In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director

18 3 For the purposes of paragraph 18 2, where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder

### **19 TERMINATION OF DIRECTOR'S APPOINTMENT**

A person ceases to be a director as soon as

- (a) that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law,
- (b) a bankruptcy order is made against that person,
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
- (d) 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,
- (e) 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,
- (f) that person has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and the directors resolve that that person should cease to be a director,
- (g) notice of his removal is given in accordance with article 20

### **20 APPOINTMENT AND REMOVAL OF DIRECTORS BY MAJORITY SHAREHOLDERS**

Any member holding, or any members holding in aggregate, at the relevant time a majority in nominal value of such of the issued share capital of the company as carries the right of attending and voting at general meetings of the company may, by notice in writing signed by or on behalf of him or them and delivered to the company's registered office or tendered at a meeting of the directors or at a general meeting of the company, at any time and from time to time appoint any person to be a director (either to fill a vacancy or as an additional director) or remove any director from office (no matter how he was appointed)

**21 DIRECTORS' REMUNERATION**

21 1 Directors may undertake any services for the company that the directors decide and the company may enter into a service contract with any director on such terms as the directors think fit

21 2 Directors are entitled to such remuneration as the directors determine

- (a) for their services to the company as directors, and
- (b) for (i) any other service which they undertake for the company or (ii) any executive office or employment with, the company or any body corporate which is a group company

21 3 Subject to the articles, a director's remuneration may

- (a) take any form,
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director

21 4 Unless the directors decide otherwise, directors' remuneration accrues from day to day

21 5 Directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company, any group company or any other body corporate in which the company is interested and the receipt of such benefit shall not disqualify any person from being a director of the company

**22 DIRECTORS' EXPENSES**

The company may pay any reasonable expenses which the directors (including alternative directors) and the company secretary (if one has been appointed) properly incur in connection with their attendance at

- (a) meetings of directors or committees of directors,
- (b) general meetings, or
- (c) separate meetings of the holders of any class of shares or of debentures of the company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company

**Alternate directors**

**23 APPOINTMENT AND REMOVAL OF ALTERNATES**

23 1 Any director (the "appointor") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to

- (a) exercise that director's powers, and
- (b) carry out that director's responsibilities,

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

23 2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors

23 3 The notice must

- (a) identify the proposed alternate, and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice

**24 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

24 1 An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor

24 2 Except as the articles specify otherwise, alternate directors

- (a) are deemed for all purposes to be directors,
- (b) are liable for their own acts and omissions,
- (c) are subject to the same restrictions as their appointors, and
- (d) are not deemed to be agents of or for their appointors

24 3 A person who is an alternate director but not a director

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and
- (b) may sign a written resolution (but only if it is not signed or to be signed by that person's appointor)

No alternate may be counted as more than one director for such purposes

24 4 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

**25 TERMINATION OF ALTERNATE DIRECTORSHIP**

25 1 An alternate director's appointment as an alternate terminates

- (a) when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate,
- (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,
- (c) on the death of the alternate's appointor, or
- (d) when the alternate's appointor's appointment as a director terminates, except that an alternate's appointment as an alternate does not terminate when the appointor retires by rotation at a general meeting and is then re-appointed as a director at the same general meeting

### **Part 3**

#### **Shares and Distributions**

**26 ALL SHARES TO BE FULLY PAID UP**

- 26 1 No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue
- 26 2 This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum

**27 POWER TO ISSUE DIFFERENT CLASSES OF SHARE WITH DIFFERENT RIGHTS**

- 27 1 Subject to the articles, but without prejudice to the rights attached to any existing shares, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution
- 27 2 The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares
- 27 3 In the event that rights and restrictions attaching to shares are determined by ordinary resolution or by the directors pursuant to this article, those rights and restrictions shall apply, in particular in place of any rights or restrictions that would otherwise apply by virtue of the Act in the absence of any provisions in the articles of a company, as if those rights and restrictions were set out in the articles

**28 ALTERATION OF SHARE CAPITAL**

- 28 1 The company may by special resolution
- (a) increase its share capital by such sum to be divided into shares of such amount as the resolution may prescribe,
  - (b) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares,
  - (c) subdivide its shares, or any of them, into shares of a smaller amount than its existing shares,
  - (d) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and
  - (e) reduce its share capital and any share premium account in any way

**29 PAYMENT OF COMMISSIONS ON SUBSCRIPTION FOR SHARES**

- 29 1 The company may pay any person a commission in consideration for that person
- (a) subscribing, or agreeing to subscribe, for shares, or
  - (b) procuring, or agreeing to procure, a subscription or subscriptions for shares
- 29 2 Any such commission may be paid
- (a) in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other, and

- (b) in respect of a conditional or an absolute subscription

**30 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

**31 SHARE CERTIFICATES**

- 31 1** The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds

- 31 2** Every certificate must specify

- (a) in respect of how many shares, of what class, it is issued,
- (b) the nominal value of those shares,
- (c) that the shares are fully paid, and
- (d) any distinguishing numbers assigned to them

- 31 3** No certificate may be issued in respect of shares of more than one class

- 31 4** If more than one person holds a share, only one certificate may be issued in respect of it and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them

- 31 5** Certificates must

- (a) have affixed to them the company's common seal, or
- (b) be otherwise executed in accordance with the Companies Acts

**32 REPLACEMENT SHARE CERTIFICATES**

- 32 1** If a certificate issued in respect of a shareholder's shares is

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed,

that shareholder is, subject to having first complied with the obligations in articles 32 2(b) and 32 2(c), entitled to be issued with a replacement certificate in respect of the same shares

- 32 2** A shareholder exercising the right to be issued with such a replacement certificate

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates,
- (b) must return the certificate which is to be replaced to the company if it is damaged or defaced, and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide

**33 SHARE TRANSFERS**

- 33 1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor
- 33 2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share
- 33 3 The company may retain any instrument of transfer which is registered
- 33 4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it
- 33 5 The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent

**34 TRANSMISSION OF SHARES**

- 34 1 If title to a share passes to a transmittee, the company may recognise only the transmittee as having any title to that share
- 34 2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require
- (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
  - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder from whom the transmittee derived such entitlement had
- 34 3 But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the event which gave rise to the transmission unless they become the holders of those shares

**35 EXERCISE OF TRANSMITTEES' RIGHTS**

- 35 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
- 35 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
- 35 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

**36 TRANSMITTEES BOUND BY PRIOR NOTICES**

If a notice is given to a shareholder in respect of shares and a transmittee (or a transferee nominated by such transmittee pursuant to article 34 2) is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the Transmittee's (or transferee's) name has been entered in the register of members



## **Dividends and other distributions**

### **37 PROCEDURE FOR DECLARING DIVIDENDS**

- 37 1 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends
- 37 2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors
- 37 3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights
- 37 4 Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares which rank for the dividend on the date of the resolution or decision to declare or pay it
- 37 5 If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears
- 37 6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment
- 37 7 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights

### **38 PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

- 38 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
- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,
  - (b) 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,
  - (c) 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
  - (d) 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
- 38 2 In the articles, "**the distribution recipient**" means, in respect of a share in respect of which a dividend or other sum is payable
- (a) the holder of the share, or
  - (b) if the share has two or more joint holders, whichever of them is named first in the register of members, or

- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

**39 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

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the company

**40 UNCLAIMED DISTRIBUTIONS**

**40 1 All dividends or other sums which are**

- (a) payable in respect of shares, and
- (b) 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

**40 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**

**40 3 If**

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
- (b) 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

**41 NON-CASH DISTRIBUTIONS**

**41 1 Subject to the terms of issue of the share in question, the company may, by ordinary resolution or by a decision of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company)**

**41 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**

- (a) fixing the value of any assets,
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and
- (c) vesting any assets in trustees

**42 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

- (a) the share has more than one holder, or
- (b) 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

**43 DISTRIBUTION IN SPECIE ON WINDING UP**

If the company is wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability

**Capitalisation of profits**

**44 AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS**

**44 1** Subject to the articles, the directors may, if they are so authorised by an ordinary resolution

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

**44 2** Capitalised sums must be applied

- (a) on behalf of the persons entitled, and
- (b) in the same proportions as a dividend would have been distributed to them

**44 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

**44 4** A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct

**44 5** Subject to the articles the directors may

- (a) apply capitalised sums in accordance with articles 44 3 and 44 4 partly in one way and partly in another,
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments), and

- (c) 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

#### **Part 4**

##### **Decision-making by shareholders**

##### **Organisation of general meetings**

#### **45 NOTICE OF GENERAL MEETINGS**

- 45 1 Notice of general meetings need not be given to members who, under the provisions of these articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the company
- 45 2 A member present, either in person or by proxy, at any meeting of the company or of the holders of any class of shares in the company shall be deemed to have received notice of the meeting and, where requisite, of the purpose for which it was called
- 45 3 Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title

#### **46 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

- 46 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
- 46 2 A person is able to exercise the right to vote at a general meeting when
  - (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - (b) 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
- 46 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
- 46 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
- 46 5 Two or more persons who are not in the same place as each other attend a general meeting if they are able to exercise any rights they have to speak or vote at that meeting
- 47 **QUORUM FOR GENERAL MEETINGS**
- 47 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
- 47 2 For all purposes of these articles, a quorum shall be present at a general meeting of the company or of the holders of any class of its shares (a) as provided in the Act, or (b) if one person being a duly authorised representative of two or more corporations each of which is a member entitled to vote upon the business to be transacted is present

**48 CHAIRING GENERAL MEETINGS**

48 1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so

48 2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start

(a) the directors present, or

(b) (if no directors are present), the meeting,

must appoint a director or shareholder (including a proxy or a corporate representative) to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting

48 3 The person chairing a meeting in accordance with this article is referred to as "**the chairman of the meeting**"

**49 ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS**

49 1 Directors may attend and speak at general meetings, whether or not they are shareholders

49 2 The chairman of the meeting may permit other persons who are not

(a) shareholders of the company, or

(b) otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at general meetings

to attend and speak at a general meeting

**50 ADJOURNMENT**

50 1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it

50 2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if

(a) the meeting consents to an adjournment, or

(b) 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

50 3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting

50 4 When adjourning a general meeting, the chairman of the meeting must 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

- 50 5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)
- (a) to the same persons to whom notice of the company's general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain
- 50 6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

### **Voting at general meetings**

#### **51 VOTING GENERAL**

- 51 1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles
- 51 2 The voting entitlements of members are subject to any rights or restrictions attached to shares held by them, whether or not such rights or restrictions are set out in the articles

#### **52 ERRORS AND DISPUTES**

- 52 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
- 52 2 Any such objection must be referred to the chairman of the meeting, whose decision is final

#### **53 POLL VOTES**

- 53 1 A poll on a resolution may be demanded
- (a) in advance of the general meeting where it is to be put to the vote, or
  - (b) 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
- 53 2 A poll may be demanded by
- (a) the chairman of the meeting,
  - (b) the directors,
  - (c) two or more persons having the right to vote on the resolution,
  - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution, or
  - (e) a person or persons holding shares in the company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the shares conferring that right

A demand for a poll by a proxy counts, for the purposes of paragraph (c) above, as a demand by a member, for the purposes of paragraph (d) above, as a demand by a member representing the voting rights that the proxy is authorised to exercise, and, for

the purposes of paragraph (e) above, as a demand by a member holding the shares to which those rights are attached

53 3 A demand for a poll may be withdrawn if

- (a) the poll has not yet been taken, and
- (b) the chairman of the meeting consents to the withdrawal

53 4 Polls must be taken immediately and in such manner as the chairman of the meeting directs

#### 54 CONTENT OF PROXY NOTICES

Proxies may only validly be appointed by a notice in writing (a "proxy notice") which

- (a) states the name and address of the shareholder appointing the proxy,
- (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed,
- (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and
- (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate,

54 2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes

54 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

54 4 Unless a proxy notice indicates otherwise, it must be treated as

- (a) 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
- (b) 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

#### 55 DELIVERY OF PROXY NOTICES

55 1 The proxy notice must

- (a) in the case of a proxy notice which is in hard copy form, be received at the registered office (or at such other place or by such person as may be specified or agreed by the directors) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote (or such later time up to and including at the meeting or adjourned meeting as the directors may agree) together with (if required by the directors) any authority under which it is made or a copy of such authority, certified notarially or in some other manner approved by the directors, or
- (b) in the case of a proxy notice made by electronic means, be received at the address specified by the company for the receipt of proxy notices by electronic means not less than 48 hours before the time appointed for holding the meeting or

adjourned meeting at which the person named in the appointment proposes to vote (or such later time up to and including at the meeting or adjourned meeting as the directors may agree) Any authority pursuant to which a proxy notice made by electronic means is made or a copy of such authority, certified notarially or in some other manner approved by the directors, must, if required by the directors, be received at the registered office (or at such other place or by such person as may be specified or agreed by the directors) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote (or such later time up to and including at the meeting or adjourned meeting as the directors may agree)

- 55 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
- 55 3 An appointment under a proxy notice may be revoked by delivering to the company, in the same manner as the proxy notice that is being revoked was delivered under article 55 1 or in such other manner as the directors may agree, a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given
- 55 4 A notice revoking a proxy appointment only takes effect if it is delivered not less than 48 hours before the start of the meeting or adjourned meeting to which it relates or (if agreed by the directors) such later time up to and including at the meeting or adjourned meeting itself
- 55 5 A vote given or poll demanded by a proxy or by the duly authorised representative of a corporate member shall be valid notwithstanding the previous revocation of the authority of the person voting or demanding a poll unless
- (a) in the case of a proxy appointment, notice of the revocation was delivered in accordance with articles 55 3 and 55 4 above, or
  - (b) in the case of the authority of an authorised representative of a corporate member, notice of a revocation was delivered as if it were notice of the revocation of a proxy appointment in accordance with articles 55 3 and 55 4 above

## 56 AMENDMENTS TO RESOLUTIONS

- 56 1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if
- (a) 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
  - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution
- 56 2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and



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

56 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

#### 57 CLASS MEETINGS

All the provisions of these articles relating to general meetings of the company apply with any necessary changes to a separate meeting of shareholders of any class of shares in the company in connection with the variation of rights attached to a class of shares

#### 58 MENTAL DISORDER

A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the registered office, or at such other place as is specified in accordance with the articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable

### Part 5

#### Administrative Arrangements

#### 59 MEANS OF COMMUNICATION TO BE USED

59 1 Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company

59 2 Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being

59 3 A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours

#### 60 TIME OF SERVICE

60 1 Any notice, document or other information

- (a) if sent by the company by post to an address within the United Kingdom or if sent to the company from within the United Kingdom, shall be deemed to have been received on the day following that on which it was put in the post if first class post was used or 48 hours after it was posted if first class post was not used and, in proving such service or delivery, it shall be sufficient to prove that the notice, document or other information was properly addressed, prepaid and put in the post,

- (b) if sent by the company using a reputable international courier service to an address outside the United Kingdom or if sent to the company from outside the United Kingdom using a reputable international courier, shall be deemed to have been received 48 hours after it was sent provided that delivery within 48 hours was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider,
  - (c) not sent by post but left by the company at an address (other than an address for the purposes of communications by electronic means) shall be deemed to have been served or delivered when it was so left or sent,
  - (d) sent or supplied by the company using electronic means shall be deemed to be received on the day on which it was sent or supplied and, in proving such service or delivery, it shall be sufficient to prove that the notice, document or other information was properly addressed,
  - (e) made available by the company on a website shall be deemed to have been received on the day on which the notice, document or other information was first made available on the website or, if later, when a notice of availability is received or deemed to have been received pursuant to this article, and
  - (f) served, sent or supplied by the company by any other means authorised in writing by the member concerned shall be deemed to have been served, sent or supplied when the company has carried out the action it has been authorised to take for that purpose
- 60 2 For the purposes of calculating a time period in articles 60 1(a) and 60 1(b) no account shall be taken of any part of a day which is not a working day
- 61 **COMPANY SEALS**
- 61 1 Any common seal may only be used by the authority of the directors
- 61 2 The directors may decide by what means and in what form any common seal is to be used
- 61 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
- 61 4 For the purposes of this article, an authorised person is
- (a) any director of the company,
  - (b) the company secretary (if any), or
  - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied
- 61 5 The company may exercise all the powers conferred by the Act with regard to having any official seal and such powers shall be vested in the directors. Subject to the provisions of the Act, any instrument to which an official seal is affixed shall be signed by such persons, if any, as the directors may from time to time determine

**62 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, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder

**63 PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS**

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

**Directors' Indemnity and Insurance**

**64 INDEMNITY AND EXPENSES**

64 1 Subject to article 64 4, a relevant director of the company or an associated company may be indemnified out of the company's assets against

- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
- (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act), and
- (c) any other liability incurred by that director as an officer of the company or an associated company

64 2 The company may fund a relevant director's expenditure for the purposes permitted under the Act and may do anything to enable a relevant director to avoid incurring such expenditure as provided in the Act

64 3 No relevant director shall be accountable to the company or the members for any benefit provided pursuant to this article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the company

64 4 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

64 5 In this article

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "**relevant director**" means any director or former director of the company or an associated company

**65 INSURANCE**

65 1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss

65 2 In this article

- (a) a "**relevant director**" means any director or former director of the company or an associated company,
- (b) a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate