

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

- of

CALEDONIAN SLEEPERS RAIL LEASING LIMITED

(Company Number 01920772)

(adopted by special resolution on 28th October 2021)



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29 OCT 2021

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1 NON-APPLICATION OF STATUTORY REGULATIONS

None of the relevant model articles (within the meaning of section 20 of the 2006 Act) nor the regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 or any regulation or articles set out in any statute, or in any statutory instrument or other subordinated legislation made under any statute concerning companies shall apply to the Company.

2 INTERPRETATION

2.1 Defined Terms

In these Articles, unless the context requires otherwise:

“Act” means the Companies Act 2006 and every statutory modification and re-enactment thereof for the time being in force;

“Articles” means these articles of association as altered from time to time and **“Article”** shall be construed accordingly;

“Associated Company” means any holding company or subsidiary company of the Company or any company which is a subsidiary of a holding company of the Company;

“Bankruptcy” includes individual insolvency proceedings in a jurisdiction other than Scotland which have an effect similar to that of bankruptcy;

“Board” means the board of directors for the time being of the Company or the directors present or deemed to be present at a duly convened quorate meeting of the directors;

“Chairman” means the person appointed as chairman of the Board in accordance with Article 7.4;

“Company” means CALEDONIAN SLEEPERS RAIL LEASING Limited;

“Director” means a director of the Company, and includes any person occupying the position of director, by whatever name called;

“Eligible Director” means a Director eligible to be counted in a quorum for a Directors’ meeting in respect of a particular matter and to vote on such matter to be considered at a Directors’ meeting;

“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 or credited as paid to the Company;

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

“Office” means the registered office from time to time of the Company;

“Shareholder” means a person who is the Holder of a Share;

“Shares” means shares in the capital of the Company

“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 written or produced by any legible and non-transitory substitute for writing, or partly one and partly another, whether in hard copy form or electronic form.

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

Headings and sub-headings to Articles are inserted for convenience only and shall not affect the construction of the Articles.

Where for any purpose an Ordinary Resolution of the Company is expressed to be required under the provisions of the Articles, a Special Resolution shall also be effective.

3 LIMITATION OF LIABILITY

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

4 CHANGE OF NAME

The Company may change its name by resolution of the Board.

5 DIRECTORS' POWERS AND RESPONSIBILITIES

5.1 Directors' general authority

Subject to these Articles, the Directors are responsible for the management of the Company's business and the Directors may exercise all the powers of the Company.

5.2 Shareholders' reserve power

5.2.1 The Shareholders may, by special resolution, direct the Directors to take, or refrain from taking, specified action or actions.

5.2.2 No special resolution directing the Directors to take or refrain from taking a specified action or specified actions shall invalidate anything done by the Directors, which would have otherwise been valid before the passing of the special resolution.

5.3 Directors may appoint agents

Subject to these Articles, the Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company on such terms and conditions as the Directors determine, including authority for the agent to delegate all or any of his powers and the Directors may at any time revoke any appointment in whole or in part.

5.4 Directors may delegate

5.4.1 Subject to these Articles, the Directors may delegate any of the powers which are conferred on them under these Articles to any committee consisting of one or more Directors or to any Director holding any executive office.

5.4.2 Unless the Directors specify otherwise, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated to any employee or agent of the Company.

- 5.4.3 Any delegation may be made subject to such terms and conditions as the Directors may specify and the Directors may at any time revoke any delegation in whole or part, or alter its terms and conditions.

5.5 Committees

- 5.5.1 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 these Articles which govern the taking of decisions by Directors.

- 5.5.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from these Articles if they are not consistent with them.

5.6 Offices including the title "Director"

The Directors may appoint any person to any office or employment having a designation or title including the word "Director" or attach such a designation or title to any existing office or employment with the Company and may terminate any such appointment or the use of any such designation or title. The inclusion of the word "Director" in the designation or title of any such office or employment shall not imply that the holder is a Director of the Company, and the holder shall not thereby be empowered in any respect to act as, or be deemed to be, a Director of the Company for any of the purposes of these Articles.

5.7 Borrowing powers

The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, guarantee, liability or obligation of the Company or of any third party.

6 DECISION MAKING BY DIRECTORS

6.1 Directors to take decisions collectively

- 6.1.1 Any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 6.2.

- 6.1.2 If the Company only has one Director, Article 6.1.1 does not apply, and the sole Director may take decisions without regard to any of

the provisions of these Articles relating to Directors' decision-making.

6.2 Unanimous decisions

- 6.2.1 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.
- 6.2.2 Such a decision may take the form of a resolution in writing, a copy of which has been signed by each Eligible Director, or several copies of which have been signed by one or more Eligible Directors, or to which each Eligible Director has otherwise indicated agreement in writing.
- 6.2.3 References in these Articles 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.
- 6.2.4 A decision may not be taken in accordance with this Article 6.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting convened to consider the decision.

6.3 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 relevant date of all proceedings at Directors' meetings and of committees of Directors (including the names of the Directors present at each such meeting) and of all decisions otherwise made or considered by Directors. Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

6.4 Directors' discretion to make further rules

Subject to these 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.

7 DIRECTORS' MEETINGS

7.1 Calling a Directors' meeting

- 7.1.1 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.
- 7.1.2 Notice of any Directors' meeting must indicate:
- i. its proposed date and time;
 - ii. where it is to take place; and
 - iii. 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.
- 7.1.3 Notice of a Directors' meeting must be given to each Director but need not be in writing.
- 7.1.4 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 prior to the date of the meeting or 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.

7.2 Participation in Directors' meetings

- 7.2.1 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 these 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.
- 7.2.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other, provided that all parties participating in the Directors' meeting can each communicate to the others any information or opinions they have on any particular item of the business of the meeting

- 7.2.3 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.

7.3 Quorum for Directors' meetings

- 7.3.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 7.3.2 The minimum quorum for Directors' meetings shall, subject to Article 7.3.3, be a majority in number of two Eligible Directors.
- 7.3.3 Where the Company has a sole Director or only one Director is eligible to be counted in the quorum and vote on a matter, the quorum is one.

7.4 Chairing of Directors' meetings

- 7.4.1 The Directors may appoint a Director to chair their meetings.
- 7.4.2 The person so appointed for the time being is known as the Chairman.
- 7.4.3 The Directors may terminate the Chairman's appointment at any time.
- 7.4.4 If no Chairman is at that time appointed, or the Chairman is unwilling to preside at a meeting or the Chairman is not present within ten minutes of the time at which a Directors' meeting was to start, the Directors present shall appoint one of themselves to be the Chairman of the meeting.

7.5 Chairman's casting vote

If the number of votes cast by Eligible Directors for and against a proposal at a Directors' meeting are equal, the Chairman or other Director chairing a Directors' meeting shall have an additional casting vote. This does not apply if, in accordance with these Articles, the Chairman or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes.

8 DIRECTOR'S INTERESTS

8.1 Disclosure of Director's Interests

8.1.1 Subject to the provisions of the Act and provided he has in accordance with the Act disclosed to the Directors the nature and extent of any direct or indirect interest of his, a Director notwithstanding his office:

- a) may be a customer of the Company or any Associated Company or be party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is any way interested;
- b) may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
- c) may (and any firm or company or limited liability partnership of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
- d) shall not by reason of his office be accountable to the Company for any benefit which he derives from such office, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
- e) shall be entitled to vote and be counted in the quorum on any matter set out in this Article.

8.2 Director's Conflict of Interest

8.2.1 The Directors may have regard to the interests of the Company's holding company and to other companies in a group of which it is a member to the full extent permitted by the Act.

8.2.2 The Directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisations) authorise, to the fullest extent permitted by law:

- a) any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including conflict of interest and duty or conflict of duties);
- b) a Director to accept or continue in any office, employment or position in addition to his office as a Director and without prejudice to Article 8.2.2a) may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

provided that for this purpose the Director in question and any other interested Director are not counted in the quorum at any Directors' meeting at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted.

8.2.3 If a matter, or office, employment or position, has been authorised by the Directors in accordance with Article 8.2.2 then:

- a) the Director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position;
- b) the Director may absent himself from Directors' meetings at which anything relating to that matter, or that office, employment or position, will or may be discussed; and
- c) the Director may make such arrangement as such Director thinks fit for Directors' meeting and committee papers to be received and read by a professional adviser on behalf of that Director.

8.2.4 A Director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter, or from any office, employment or position, which has been approved by the Directors under Article 8.2.2 (subject always in any such

case to any limits or conditions to which such approval was subject).

8.2.5 Article 8.2 is without prejudice to the operation of Article 8.1.

9 APPOINTMENT OF DIRECTORS

9.1 Methods of appointing Directors

9.1.1 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; or
- b) by a decision of the Directors.

9.2 Appointment and removal of Director by majority Shareholders

A Shareholder or Shareholders holding in aggregate a majority of the nominal value of the Shares may, by notice to the Company, appoint any person to be a Director to fill a vacancy or to be an additional Director and/or may terminate any Director's appointment.

9.3 Number of Directors

9.3.1 The maximum number and minimum number respectively of the Directors may be determined from time to time by ordinary resolution. Subject to and in default of any such determination, there shall be no maximum number of Directors and the minimum number of Directors shall be not less than two.

9.3.2 Where the number of appointed Directors is less than the number fixed as a quorum of Directors, such Directors or Director may act only for the purpose of proposing an ordinary resolution to appoint a further Director or Directors.

9.4 Election and retirement by rotation

The Directors shall not be required to stand for election or retire by rotation.

9.5 Appointment of Director

9.5.1 No person shall be appointed as a Director by ordinary resolution unless either:

- a) he is recommended by the Directors; or
- b) seven days prior to the circulation of the relevant written resolution or the notice of general meeting to Shareholders, notice signed by a Shareholder qualified to vote on the ordinary resolution has been given to the Company of the identity of the person proposed to be appointed as a Director together with notice signed by that person of his willingness to be appointed.

9.6 Termination of Director's appointment

9.6.1 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) an arrangement or 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) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
- f) 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.

9.6.2 A body corporate ceases to be a Director as soon as:

- a) an order is made by a court of competent jurisdiction, or a resolution is passed, for the winding up, liquidation, dissolution or administration of that Director (otherwise than in the course of a solvent reorganisation or restructuring); or

- b) any step is taken (and not withdrawn within 30 days) to appoint a manager, receiver, administrative receiver, administrator, trustee or other similar officer to that Director; or
- c) that Director convenes a meeting of its creditors or makes or proposes any arrangement or composition with, or any assignment for the benefit of, its creditors (otherwise than in the course of a solvent reorganisation or restructuring).

9.7 Directors' expenses

9.7.1 The Company may pay any reasonable expenses which the Directors 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.

9.8 Directors' fees

Each of the Directors may be paid a fee at such a rate as may from time to time be determined by the Board, subject to the approval of the Shareholders. Any fees payable under this Article 9.8 shall be distinct from any salary, remuneration or other amounts payable to a Director under any other provisions of these Articles and shall accrue from day to day.

9.9 Additional remuneration

If by arrangement with the Board any Director shall perform or render any special duties or services outside the scope of his ordinary duties as a Director he may be paid such reasonable additional remuneration (whether by way of salary, commission or otherwise) as the Board may determine, subject to the approval of the Shareholders.

10 APPOINTMENT OF ALTERNATE DIRECTORS

10.1 Each Director may appoint any person (including another Director) to be his alternate and may at his discretion remove an alternate Director so appointed. Any appointment or removal of an alternate Director must be

by written notice delivered to the Office or at an address specified by the Company for the purposes of communication by electronic means or tendered at a Board meeting or in any other manner approved by the Board. The appointment requires the approval of the Board unless it has been previously approved or the appointee is another Director.

- 10.2 An alternate Director must provide the particulars, and sign any form for public filing required by the Act relating to his appointment.

11 ALTERNATE DIRECTORS' PARTICIPATION IN BOARD MEETINGS

- 11.1 Every alternate Director is (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him (and, if applicable, an address in relation to which electronic communications may be received by him)) entitled to receive notice of all meetings of the Board and all committees of the Board of which his appointor is a member and, in his appointor's absence, to attend and vote at such meetings and to exercise all the powers, rights, duties and authorities of his appointor. Each person acting as an alternate Director shall have a separate vote at Board meetings for each Director for whom he acts as alternate Director in addition to his own vote if he is also a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

- 11.2 Signature by an alternate Director of any resolution in writing of the Board or a committee of the Board will, unless the notice of his appointment provides otherwise, be as effective as signature by his appointor.

12 ALTERNATE DIRECTOR RESPONSIBLE FOR OWN ACTS

Each person acting as an alternate Director will be an officer of the Company, will alone be responsible to the Company for his own acts and defaults and will not be deemed to be the agent of the Director appointing him.

13 INTERESTS OF ALTERNATE DIRECTOR

An alternate Director is entitled to contract and be interested in and benefit from contracts or arrangements with the Company, to be repaid expenses and to be indemnified to the same extent as if he were a Director. However, he is not entitled to receive from the Company any fees for his services as alternate, except such part (if any) of the fee payable to his appointor as such appointor may by written notice to the Company direct.

14 REVOCATION OF ALTERNATE DIRECTOR

14.1 An alternate Director will cease to be an alternate Director:

14.1.1 if his appointor revokes his appointment; or

14.1.2 if he resigns his office by notice in writing to the Company; or

14.1.3 if his appointor ceases for any reason to be a Director, provided that if any Director retires but is re-appointed or deemed to be re-appointed at the same meeting, any valid appointment of an alternate Director which was in force immediately before his retirement shall remain in force; or

14.1.4 if any event happens in relation to him which, if he were a Director otherwise appointed, would cause him to vacate his office.

15 **COMPANY SECRETARY**

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

16 **SHARES AND DISTRIBUTIONS**

16.1 **All shares to be fully paid up**

16.1.1 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.

16.1.2 This does not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum.

16.2 **Powers to issue different classes of share**

16.2.1 Subject to these Articles, but without prejudice to the rights attached to any existing share, the Company may issue Shares with such rights or restrictions as may be determined by the Directors. Such rights and restrictions may relate to participation in the profits and assets of the Company, receipt of notices, attendance and voting at meetings, conversion into other shares or redemption, and other rights and restrictions may also be attached.

16.2.2 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.

17 PURCHASE OF OWN SHARES

17.1 Purchase of own shares from cash

Subject to the provisions of the Act, the Company shall be entitled to make a purchase or redemption of its own shares out of cash, provided that the amount of cash used for such purchase or redemption shall not exceed the sum prescribed by law.

17.2 Trusts may be recognised

Except as required by law, or as otherwise provided by these Articles, the Company shall not 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. The Company shall however be entitled to register trustees as such in respect of any Shares.

17.3 Share certificates

17.3.1 The Company may issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds and upon transferring a part of his holding of Shares of any class the Company shall issue to such Shareholder, free of charge, a certificate in respect of the balance of the Shares held.

17.3.2 Every certificate must specify:

- a) in respect of how many Shares, of what class, it is issued;
- b) the nominal value of those Shares; and
- c) that the Shares are Fully Paid (with the exception of any Shares issued to the subscribers to the Company's memorandum as nil or partly paid).

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

17.3.4 If more than one person holds a Share, only one certificate shall be issued in respect of it.

17.3.5 Certificates must:

- a) have affixed to them the Company's common seal; or
- b) be otherwise executed in accordance with the Act.

17.4 Replacement share certificates

17.4.1 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 entitled to be issued with a replacement certificate in respect of the same Shares.

17.4.2 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.

18 TRANSFER AND TRANSMISSION OF SHARES

18.1 Share transfers

18.1.1 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 and when lodged for registration shall be accompanied by the relevant share certificate (if any) and such other evidence (if any) as the Directors may require to prove the title of the intending transferor.

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

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

18.1.4 The transferor remains the Holder of a Share until the transferee's name is entered in the register of members as Holder of it.

18.1.5 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.

18.2 Transmission of Shares

18.2.1 If title to a Share passes to a Transmittée, the Company may only recognise the Transmittée as having any title to that Share.

18.2.2 A Transmittée who produces such evidence of entitlement to Shares as the Directors may properly require:

- a) may choose either to become the Holder of those Shares or to have them transferred to another person; and
- b) pending any transfer of the Shares to another person and subject to Article 18.2.3, has the same rights as the Holder had.

18.2.3 Transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of Shares to which they are entitled, by reason of the Holder's death or Bankruptcy or otherwise, unless they become the Holders of those Shares.

18.3 Exercise of Transmittees' rights

18.3.1 Transmittées who wish to become the Holders of Shares to which they have become entitled must notify the Company in writing of that wish.

18.3.2 If the Transmittée wishes to have a Share transferred to another person, the Transmittée must execute an instrument of transfer in respect of it.

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

18.4 Transmittees bound by prior notices

If a notice is given to a Shareholder in respect of Shares and a Transmittree is entitled to those Shares, the Transmittree is bound by the notice if it was given to the Shareholder before the Transmittree's name has been entered in the register of members.

19 DIVIDENDS AND OTHER DISTRIBUTIONS

19.1 Procedure for declaring dividends

19.1.1 Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends, and the Directors may decide to pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution.

19.1.2 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.

19.1.3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights.

19.1.4 Unless the terms on which Shares are issued specify otherwise, dividends must be paid by reference to each Shareholder's holding of Shares on the date of the resolution or decision to declare or pay it.

19.1.5 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.

19.1.6 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.

19.1.7 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.

19.2 Payment of dividends and other distributions

19.2.1 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 in writing;
- 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 in writing;
- c) sending a cheque made payable to such person by post to such person at such address as the Distribution Recipient has specified in writing; or
- d) any other means of payment as the Directors agree with the Distribution Recipient in writing.

19.2.2 In these Articles, "**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 Transmitttee.

19.3 No interest on distributions

The Company shall not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by the terms on which the Share was issued.

19.4 Unclaimed distributions

19.4.1 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.

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

19.4.3 If:

a) 12 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.

19.5 Non-cash distributions

19.5.1 Subject to the terms of issue of the Share in question, the Company may, by ordinary resolution on the recommendation of the Directors, decide to pay all or part of a dividend or other distribution payable in respect of a Share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

19.5.2 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.

19.6 Waiver of distributions

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

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.

20 CAPITALISATION OF PROFITS

20.1 Authority to capitalise and appropriation of capitalised sums

20.1.1 Subject to these Articles and the provisions of the Act, 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 ("**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.

20.1.2 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.

20.1.3 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.

20.1.4 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.

20.1.5 Subject to these Articles, the Directors may:

- a) apply Capitalised Sums in accordance with Articles 20.1.3 and 20.1.4 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.

21 GENERAL MEETINGS

21.1 Directors' power to call general meetings

The Directors may whenever they think fit, and shall on requisition in accordance with the Act, proceed to convene a general meeting. The Directors shall determine the means by which persons entitled to attend and participate in a general meeting shall be permitted to do so in accordance with Article 21.3. Such means shall include attendance and participation at a physical meeting place and, as determined by the Directors, whether simultaneous attendance and participation shall be permitted at a satellite meeting place and/or by electronic means.

21.2 Notice of general meetings

- 21.2.1 Subject to the Act, a general meeting (other than an adjourned meeting) shall be called by not less than fourteen days' notice unless the shareholders agree to hold the general meeting at shorter notice.
- 21.2.2 Every notice shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to exercise all or any of his rights to attend and to speak and vote at the meeting and that a proxy need not be a member of the Company.
- 21.2.3 In the case of a general meeting at which the Directors have resolved persons shall be entitled to attend and participate simultaneously at a satellite meeting place or places in accordance with Article 21.3, the notice shall state the location of such satellite meeting place(s).

- 21.2.4 In the case of a general meeting at which the Directors have resolved persons shall be entitled to attend and participate simultaneously by electronic means in accordance with Article 21.3, the notice shall state the means of attendance and participation as determined by the Directors and any access, identification and security arrangements determined by the Directors in accordance with the Articles.

21.3 Proceedings at General Meetings

- 21.3.1 Provided a physical meeting has also been proposed, a Director may resolve to enable persons entitled to attend and participate in such meeting to do so by simultaneous attendance and participation at a satellite meeting place or places anywhere in the world and/or by simultaneous attendance by electronic means.
- 21.3.2 Where the Directors resolve to enable persons to attend and participate by electronic means, the Directors shall determine in their absolute discretion the form and adequacy of such electronic means.
- 21.3.3 A general meeting held at more than one place and/or partly by electronic means is duly constituted and its proceedings are valid if (in addition to the other provisions of the Articles relating to general meetings being satisfied) the chairman of the meeting is satisfied that the facilities (whether electronic or otherwise) are available to enable each person present at each place to participate in the business of the meeting.
- 21.3.4 Each person present who would be entitled to count towards the quorum in accordance with the provisions of Article 21.4 shall be counted in the quorum for, and shall be entitled to vote at, the meeting. The inability, for any reason, of any person entitled to attend any meeting place and/or participate in the business of the meeting by way of electronic means will not invalidate the proceedings of that meeting. The meeting is deemed to take place at the place at which the chairman of the meeting is present (the "principal place").

21.4 Quorum

- 21.4.1 No business other than the appointment of a chairman at the meeting shall be transacted at any general meeting unless a quorum is present at the time at which the meeting proceeds to business. Two Shareholders present and entitled to vote at such meeting shall constitute a quorum.

- 21.4.2 If the Company only has one Shareholder, Article 21.4.1 does not apply, and the one Shareholder present and entitled to vote at a general meeting shall constitute a quorum.

21.5 Attendance and speaking by Directors and non-Shareholders

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

- 21.5.2 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 a general meeting.

21.6 Adjournment

- 21.6.1 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.

- 21.6.2 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.

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

- 21.6.4 When adjourning a general meeting, the Chairman of the meeting must:

- a) 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

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

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

- 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.

21.6.6 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.

22 VOTING AT GENERAL MEETINGS

22.1 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 these Articles.

22.2 Errors and disputes

22.2.1 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.

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

22.3 Poll votes

22.3.1 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.

22.3.2 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; or
- 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.

22.3.3 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.

22.3.4 Polls must be taken immediately and in such manner as the Chairman of the meeting directs.

22.4. Content of Proxy Notices

22.4.1 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 these Articles and any instructions contained in the notice of the general meeting to which they relate.

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

22.4.3 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.

22.4.4 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 amendment to a resolution and on 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.

22.5 Delivery of Proxy Notices

22.5.1 A Proxy Notice must be delivered to the Company not less than 48 hours before the general meeting or adjourned meeting to which it relates.

22.5.2 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.

- 22.5.3 An appointment under a Proxy Notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given.
- 22.5.4 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 22.5.5 If a Proxy Notice or a notice revoking a proxy appointment is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

22.6 Amendments to resolutions

- 22.6.1 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.
- 22.6.2 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.

22.6.3 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.

22.7 Authority of corporate representatives

22.8 Records of members

The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the relevant date of all proceedings at general meetings of the Company.

23 ADMINISTRATIVE ARRANGEMENTS

23.1 Power to authenticate documents

Any Director, the company secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies or extracts as true copies or extracts. Where any books, records, documents or accounts are not at the Office, the local manager or other officer of the Company who has their custody shall be deemed to be a person appointed by the Board for this purpose. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or the Board or any committee which is so certified shall be conclusive evidence in favour of all persons dealing with the Company that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

23.2 Means of communication to be used

23.2.1 Subject to these Articles, anything sent or supplied by or to the Company under these 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 the Act to be sent or supplied by or to the Company.

23.2.2 Subject to these 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.

23.2.3 The times of deemed delivery of documents and information specified in Sections 1147(2) and 1147(3) of the Act shall be amended as follows:

- a) subject to the other requirements of Section 1147(2) of the Act, documents or information set by first class post to an address in the UK shall be deemed to have been received by the intended recipient 24 hours after it was posted;
- b) subject to the other requirements of Section 1147(2) of the Act, documents or information set by second class post to an address in the UK shall be deemed to have been received by the intended recipient 48 hours after it was posted; and
- c) subject to the other requirements of Section 1147(3) of the Act, documents or information sent or supplied by electronic means shall be deemed to have been received 24 hours after it was sent.

23.3 Company seals

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

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

23.3.3 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.

23.3.4 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.

23.4 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.

23.5 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.

24 INSURANCE AND INDEMNITY

24.1 Insurance

Without prejudice to the provisions of Article 24.2, the Directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any person who is or was at any time:

24.1.1 a Director, officer or employee of the Company or any Associated Company; or

24.1.2 a trustee of any pension fund or employee's share scheme in which employees of the Company or any other body referred to in Article 24.1.1 is or has been interested,

including without limitation insurance against any liability incurred by such person in respect of any act or omission in the actual or purported execution or discharge of his duties or in the exercise or purported exercise of his powers or otherwise in relation to his duties, powers or offices in relation to the Company or any such other company, Associated Company, pension fund or employees' share scheme.

24.2 Indemnity

24.2.1 Subject to the provisions of the Act, but without prejudice to any indemnity which the person concerned may otherwise be entitled, every Director or other officer of the Company (including, but only if the Directors so determine, any person (whether an officer or not) engaged by the Company as auditor) shall be entitled to be indemnified out of the assets of the Company against (a) any liability incurred by him for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, (b) any liability incurred by him in connection with the Company's activities as a trustee of an occupational pension scheme (as defined by section 235(6) of the Act, or (c) any other liability incurred by him in relation to the Company or its affairs, provided that this Article 24.2.1 shall be deemed not to provide for, or entitle such person to, indemnification to the extent that it would cause this Article 24.2.1, or any element of it, to be treated as void under the Act or such other applicable law.

24.2.2 Without prejudice to Article 24.2.1 above or to any indemnity to which a Director may otherwise be entitled, the extent permitted by law and otherwise upon such terms and subject to such conditions as the Directors may in their absolute discretion think fit, the Directors shall have the power to make arrangements to provide a Director with funds to meet expenditure incurred or to be incurred by him:

- a) In defending any criminal or civil proceedings or in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or any Associated Company;
- b) In defending himself in an investigation by a regulatory authority, or against action proposed to be taken by a regulatory authority, in connection with any such alleged negligence, default, breach of duty or breach of trust as foresaid; or
- c) In connection with any application referred to in section 205(5) of the Act,

or to enable a Director to avoid incurring such expenditure.

24.2.3 In Article 24.2.1 above "liability" includes costs, charges, losses and expenses.

25 WINDING UP

If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the Court) the liquidator may, with the authority of a special resolution, divide among the members in specie or kind the whole or any part of the assets of the company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.