

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**WRITTEN RESOLUTIONS OF THE MEMBERS**  
**of**  
**WORLD FIRST UK LIMITED**

(the **Company**)

Circulated on 10 July 2013 (the **Circulation Date**)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (the **Act**), it is proposed that the resolutions below are passed as indicated below. The resolutions set out below are referred to in this document as the **Resolutions**.

**SPECIAL RESOLUTIONS**

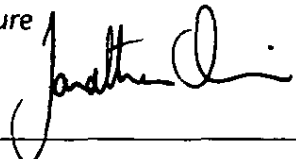
- 1 **THAT** with effect from these Resolutions being passed
- 1.1 the articles of association of the Company be amended by deleting all the provisions of the Company's memorandum of association which, by virtue of the Act, are treated as provisions of the Company's articles of association, and
- 1.2 the articles of association in the form attached to these Resolutions, be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

**Please read the notes set out below before signing or taking any action on this document.**

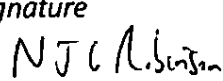
**AGREEMENT**

We, being persons entitled to vote on the Resolutions on the Circulation Date, irrevocably agree to the Resolutions.

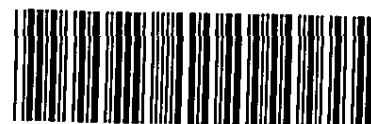
**SIGNED by Jonathan Roger Aitken  
Quin**

Signature 

**SIGNED by Nicholas James Gray  
Robinson**

Signature 

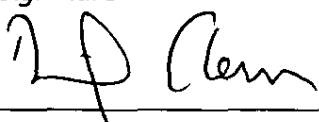
TUESDAY



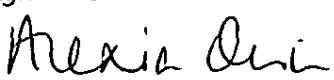
A14 \*A2CQ2YEA\* 16/07/2013 #301  
COMPANIES HOUSE

Company Number: 05022388


**SIGNED by David Cecil Clementi**

Signature  


**SIGNED by Alexia Jane Quin**

Signature  


**SIGNED by Catherine Joanna Robinson**

Signature  


**Date on which resolutions are passed.....**10 JULY 2013

Notes

- 1     *If you agree to the Resolutions, please indicate your agreement by signing (but not dating) this document where indicated above and returning it to the Company using one of the following methods*
- 11    *by hand or post to the Polly Seymour at Regent House, 16-18 Lombard Road, London, SW11 3RB; or*
- 12    *by attaching a scanned copy of the signed document and sending it to Polly Seymour at [polly.seymour@worldfirst.com](mailto:polly.seymour@worldfirst.com)*

*If you do not agree to the Resolutions, you do not need to do anything you will not be deemed to agree if you fail to reply*

2.    *By returning the document to the person as set out at 1 above you irrevocably confirm that he/she or any person he/she may nominate is authorised at his/her sole discretion to deliver the signed document to the Company and date it with delivery on your behalf and will (until the date of delivery of such document to the Company) continue to hold the document as your agent and not as agent for the Company. Once delivered, you will have indicated your agreement to the Resolutions and may not revoke your agreement.*

**Company Number: 05022388**

- 3      *The Resolutions will lapse if your agreement to it has not been received by the Company within 28 days of the Circulation Date*
- 4      *In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members*
- 5      *If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document*

NSIC CR TO me

AS.  
(Alex Sullivan  
as Director of  
the Company)

Company number: 05022388

## ARTICLES OF ASSOCIATION

of

### WORLD FIRST UK LIMITED

a private company limited by shares incorporated under the Companies Act 2006

(adopted by special resolution passed on .... 10 JULY ..... 2013)

Mishcon de Reya  
Summit House  
12 Red Lion Square  
London WC1R 4QD  
Tel 020 7440 7000  
Fax: 020 7404 5982



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## **PART 1- INTERPRETATION AND LIMITATION OF LIABILITY**

### **1. EXCLUSION OF MODEL ARTICLES**

No regulation containing any default or model article made in or under any statute concerning companies applies as any regulation or article of the company. Without limitation, no article in The Companies (Model Articles) Regulations 2008 applies.

### **2. DEFINED TERMS AND INTERPRETATION**

2.1 In the articles, unless the context requires otherwise:

**alternate** or **alternate director** has the meaning given in article 27;

**appointor** has the meaning given in article 27;

**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;

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

**chairman** has the meaning given in article 15;

**chairman of the meeting** has the meaning given in article 61;

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

**Companies Act** means the Companies Act 2006, as amended,

**compulsory transfer event** has the meaning given in article 40;

**controlling interest** means an interest (within the meaning of schedule 1 to the Companies Act) in any shares in the capital of the company conferring in aggregate 51 per cent. of the total voting rights conferred by all the shares in the capital of the company from time to time in issue on a poll and conferring the right to vote at all general meetings of the company;

**connected person** of a person means a person acting in concert with the first person (within the meaning of the City Code on Takeovers and Mergers);

**deemed transfer notice** means a transfer notice deemed to be given under any provision of these articles or any relevant agreement;

**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 52,

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

**drag interest** means an interest (within the meaning of schedule 1 to the Companies Act) in any shares in the capital of the company conferring in aggregate 75 per cent. of the total voting rights conferred by all the shares in the capital of the company from time to time in issue on a poll and conferring the right to vote at all general meetings of the company;

**electronic form** has the meaning given in section 1168 of the Companies Act;

**family trust** means, in relation to an individual a trust or settlement (excluding one arising under a testamentary disposition or on an intestacy) which does not permit at any time while that trust or settlement holds any shares which are the subject of the trust, any of the settled property or the income from it to be applied otherwise than for the benefit of:

- (a) that individual and/or a privileged relation of the individual, or
- (b) any charity or charities as default beneficiaries meaning that charity or charities have no immediate beneficial interest in any settled property or the income from it when the trust is created, but may become so interested if there are no other beneficiaries from time to time except another charity or charities,

and under which no power of control may be exercised over the voting powers conferred by any shares which are the subject of the trust by or subject to the consent of any person other than the trustees, the individual or his privileged relations;

**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;

**hard copy form** has the meaning given in section 1168 of the Companies Act;

**HMRC** means Her Majesty's Revenue & Customs;

**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,

**ITEPA** means the Income Tax (Earnings and Pensions) Act 2003;

**offeree** has the meaning given in article 41.7,

**open market value** has the meaning given in article 42.2;

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

**original transferor** means the original person from whom shares are acquired by reason of a transfer or series of permitted transfers under article 39 1;

**privileged relation** means the spouse or civil partner of the relevant shareholder who is in both cases living with the relevant shareholder and the shareholder's lineal descendants (including any adopted or illegitimate lineal descendent of that shareholder) and in each case in respect of whom no compulsory transfer event under articles 40.1.1, 40.1.2 or 40.1.3 has occurred or would have occurred if that person were a shareholder;

**paid** means paid or credited as paid;

**participate**, in relation to a directors' meeting, has the meaning given in article 13;

**permitted transferee** means a person who only holds shares (including any shares derived from shares originally transferred) by reason of a transfer or series of permitted transfers under article 39 1;

**proxy notice** has the meaning given in article 67;

**qualifying shareholder** has the meaning given in article 41.7;

**relevant agreement** means any agreement relating (in whole or in part) to the management and/or affairs of the company which is binding from time to time on the shareholders or the company and the shareholders and which (expressly or by implication) supplements and/or prevails over any provisions of the articles;

**relevant employee** means a person who is either employed by or is a director of or is both an employee and director of the company or any of its subsidiaries;

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

**shareholder consent** means the prior consent of the holders of 60 per cent. of the voting rights attached to the shares complying with article 75.2,

**shares** means shares in the company;

**special resolution** has the meaning given in section 283 of the Companies Act;

**SSCBA** means the Social Security Contributions and Benefits Act 1992;

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

**total transfer condition** has the meaning given in article 41.4,

**transfer notice** means a notice given by a shareholder proposing to transfer all or part of its holding of shares (as the case may be) and includes, where the context allows, a deemed transfer notice,

**transfer price** means the price per share calculated in accordance with article 42,

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

**voluntary transfer notice** has the meaning given in article 41.2, 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.

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

2.3 Unless the context requires otherwise, references in these articles to:

2.3.1 any masculine, feminine or neuter gender includes all other genders;

2.3.2 the singular includes the plural and plural includes the singular;

2.3.3 a **person** includes a reference to any person, individual, partnership, limited liability partnership, company, firm, corporation, government, state or agency of a state or any undertaking (whether or not having separate legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists); and

2.3.4 any statute or statutory provision is to be construed as a reference to that provision as it may have been, or may from time to time be, amended, modified or re-enacted.

2.4 The headings in these articles are for convenience only and do not affect the construction or interpretation of the articles

2.5 In construing these articles, general words (including words introduced by the word **other**) are not to be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words are not to be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

## **PART 2 - OBJECTS AND LIABILITY OF SHAREHOLDERS**

### **3. OBJECTS OF THE COMPANY**

The objects of the company are unrestricted in accordance with the Companies Act.

#### **4. LIABILITY OF SHAREHOLDERS**

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

### **PART 3 - DIRECTORS**

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

#### **5. DIRECTORS' GENERAL AUTHORITY**

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

#### **6 SHAREHOLDERS' RESERVE POWER**

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

#### **7. DIRECTORS MAY DELEGATE**

- 7.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles: to such person or committee; by such means (including by power of attorney), to such an extent, in relation to such matters or territories; and on such terms and conditions as they think fit
- 7.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated
- 7.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

#### **8. COMMITTEES**

- 8.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
- 8.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

## **DECISION-MAKING BY DIRECTORS**

### **9 DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

9.1 Decisions of directors may be taken in the form of a directors' written resolution or at a meeting of directors

9.2 Where the number of directors in office falls to below the specified minimum number of directors, the only decision that the remaining director or directors (if any) can take will be to appoint sufficient additional directors to reach the minimum number, or to call a general meeting to enable the shareholders to appoint a further director or directors. That decision may be taken by a decision of that sole director without regard to articles 10 to 16 inclusive.

### **10 PROPOSING DIRECTORS' WRITTEN RESOLUTIONS**

10.1 Any director or the company secretary, if any, on the request of any director, may propose a directors' written resolution which may be proposed by giving notice of the proposed resolution in writing to each other director.

10.2 Notice of a proposed directors' written resolution must indicate the proposed resolution, and the time by which it is proposed that the directors should adopt it.

10.3 Any decision which a person giving notice of a proposed directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith

### **11. ADOPTION OF DIRECTORS' WRITTEN RESOLUTIONS**

11.1 A proposed directors' written resolution is adopted when a majority (or such higher number as may be required to be voting in favour on a specific matter, pursuant to any relevant agreement) of the directors who would have been entitled to vote on the resolution at a directors' meeting have signed it, whether on a single copy or counterparts, provided that those directors would have formed a quorum at such a meeting

11.2 It is immaterial whether any director signs the resolution before or after the time by which the notice proposed that it should be adopted.

11.3 Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the articles.

### **12 CALLING A DIRECTORS' MEETING**

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

12.2 Notice of any directors' meeting must indicate: its proposed date and time; where it is to take place; and 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.

- 12.3 Notice of a directors' meeting must be given to each director, but need not be in writing. Notice of a directors' meeting need not be given to any director who waives his entitlement to notice of the meeting by giving notice of that waiver to the company either before, during or after the meeting. Where such waiver is given, whether before, during or after the meeting, the fact of failure to give notice to the director who waives notice (or the fact that notice of the meeting is given late to that director) will not affect the validity of the meeting or of any business conducted at it.

### **13. PARTICIPATION IN DIRECTORS' MEETINGS**

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

13.1.1 the meeting has been called and takes place in accordance with the articles, and

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

- 13.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other but they should all be able to hear each other.

- 13.3 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.

### **14. QUORUM FOR DIRECTORS' MEETINGS**

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

- 14.2 Subject to articles 9.2 and 14.3, the quorum for directors' meetings is two or such higher number as may be fixed from time to time by a decision of the directors but if the total number of directors in office falls below that higher number, the quorum will be reduced to the number of directors remaining in office.

- 14.3 If, by reason of any provision of these articles or by law, one or more of the directors is unable to count to the quorum and vote on a particular decision, leaving insufficient other directors to be able to make up a quorum, the quorum will be reduced to the number of directors in office who are able to vote and count to the quorum, but only for the purposes of the part of the meeting dealing with the decision in question.

**15. VOTING AT DIRECTORS' MEETINGS**

- 15.1 Subject to the articles and the provisions of any relevant agreement, a majority decision of the directors at a meeting is taken by a majority of votes of the participating directors and each director has one vote.
- 15.2 The directors may appoint a director to chair their meetings. The person so appointed for the time being is known as the chairman. The directors may terminate the chairman's appointment at any time.
- 15.3 If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

**16. CASTING VOTE**

If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting will not have a casting vote

**17. PERMITTED INTERESTS**

- 17.1 Provided that the director has disclosed his interest in accordance with article 18 or 19.1, if required, a director is, notwithstanding his office, authorised to hold the following interests (**permitted interests**)
- 17.1.1 to be a party to, or otherwise interested in any transaction or arrangement with the company or in which the company is otherwise interested; or
- 17.1.2 to be a director or other officer of, or employed by, or 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 interested.
- 17.2 No director will, as a result of any permitted interest, be accountable to the company by reason of his office as a director of the company for any benefit he derives from a permitted interest. No transaction or arrangement may be avoided as a result of a permitted interest.
- 17.3 To the extent that it would breach section 175 of the Companies Act, if not authorised, each permitted interest and any conflict of interest which may reasonably be expected to arise out of a permitted interest is authorised for the purpose of that section and will not require separate authorisation under article 19. The authorisation in this article may be withdrawn or varied at any time by the directors or shareholders without affecting anything done by the director or shareholder before that withdrawal or variation. Article 19.7 applies to permit conduct by the director in relation to the interest as if it were a conflict authorised under article 19.



**18. INTERESTS IN TRANSACTIONS WITH THE COMPANY**

Each director must declare the nature and extent of any, direct or indirect, interest in a transaction or arrangement with the company to the extent required to do so in accordance with the Companies Act, including in particular sections 177 and 182.

**19. INTERESTS OTHER THAN IN TRANSACTIONS WITH THE COMPANY**

**19.1** Each director must declare any situation in which he has or can have a direct or indirect interest which conflicts (or possibly may conflict) with the interests of the company and which, if not authorised or ratified, would amount to a breach of section 175 of the Companies Act (a **conflict**) A declaration of a conflict must be made to the other directors, unless they are already aware of the interest and its extent

**19.2** Either the directors may or, if the directors are (or may be) unable or unwilling to authorise the conflict, the shareholders may, authorise any conflict so declared. They may also authorise a matter which would amount to a conflict on appointment of a person as a director. That authorisation will have effect from the appointment of that person as a director

**19.3** Any director (including the director in question) or the company secretary, if any, may propose that a conflict be authorised by the directors. An authorisation of a conflict which is given at a meeting of directors will only be effective if the quorum requirements would be met without counting the director in question or any other interested director and if the matter was agreed to without their voting or would have been agreed to if their vote had not been counted The authorisation may also be given by a directors' written resolution, taking account of the restrictions on voting and quorum set out in this article 19.3.

**19.4** Save as otherwise required by law, any authorisation to be given by the shareholders may be by ordinary resolution.

**19.5** Any authorisation of a conflict may (whether at the time of giving the authority or subsequently)

**19.5.1** extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised; and

**19.5.2** be subject to such terms and for such duration, or impose such limits or conditions as the authorisation may specify,

and the director must conduct himself in accordance with any such terms, limits or conditions

**19.6** The authorisation of conflict may, in the case of an authorisation given by the directors, be terminated or varied by the directors or the shareholders at any time, and, in the case of an authorisation given by the shareholders, be terminated or varied by the shareholders at any time No variation or termination will affect

anything done by a director before the termination or variation in accordance with the terms of the authorisation.

- 19.7 Unless otherwise provided in the terms of the authorisation of a conflict (as varied from time to time), the director will have the authority (without breaching his other duties to the company):

19.7.1 not to disclose any information to the company or use or apply any information in performing his duties, where he has obtained that information through his involvement in the conflict otherwise than as a director of the company and in respect of which he owes a duty of confidentiality to another person, where to do so would amount to a breach of that confidence; and

19.7.2 to absent himself from discussions whether in meetings of the directors or otherwise and exclude himself from information which will or may relate to that conflict.

- 19.8 Unless otherwise provided in the terms of the authorisation (as varied from time to time), the director will not by reason of his office as a director of the company be accountable to the company for any benefit which he derives from any authorised conflict and no transaction or arrangement will be liable to be avoided on such grounds.

## **20. INTERESTED DIRECTOR PARTICIPATION IN DECISION-MAKING**

- 20.1 Where a proposed decision of the directors concerns any matter in which a director has a direct or indirect interest or a duty which does (or may) conflict with an interest or duty he owes to the company (whether or not by reason of his being interested in a transaction or arrangement with the company or otherwise), he may be counted as participating in the decision-making process for quorum or voting purposes. This is subject, where applicable, to:

20.1.1 the director having disclosed his interest in accordance with the articles and the Companies Act (including without limitation sections 177 and 182) and, where necessary, it having been authorised in accordance with article 19; and

20.1.2 to any terms and conditions imposed by the directors or shareholders in accordance with article 19 and the other provisions of the articles.

- 20.2 For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting

- 20.3 Subject to article 20.4, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive

- 20.4 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

**21. RECORDS OF DECISIONS TO BE KEPT**

The directors must ensure that the company keeps a record, in writing, for at least ten years from the date of the decision, of every decision taken by the directors or by a sole director made under articles 9.1 or 9.2

**22. DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

The company shall have a minimum number of two directors and no maximum number.

**APPOINTMENT OF DIRECTORS**

**23. MINIMUM NUMBER OF DIRECTORS**

The company may by resolution in general meeting provide that there should be a minimum number of directors and may revoke or amend that minimum at any time. Unless for the time being a minimum has been so provided, the company need only have one director.

**24. APPOINTMENT AND TERMINATION OF DIRECTORS**

- 24.1 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: by ordinary resolution; or by a decision of the directors.
- 24.2 If, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee or transmittees of the last shareholder to have died or have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a person who is willing and permitted by law to be a director
- 24.3 For the purposes of article 24.2, where two or more shareholders die in circumstances in which it is uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.
- 24.4 Subject to the directors resolving to confirm that such person shall cease to be a director, a person shall cease to be a director if:
- 24.4.1 that person ceases to be a director by any provision of the Companies Act or is prohibited from being a director by law;
- 24.4.2 a bankruptcy order is made against that person,

- 24.4.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 24.4.4 a registered medical practitioner who is treating that person gives a written opinion to the company stating that the person has become physically or mentally incapable of acting as a director and may remain so for more 3 months,
- 24.4.5 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
- 24.4.6 notification is received by the company from the director that the director is resigning from office, and that resignation has taken effect in accordance with its terms.

## **25 DIRECTORS' REMUNERATION**

- 25.1 Directors may undertake any services for the company that the directors decide. Directors are entitled to such remuneration as the directors decide: for their services to the company as directors; and for any other service which they undertake for the company.
- 25.2 Subject to the articles, a director's remuneration may: take any form, include any arrangements concerning the grant of shares or share options; and 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 and his family and dependents Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 25.3 The directors may also provide benefits including pension, gratuity and insurance to former directors of the company and directors of any subsidiary of the company or former subsidiary of the company and in each case their family members and dependents.
- 25.4 Unless the directors decide otherwise, directors and former directors are not accountable to the company for any benefit or remuneration which they or their family or dependents receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested. This article is without prejudice to article 17.

## **26. DIRECTORS' EXPENSES**

The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at meetings of directors or committees of directors; general meetings, or 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**

### **27. APPOINTMENT AND REMOVAL OF ALTERNATES**

- 27.1 Any director (the **appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to: exercise that director's powers, and carry out that director's responsibilities, in each case in relation to the taking of decisions by the directors in the absence of the alternate's appointor. The same alternate may be appointed by more than one director.
- 27.2 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
- 27.3 The notice must identify the proposed alternate, and 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.

### **28. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

- 28.1 Except as the articles specify otherwise, an alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor.
- 28.2 Except as the articles specify otherwise, alternate directors: are deemed for all purposes to be directors; are liable for their own acts and omissions; are subject to the same restrictions as their appointors, and are not deemed to be agents of or for their appointors.
- 28.3 A person who is an alternate director but not a director:
- 28.3.1 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),
  - 28.3.2 may sign a written resolution (but only if it is not signed or to be signed by that person's appointor); and
  - 28.3.3 has a vote for a meeting for each appointor who has appointed him but is not participating (provided his appointor would be entitled to that vote if he were participating) but no alternate may be counted as more than one director for the purposes of calculating whether a quorum is present.
- 28.4 A director who is also an alternate director has an additional vote on behalf of each appointor who is: not participating in a directors' meeting; and would have been entitled to vote if they were participating in it, but will not count as more than one director for the purposes of determining whether a quorum is present.
- 28.5 Interests of the appointor will be treated as interests of the alternate in addition to any interests the alternate has, such that the alternate will not have a vote on behalf

of that appointor if the appointor could not have voted on a particular matter under these articles. However, the alternate will not be precluded from voting on behalf of any other director or on his own behalf by reason of any interest of his appointor

- 28.6 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

29. **TERMINATION OF ALTERNATE DIRECTORSHIP**

An alternate director's appointment as an alternate terminates: when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate; 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; on the death of the alternate's appointor; or when the appointment as a director of the alternate's appointor terminates.

**PART 4 - SHARES AND DISTRIBUTIONS**

**SHARES**

30. **ALL SHARES TO BE FULLY PAID UP**

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. This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

31 **POWERS TO ISSUE DIFFERENT CLASSES OF SHARE**

- 31.1 Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares.
- 31.2 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 decide the terms, conditions and manner of redemption of any such shares.

32. **AUTHORITY TO ALLOT**

The directors may allot shares or grant rights to subscribe for or to convert any securities into shares in the company under section 550 of the Companies Act or after obtaining the authority required by section 551 of that act, but may not otherwise exercise any power of the company to allot shares or to grant rights to subscribe for or to convert any security into shares

33 **PRE-EMPTION ON ALLOTMENT**

- 33.1 In this article, **equity securities, allotment of equity securities and ordinary shares** have the same meaning as in section 560 of the Companies Act

- 33.2 In accordance with section 567(1) of the Companies Act, sections 561 and 562 of the Companies Act will not apply to an allotment of equity securities made by the company
- 33.3 Except with shareholder consent and subject to article 33.6, if the company proposes to allot any equity securities, those equity securities may not be allotted to any person unless the company has first offered to each holder of ordinary shares on the date of the offer on the same or more favourable terms a proportion of those equity securities that is as nearly as practicable (without involving fractions) equal to the proportion in nominal value held by that holder of the ordinary shares. The offer
- 33.3.1 must be in writing and state a period to be decided by the directors, during which the offer will be open for acceptance, which must not be shorter than 10 business days and must give details of the number and subscription price of the relevant equity securities; and
- 33.3.2 may stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled must, in his acceptance, state the number of excess equity securities (**excess securities**) for which he wishes to subscribe.
- 33.4 Article 33.3 will not apply to the allotment of equity securities to which section 561(1) of the Companies Act would not apply by reason of sections 564 (bonus shares), 565 (issues for non-cash consideration) and 566 (securities held under an employees' share scheme) of the Companies Act.
- 33.5 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with article 33.3 must be used for satisfying any requests for excess securities made pursuant to article 33.3. If there are insufficient excess securities to satisfy those requests, each applicant must be allotted a proportion of the excess securities that is (as nearly as possible without involving fractions or increasing the number of excess securities allotted to any shareholder beyond that applied for by him) equal to the proportion in nominal value of ordinary shares held by all the applicants immediately before the offer was made to shareholders in accordance with article 33.3. After that allotment, any excess securities remaining may be offered to any other person as the directors may decide, at the same price and on the same terms as the offer to the shareholders, subject to article 33.6.
- 33.6 For the purposes of articles 33.3 and 33.5, the following will be left out of account of the determination of whether the offer made by the company to the shareholder was similar or on the same terms or more favourable as any offer made to any other person (including any other shareholder): (i) any term of any offer to any person requiring the company to be indemnified for any liability of the company or that of any subsidiary of the company to account for any income tax or employee's national insurance contributions arising on the allotment or the issue of the shares or requiring the company or any subsidiary of the company (to the extent legally permissible) to be indemnified for any employer's national insurance contributions liability of the company or any subsidiary of the company arising in connection with

the issue or the allotment of the shares; or (ii) any term of any offer to any person requiring the offeree to make any election which the company may request in connection with or in respect of any tax or national insurance contributions, or (iii) any term of any offer to any person requiring the offeree to make arrangements to the satisfaction of the company to ensure that the company and /or any subsidiary of the company will be fully funded for meeting its liability to account for such income tax or employee's national insurance contributions or to discharge such employer's national insurance contributions

**34. ALTERATION OF SHARE CAPITAL**

Subject to complying with the Companies Acts (including any requirement to pass a shareholder resolution or resolutions), the company may alter its share capital in the manner allowed for under the Companies Acts, including by sub-dividing or consolidating and sub-dividing its share capital, redenominating or reducing its share capital and purchasing its own shares. A resolution authorising a sub-division of shares may determine that as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others

**35. 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 on any trust, and except as otherwise required by law or the articles and without prejudice to articles 38.1 and 38.3, 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. Without limitation, the company is not obliged to verify whether a proxy or corporate representative acts in accordance with any instruction given to the proxy or corporate representative by the person who appoints him. No vote will be invalidated by reason of a proxy or corporate representative not voting in accordance with his instructions.

**36. SHARE CERTIFICATES**

- 36.1 The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- 36.2 Every certificate must specify in respect of how many shares, of what class, it is issued, the nominal value of those shares, that the shares are fully paid; and any distinguishing numbers assigned to them
- 36.3 No certificate may be issued in respect of shares of more than one class. If more than one person holds a share, only one certificate may be issued in respect of it. Certificates must: have affixed to them the company's common seal; or be otherwise executed in accordance with the Companies Acts.



## 37. **REPLACEMENT SHARE CERTIFICATES**

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

## **SHARE TRANSFERS AND TRANSMISSION**

### 38 **SHARE TRANSFERS**

- 38.1 No shareholder may transfer any share except (but subject always to article 38.3 and article 49 (prohibited transfers))
- 38.1.1 as permitted by article 39 (permitted transfers);
- 38.1.2 as required or permitted by the terms of a relevant agreement,
- 38.1.3 as required or permitted by articles 40 (compulsory transfer) and 41 (pre-emption on transfer),
- 38.1.4 in accordance with article 43 (tag along); or
- 38.1.5 in accordance with article 44 (drag along).

References in this article 38 to a transfer of any share include disposing of any interest in, or right attaching to, or renouncing or assigning any right to receive or subscribe for any share or creating or permitting to exist any charge, lien, encumbrance or trust over any share or agreeing to do any of those things

- 38.2 If a shareholder at any time commits a breach of article 38.1 in relation to any share, the purported transfer will be void and he will be deemed immediately after that breach to have given a transfer notice in respect of that share and must comply with the provisions of article 41 (pre-emption on transfer).
- 38.3 The directors may by written notice request any shareholder or any transferee to supply to the company any information and evidence which they reasonably consider relevant to determine whether a transfer has been or will be carried out in accordance with these articles or whether an event has occurred requiring or deeming a transfer of the shares under these articles. If that information or evidence is not provided to the reasonable satisfaction of the directors within a period of 20 business days after the request, the directors may refuse to register the transfer, if any, concerned and may declare the shares in question to be subject to one or more of the Restrictions. The **Restrictions** are that the holder of the shares in question will not be entitled to: vote (whether on a show of hands or a poll or by written

resolution or otherwise) or count to the quorum at a general meeting; or transfer the shares to any person except as required by these articles. The Restrictions will not affect the entitlement of the other holders of shares to vote and pass resolutions in accordance with the Companies Act and, if because of the Restrictions applying to a shareholder's shares there will not be sufficient shareholders to make a quorum at a general meeting, the quorum will be reduced by one. The Restrictions may be lifted by the directors at any time and will be lifted on information being supplied showing to the satisfaction of the directors, that no transfer has or will be effected in breach of these articles or (as the case may be) that no event requiring or deeming a transfer has taken place. The Restrictions will be automatically lifted on a transfer of the shares being registered by the directors when the transfer is required to be made by these articles.

- 38.4 Shares may be transferred by 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
- 38.5 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share. The company may keep any instrument of transfer which is registered. The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- 38.6 The directors must refuse to register any transfer of a share which is prohibited under these articles or the terms of a relevant agreement. The directors must not refuse to register any transfer of a share which is permitted or required under these articles or the terms of a relevant agreement except that they may (in their absolute discretion) decline to register any transfer of any share which would otherwise be permitted if it is a transfer
- 38.6.1 which is not accompanied by either: a certificate for the shares to which it relates; or an indemnity (in a form reasonably acceptable to the directors) in respect of that certificate which has been lost or destroyed, or
- 38.6.2 which is not stamped, unless it is exempt or duty is not otherwise payable
- 38.7 Where the directors refuse to register the transfer of a share.
- 38.7.1 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; and
- 38.7.2 the directors must comply with the requirements of the Companies Act to give the transferee notice of the refusal together with reasons as soon as practicable and in any event within two months after the date on which the transfer is lodged with the company
- 38.8 If a shareholder or any of his transmittes becomes aware of any event which gives rise to an obligation to transfer shares, to serve a transfer notice or a transfer notice being deemed to be given, he must promptly give written notice of that event to the

directors. A deemed transfer notice will be deemed to be received by the directors on the date on which the directors become aware of the event which gives rise to the deemed transfer notice (whether under the previous sentence or otherwise)

- 38.9 An obligation to transfer a share under these articles is an obligation to transfer the entire legal and beneficial interest in that share free from any lien, charge or other encumbrance.
- 38.10 A director may not vote or count to the quorum for any directors' decision under article 38.3 where the director is the shareholder concerned, under article 38.6 where the director is the person transferring the share, or under any other provision of these articles where the director is the shareholder who has served or is deemed to have served a transfer notice or if the director's decision relates to the failure by him to transfer his shares under a provision of a relevant agreement by which he is required to transfer his shares
- 38.11 If any person (for the purpose of this article the **transferor**) gives or is deemed to give a transfer notice or is otherwise required to transfer shares under these articles and fails or refuses to transfer their shares as required by these articles, any person appointed by the directors for the purpose will be irrevocably authorised as agent with full power in the name of (and on behalf of) the transferor to execute and deliver the necessary transfers and any other documents necessary for that transferor to comply with the terms of these articles. That authority is given as security for performance of the transferor's obligations. The company may receive the purchase money for the shares in trust for the transferor pending delivery of his share certificates for cancellation and must register the transferee in accordance with these articles as the holder of such shares. The receipt of the company for the purchase money will be a good discharge to the buyer (who need not see to the application of it). On registration of a transfer in exercise of these powers, the validity of the proceedings may not be questioned by any person
- 38.12 Except with shareholder consent, no transfer may be made in respect of a share under article 39 (permitted transfers) while any transfer notice, deemed transfer notice or tag offer or drag notice has been given in respect of that share and any person has any rights or obligations under any of those notices
- 38.13 Except with shareholder consent, no transfer notice may be served under article 41 (pre-emption on transfer) in respect of a share where a drag notice relating to that share has been given under article 44 and any person has any rights or obligations under that notice.
- 38.14 Except with shareholder consent, no transfer notice may be served under article 41 (pre-emption on transfer) in respect of a share where a tag offer relating to that share has been given under article 43 and any person has any rights or obligations under that notice.
- 38.15 The provisions of articles 40 (compulsory transfer) and 41 (pre-emption on transfer) may be waived in whole or in part in any particular case with shareholder consent.

**39. PERMITTED TRANSFERS**

**39.1 Unless prevented by any Restrictions under article 38.3:**

39.1.1 a shareholder who is an individual, but is not a permitted transferee or holding the shares in question as a trustee of a family trust, may at any time transfer a share to any of his privileged relations or to trustees to be held on a family trust of that shareholder;

39.1.2 a shareholder who is both an individual and a permitted transferee but is not holding the shares in question as a trustee of a family trust may at any time transfer a share, to the original transferor, to any of the original transferor's privileged relations or to trustees to be held on a family trust of the original transferor; and

39.1.3 a shareholder or shareholders who hold shares as a trustee or trustees of a family trust may at any time transfer a share, on change of trustees, to the new trustees of that family trust, to the original transferor, to any privileged relation of the original transferor, and to the trustees of any other family trust of the original transferor

39.2 Subject to article 39.3, a person who is a transmittee of an original transferor may not transfer shares under article 39.1 or elect to become registered himself in respect of them unless and until articles 40 and 41 have been complied with.

39.3 Provided that no compulsory transfer event (as defined in article 40.1) has occurred in relation to the original transferor by the date of registration of the transfer and registration takes place by the 20 business day deadline referred to in article 40.3, the personal representatives of a person who holds shares by reason of a transfer or series of permitted transfers under articles 39.1 may transfer shares to the original transferor or to the persons to whom the original transferor may transfer shares.

**40. COMPULSORY TRANSFER**

40.1 In this article 40, **compulsory transfer event** means in relation to a shareholder who is an individual (other than one who holds shares as trustee of a family trust):

40.1.1 the shareholder being adjudicated bankrupt;

40.1.2 the shareholder dying unless the shareholder is a joint holder and any other holder survives;

40.1.3 a shareholder making any voluntary arrangement or composition with his creditors; or

40.1.4 a shareholder who is a permitted transferee who acquired his shares by virtue of a transfer or series of transfers under articles 39.1.1 and/or 39.1.2 ceasing to be a privileged relation of the original transferor by reason of the earlier of ceasing to live together and decree absolute or dissolution or

annulment order in proceeding for divorce, nullity, judicial separation or dissolution of a civil partnership; or

- 40.2 In this article 40, **compulsory transfer event** means in relation to a shareholder who holds (or shareholders who hold) shares as trustee of a family trust, their ceasing to hold shares as trustee of the family trust other than by reason of a permitted transfer under article 39.1.3 or there ceasing to be any beneficiaries of that trust other than a person who is no longer a privileged relation of the original transferor or a charity or charities.
- 40.3 In the case of a compulsory transfer event under articles 40.1 (bankruptcy), 40.1.2 (death) or 40.1.3 (voluntary arrangement) in relation to a shareholder who is a permitted transferee or who would be entitled to transfer shares to another shareholder by way of a permitted transfer, that shareholder (or where relevant) the transmittee(s) of that shareholder will be deemed to give a transfer notice in respect of all the shares that shareholder holds which are not transferred by way of permitted transfer and registered in the name of the transferee under article 39.3, by the date falling no later than 20 business days after the date of the grant of probate.
- 40.4 Subject to article 40.3, where a compulsory transfer event occurs in relation to a shareholder, the shareholder in question (or where relevant his transmittees) will be deemed, immediately before that event, to have given a transfer notice in respect of all the shares which the shareholder holds
- 40.5 Where a compulsory transfer event occurs in relation to an individual who is an original transferor (or that event would occur if the original transferor were still a shareholder), any permitted transferee of that individual who still holds shares will be deemed to have given a transfer notice in respect of all the shares then registered in the name of that shareholder.
- 40.6 Where a compulsory transfer event occurs under article 40.1.4 (separation) in relation to a shareholder who is not the original transferor (in this article 40.6 **compulsory transferor**), the pre-emption procedure in article 41 will be modified so that:
- 40.6.1 before the transfer shares are offered to any other person and, provided no compulsory transfer event has happened in relation to the original transferor, or would have happened were he a shareholder, the original transferor (whether or not he/she is still a shareholder) is offered the right to acquire the transfer shares for £1,
- 40.6.2 that offer must be made in writing to the original transferor, if possible, no later than the date on which the deemed transfer notice is given to the compulsory transferor under article 41.5;
- 40.6.3 the original transferor will then have a period, starting on the date after the date of that notice and ending 10 business days after it (the **decision date**), to notify the company of the number (if any) of the transfer shares he agrees to acquire;

- 40.6.4 if he he/she agrees to acquire any transfer shares by notice duly given by the decision date he he/she will be bound to acquire them and the compulsory transferor will be bound to transfer them and complete the sale at the time and place appointed by the directors. Article 38.11 will apply if the compulsory transferor fails to complete the purchase at that time, and
- 40.6.5 if he he/she does not agree to buy all the transfer shares, the transfer price of any transfer shares which he he/she does not agree to buy will be determined as set out in article 42 (but modified so that the period of 15 business days set out in that article starts after the decision date) and will be offered under article 41 7, save that, if he he/she is a shareholder, the shares will not be offered to him/her again and any shares he he/she holds in the company will not be taken into account in determining the allocation made to other shareholders.
- 40.7 Unless the directors decide otherwise, if any shareholder is deemed to have given a transfer notice under this article, the shares held by that shareholder will be subject to the Restrictions set out in article 38.3 until they are transferred as required by these articles, or until after this article 40 and article 41 have been complied with, when they will automatically be released from the Restrictions.
41. **PRE-EMPTION ON TRANSFER**
- 41.1 Except for a transfer of shares which is permitted or required under other provisions of these articles or a relevant agreement, and subject to the terms of any relevant agreement, no share may be transferred until this article 41 is complied with. The following pre-emption provisions also apply in any case where these articles or any relevant agreement specify that a transfer notice must or may be served or that a deemed transfer notice has been served.
- 41.2 Subject as stated below, any shareholder proposing to transfer a share (the **proposing transferor**) must give a transfer notice in writing to the directors (a **voluntary transfer notice**) that the proposing transferor wishes to transfer that share. If required by a relevant agreement a shareholder shall give a voluntary transfer notice on his own behalf in respect of any share that such shareholder proposes to transfer and also on behalf of one or more other shareholders (**the other shareholders**) in respect of a share or shares that such other shareholder or shareholders propose to transfer. If any such voluntary transfer notice is given then the other shareholders shall not be required to serve their own voluntary transfer notices in respect of the shares that they are proposing to transfer and which are included in the voluntary transfer notice given by the proposing transferor. Any references to the proposing transferor shall be deemed to be references to the proposing transferor acting on behalf and with the authority of all the shareholders proposing to transfer shares specified in the voluntary transfer notice save that non-compliance by a shareholder with such shareholder's obligation to transfer any shares required by this Article 41 shall be the sole responsibility of such shareholder. In the voluntary transfer notice, the proposing transferor must specify

- 41.2.1 the number and class of shares which the proposing transferor wishes to transfer (the **transfer shares**) (which may be all or part only of the shares then held by the proposing transferor), and
  - 41.2.2 (if he has determined a price per share) the price per share at which the proposing transferor wishes to sell the transfer shares, and
  - 41.2.3 whether or not the proposing transferor has received an offer from a third party for the transfer shares and, if so, the identity of that third party (including details of any person(s) on whose behalf the transfer shares would or may be held) and the price offered for the transfer shares.
- 41.3 In the case of a deemed transfer notice, references in this article 41 and in article 42 to **proposing transferor** will be to the person who is deemed to serve the transfer notice (including, where relevant, the shareholder's transmittees) and to **transfer shares** will be to the shares in respect of which the transfer notice is deemed to be given
- 41.4 A voluntary transfer notice must also state whether the proposing transferor wishes to impose a total transfer condition (meaning a condition that unless all of the transfer shares are accepted and sold pursuant to the following provisions of this article 41, none will be sold). In the absence of such a statement the voluntary transfer notice and a deemed transfer notice will be deemed not to contain a total transfer condition. Any two or more shareholders may give a joint voluntary transfer notice (meaning a notice signed by each of them specifying the shares which they wish together to transfer) containing a total transfer condition. That notice will for the purpose of this article 41 take effect as if it were a single voluntary transfer notice and related to all the shares subject to it, but the obligations of the shareholders under it will be several only in proportion to the number of shares they respectively hold.
- 41.5 The directors must notify the proposing transferor that a deemed transfer notice has been deemed to be given within a period of three months after the deemed transfer notice is deemed to be received by the directors under article 38.8. The directors must specify the number and class of transfer shares, the identity of the proposing transferor and the event which has given rise to the transfer notice being deemed to be given. All shareholders other than the proposing transferor must also be given a copy of any directors' notice of deemed transfer and of any voluntary transfer notice no later than five business days after it is given.
- 41.6 The transfer notice, including a deemed transfer notice, will irrevocably constitute the company (by its directors) as the agent of the proposing transferor with power to sell the transfer shares (together with all rights attached to them at the date of the transfer notice or deemed transfer notice or at any time afterwards) at the transfer price (as defined in article 42) on the terms of this article 41. Where the expert has determined the transfer price, the proposing transferor may, if the transfer price is not acceptable to him, (except in the case of a deemed transfer notice or as otherwise provided in any relevant agreement) revoke the transfer

notice by giving notice in writing to the directors that he does so within a period of 10 business days after the date on which the transfer price is determined under article 42 (that period being the **withdrawal period**). If a proposing transferor revokes a transfer notice, he may not subsequently transfer the shares which are subject to the transfer notice (or any interest in them) otherwise than in accordance with the articles and any relevant agreement.

41.7 Within 10 business days of the last to occur of

41.7.1 the receipt by the company of a voluntary transfer notice or a deemed transfer notice;

41.7.2 the determination of the transfer price of the transfer shares, and

41.7.3 the expiry of the period for revocation of a voluntary transfer notice that is capable of being revoked in accordance with article 41.6,

the directors shall have the right (where they choose to exercise the same) to direct the company (in its capacity as agent for the proposing transferor) immediately to offer such number of the transfer shares as they may determine for purchase by the company pursuant to the provisions of Chapter 4 of Part 18 of the Companies Act.

41.8 If the company applies for any transfer shares within the time period prescribed by article 41.7, there shall be allocated to the company such number of transfer shares applied for on the tenth business day following receipt of such application, subject to the provisions of this article 41.8. If any of the transfer shares remain unallocated following operation of the above provisions of this article 41.8, unless the context otherwise admits, the remaining provisions of this article 41 will have effect as if all references to the transfer shares therein are to those of the transfer shares not allocated in accordance with this article 41.8. If the transfer notice in respect of the transfer shares contains a total transfer condition, no allocation of shares pursuant to this article 41.8 may be completed unless all of the transfer shares are allocated under this article 41.

41.9 If any of the transfer shares remain unallocated following operation of the provisions of article 41.8, within 11 business days of the last to occur of:

41.9.1 the receipt by the company of a voluntary transfer notice or a deemed transfer notice,

41.9.2 the determination of the transfer price of the transfer shares; and

41.9.3 the expiry of the period for revocation of a voluntary transfer notice that is capable of being revoked in accordance with article 41.6,

the transfer shares will be offered for purchase at the transfer price to any qualifying shareholders who at the date of the offer are registered as the respective holders of shares (**offerees**). The transfer shares will be offered to the offerees in the same proportions as the number of shares held by each of them bears to the number of



shares held by all of them. For the purpose of this article, **qualifying shareholder** means any shareholder other than: (a) the proposing transferor; (b) any shareholder to whom under article 49 shares may not be transferred; and (c) any shareholder who is deemed to have served a transfer notice or in relation to whom a compulsory transfer event has occurred. Each offer must be made in writing and specify: (a) the total number of transfer shares; (b) the transfer price; (c) whether or not the transfer notice contained a total transfer condition; (d) the number of transfer shares offered to the offeree (his **entitlement**); and (e) a period (being not less than 10 business days and not more than 15 business days) within which the offer must be accepted or will lapse (the **offer period**). The notice must be accompanied by a form of application for use by the shareholder allowing him to apply for transfer shares specifying: (i) the number of transfer shares of his entitlement which he accepts; and (ii) any transfer shares in excess of his entitlement, which he accepts, should excess shares be available and allotted to him.

- 41.10 The offer will only be treated as having been accepted by a shareholder if the company receives a duly completed and executed form of application from that shareholder applying for transfer shares by the end of the offer period. Each acceptance will be irrevocable and give rise to a binding agreement between the shareholder giving it (for the purpose of this article 41.10, a **buyer**) and the proposing transferor, for the buyer to buy and the proposing transferor to sell the number of transfer shares allocated to each buyer and at the time and place notified to that buyer and the proposing transferor in accordance with article 41.12. If the transfer notice in question contained a total transfer condition that agreement will be conditional only on acceptances being received for all the transfer shares.
- 41.11 If: (i) the transfer notice in question contained a total transfer condition and, by the end of the offer period, the company has not received acceptances in respect of all of the transfer shares, or (ii) there was no total transfer condition, but no acceptances were received by the end of the offer period, then subject to the directors exercising their right pursuant to clause 41.14, the directors must promptly notify that fact to the proposing transferor in writing and (unless otherwise permitted) none of the transfer shares will be sold to the offerees under this article 41.
- 41.12 If, by the end of the offer period, the company receives acceptances in respect of: (i) all the transfer shares; or (ii) in the case only where the transfer notice did not contain a total transfer condition, some only of the transfer shares, the directors must promptly allocate the transfer shares as follows.
- 41.12.1 to each offeree who has agreed to purchase shares, his entitlement or the lesser number of transfer shares for which he may have applied;
- 41.12.2 if any offeree has applied for less than his entitlement, the excess must be allocated to any other offerees who have applied for any part of the excess in proportion to the number of shares then held by them respectively (but without allocating to any offeree a greater number of transfer shares than

the maximum number applied for by him) and any remaining excess must be apportioned by applying this article 41.12 2 again; and

41.12 3 if any of the transfer shares are not be capable of being offered or allocated without involving fractions, they must be consolidated and allocated in any manner thought appropriate by the directors.

41.13 Following allocation under article 41 12 the directors will promptly give notice in writing to the proposing transferor and to the offerees who have agreed to buy them (for the purpose of this article 41, each a **buyer**). The notice must state: (a) the total number of transfer shares agreed to be bought; (b) whether or not they constitute all the transfer shares and if they do not, the number not agreed to be purchased; (c) the name and address of and number of transfer shares agreed to be bought by each buyer; and (d) the place and time appointed by the directors for the completion of the purchase (being not less than five business days nor more than 20 business days after the date of that notice) Subject to that notice being given, the purchase must be completed at the time and place appointed by the directors The receipt of the proposing transferor for the transfer price will be a good discharge to the buyer, the company and the directors, none of whom shall be bound to see to the application of the transfer price money

41.14 If by the end of the offer period the company has not received acceptances in respect of all the transfer shares then:

41.14 1 in the case where the transfer notice did not contain a total transfer condition, in respect of the transfer shares for which acceptances have not been received,

41.14 2 in the case where the transfer notice did contain a total transfer condition, in respect of all of the transfer shares,

the directors shall have the right (where it chooses to exercise the same) to direct the company (in its capacity as agent for the proposing transferor) to offer at a bona fide price per share which is at least equal to the transfer price all of the said transfer shares for purchase by any person (or persons) selected by the directors in their absolute discretion save that for such purpose the offer period shall be deemed to commence on the date of the expiry of the offer period in accordance with article 41.11 and will lapse to the extent that the person (or persons) selected by the directors shall not have accepted the offer to purchase all of the said transfer shares within fifteen business days of the date of the expiry of the offer period in accordance with article 41.11.

41.15 If notice is given: (a) under article 41.11 that no transfer shares, or (in the case of a total transfer condition) some only of the transfer shares, have been accepted, or (b) under article 41 13 that some only of the transfer shares have been accepted, the proposing transferor may within a period of three months after the date of the notice sell those transfer shares which have not been accepted to any person or

persons (including any shareholder) at a bona fide price per share which is at least equal to the transfer price

## **42 TRANSFER PRICE AND VALUATION OF SHARES**

**42.1** Except as otherwise provided in these articles or in any relevant agreement, the transfer price will be determined as follows:

**42.1.1** in the case of a voluntary transfer notice containing a price per share, the price will be the price per share specified by the proposing transferor in the transfer notice; or

**42.1.2** in the case of a deemed transfer notice or where a price per share is not specified, the price will be the price per share agreed in writing between the proposing transferor and the directors (other than the proposing transferor, if he is a director). In the absence of such agreement (whether by reason of disagreement, absence, death or otherwise) within 15 business days after the transfer notice is served under article 41.2 or, in the case of a deemed transfer, notified to the proposing transferor under article 41.5, the transfer price will be a sum per share equal to the open market value of the transfer shares determined by the expert in accordance with article 42.2, divided by the number of transfer shares.

**42.2** The expert will be appointed in accordance with article 45 to certify the open market value of the transfer shares (**open market value**) as at the date of the transfer notice. The expert will adopt the following assumptions and bases when determining the open market value:

**42.2.1** valuing the transfer shares as on an arm's length sale between a willing seller and a willing buyer;

**42.2.2** if the company is then carrying on business as a going concern, on the assumption that it will continue to do so;

**42.2.3** that the transfer shares are capable of being transferred without restriction; and

**42.2.4** valuing the transfer shares as a rateable proportion of the total market value of all the issued shares of the company without any premium or discount being attributable to the class of the transfer shares or the percentage of the issued share capital of the company which they represent.

If any difficulty arises in applying any of these assumptions or bases, that difficulty will be resolved by the expert as he decides in his absolute discretion.

**42.3** Half of the costs and expenses of the expert in determining the transfer price and his appointment will be paid by the proposing transferor and the other half will be paid by the buyers of the transfer shares pro rata according to the number of transfer shares purchased by them unless: the proposing transferor revokes the transfer

notice under article 41 6; or notice is given that none of the transfer shares are to be purchased under article 41 11, in either of which events the proposing transferor will pay all of those costs and expenses.

#### 43. **TAG ALONG**

43.1 This article 43 applies if any shareholder or shareholders (the **seller**) proposes to transfer the beneficial (or legal and beneficial) interest in any shares to any bona fide third party which would result (whether by that transaction or a series of related transactions) in that person on his own or with or through his connected persons obtaining direct or indirect control of a controlling interest (a **proposed transfer**) provided that the proposed transfer is not a permitted transfer under article 39 and provided that a drag notice relating to the proposed transfer has not been given under article 44.

43.2 Where this article 43 applies, the proposed transfer may not be made (and must not be registered by the directors) unless the seller procures that the proposed transferee(s) (for the purposes of this article 43, the **buyer**) makes a bona fide written offer (**tag offer**) to all the other shareholders to purchase all the shares in the capital of the company then in issue. That offer must be on terms no more onerous and at a price per share which is at least equal to the highest of the price per share to be paid by the buyer for the proposed transfer or paid by any of his connected persons in a related transaction in the six months before the date of the proposed transfer.

43.3 The tag offer must:

43.3.1 be irrevocable and unconditional (except for any conditions which apply to the proposed transfer),

43.3.2 be governed by the law of England and Wales;

43.3.3 give a date by which it is open for acceptance by the other shareholders giving notice in writing to the company, which date must be at least 15 business days after the offer is given; and

43.3.4 specify (a) the identity of the buyer and his connected persons; (b) the price at which the buyer is to acquire shares from the seller; (c) the tag price and details of how it has been calculated and any other terms and conditions of the offer; (d) the proposed date of the sale and the number of shares which would be held by the buyer and his connected persons following the proposed transfer; and (e) details of how and when completion of the sale of the shares by any shareholder accepting the tag offer is to be effected.

No shareholder (including the seller) may complete any sale of shares to the buyer unless the buyer completes the purchase of all the shares agreed to be sold simultaneously and the directors must refuse to register any transfer which does not comply with this requirement.

43.4 Notwithstanding article 43.3, if any person (whether or not a shareholder and who is not the seller) has, at the time of the tag offer, rights granted by the company to acquire shares (**option shares**) and who may exercise those rights during the period during which the offer remains open for acceptance or on completion of the tag offer, the tag offer must also be extended to those persons and the tag offer may provide for the sale and purchase of option shares to be completed at a specified later time to ensure that rights to acquire those shares become exercisable.

43.5 No tag offer may be made (and therefore the proposed transfer may not be made) unless the seller has first given, and not withdrawn, a voluntary transfer notice under article 41 (pre-emption) and the pre-emption procedure in that article has completed so that the seller is permitted, subject to this article 43, to transfer his shares under article 41.15

#### 44. **DRAG ALONG**

44.1 This article 44 applies if any shareholder or shareholders (the **seller**) proposes to transfer an interest in any shares to any bona fide third party (**buyer**) which would result (whether by that transaction or a series of related transactions) in that person on his own or with or through his connected persons obtaining direct or indirect control of a drag interest (a **proposed transfer**)

44.2 Where this article 44 applies, the seller may require all the other shareholders (**remaining shareholders**) to transfer their shares to the buyer (or to such person as the proposed buyer directs) by giving notice to that effect to the remaining shareholders (**drag notice**). The drag notice must:

44.2.1 be irrevocable and unconditional (except for any conditions which apply to the proposed transfer and except that it may be conditional on completion of the sale of the transfer to the buyer or person as the proposed buyer directs of the seller's shares (**completion**));

44.2.2 state that the remaining shareholders are required to transfer all their shares pursuant to this article 44 with full title guarantee;

44.2.3 state the person to whom the shares are to be transferred;

44.2.4 state the consideration being paid per share for those shares, and must, if that consideration is not cash, include a cash alternative in both cases at least equal to the price per share offered by the buyer for the seller's shares;

44.2.5 explain the date by which each remaining shareholder must return a form of election specifying its chosen consideration and that, if no such notice is received, the remaining shareholder will receive the cash alternative;

44.2.6 state the date (if then known) on which completion is expected to take place, and

- 44.2 7 specify what is required for the remaining shareholders to give effect to the transfer and attach copies of any other documents required to be executed by the remaining shareholders, such as a form of transfer, the form of any election to be made in relation to the form of consideration and any documents required to accept any non-cash consideration and give the date by which those documents must be returned to the company which may not be less than five business days after the date on which the drag notice is given
- 44.3 The drag notice may not require a remaining shareholder to agree to any terms except those specifically set out in this article 44.
- 44.4 If, after a drag notice is given, any person (whether or not a shareholder) exercises rights to acquire shares granted by the company before completion, the seller (or after completion the buyer) may give a drag notice to that person (**optionholder**) on the same terms as the drag notice given to the remaining shareholders, except that a later date than completion may be given for completion of the transfer.
- 44 5 If any shareholder or person fails to transfer all the shares in the company held by them to the buyer or his nominee in accordance with the drag notice and this article 44, the remaining shareholder will (regardless of any election made by it) be deemed to have elected to receive the cash alternative and the provisions of article 38 11 will apply.
- 44.6 Where a seller proposes to transfer shares and gives a drag notice under this article, the transfer of shares (and transfers pursuant to a drag notice under this article by any remaining shareholder or optionholder) may be made without first complying with article 41 (pre-emption).
45. **EXPERT**
- 45.1 Where the articles provide for a firm of accountants to be appointed to be the expert under this article.
- 45.1 1 the company will appoint a firm of independent chartered accountants which may be the company's auditors if they are able and willing to act and determine their terms of engagement, or
- 45 1.2 failing such appointment and determination within 10 business days of the request of any director or shareholder to the company, the expert will be such independent firm of chartered accountants as is nominated at the request of any shareholder by the President of the Institute of Chartered Accountants in England and Wales and the company must appoint that firm and agree the terms of engagement, complying with these articles, with that firm.
- 45.2 All the shareholders will co-operate in good faith to ensure the expert nominated under article 45 1 2 is appointed by the company (and, if the expert requires, by any of them) by the deadline set out in that article and will not unreasonably withhold

consent to the terms of engagement of the expert. Terms of engagement, complying with these articles, signed on behalf of the company and the expert and the appointment of that firm on those terms will be binding on the company and all the shareholders and will not be challenged by the company or any shareholder

- 45.3 The company and the shareholders will use all reasonable endeavours to ensure that the valuation is determined by the accountants as quickly as possible and in any event by no later than 15 business days after the terms of engagement are signed, including by providing the expert with any assistance and documents as the expert may reasonably require to reach its decision. To the extent not provided for in these articles, the expert may in his reasonable discretion decide the procedure to be followed in the conduct of the determination as he considers just or appropriate. The expert will act as expert and not as arbitrator, will not be obliged to give reasons for its valuation and its certificate will, save in the case of manifest error or fraud, be final and binding on the company and all shareholders. The company will ensure that a notice containing details of any determination under this article 45 is promptly given to each shareholder

#### **46. TRANSMISSION OF SHARES**

- 46.1 If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- 46.2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require: may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 46.3 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 holder's death or bankruptcy or otherwise, unless they become the holders of those shares
- 46.4 For the avoidance of doubt, nothing in this article or the two following articles (exercise of transmittees' rights and transmittees bound by prior notices) will prejudice the operation of any compulsory transfer provisions in these articles.

#### **47. EXERCISE OF TRANSMITTEES' RIGHTS**

- 47.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- 47.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 47.3 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 provided, where it is applicable, article 40 has been complied with) as if the event which gave rise to the transmission had not occurred.

**48. TRANSMITTEES BOUND BY PRIOR NOTICES**

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

**49. PROHIBITED TRANSFERS AND ISSUES**

**49.1** Notwithstanding anything else contained in these articles, except with shareholder consent (or in the case of a person as described in 49.1.2 where a drag notice has been given) no share may be issued or transferred to.

**49.1.1** any infant, bankrupt or person of unsound mind; or

**49.1.2** any person (or a nominee for a person) who is a competitor (or a person "connected" within the meaning of section 1122 of the Corporation Tax Act 2010 of a competitor) with the business of the company or a subsidiary of the company

**49.2** Notwithstanding anything contained in these articles, except with shareholder consent, on any proposed issue or transfer or acquisition of shares (whether such issue, transfer or acquisition is voluntary or required pursuant to these articles or a relevant agreement).

**49.2.1** at the request of the company, the proposed acquirer of the shares, provided either (i) he is an individual and a current or prospective employee or director of the company or any subsidiary of the company; or (ii) he is an associated person (as defined by section 421C of ITEPA) of any individual who is a current or prospective employee or director of the company or any subsidiary of the company, must, or must procure any individuals with whom he is so associated, enters into a joint election with the company or (as the case may be) any subsidiary of the company under section 431 of ITEPA and/or, to the extent legally permissible, under paragraph 3B of Schedule 1 to the SSCBA, in each case, in the form which the company requires; and/or

**49.2.2** at the request of the company, the proposed acquirer and/or the proposed transferee of the shares must enter into such arrangements with the company (to the extent necessary as agent for one or more subsidiaries of the company) to ensure that, to the company's satisfaction and as permissible by law, the company will receive and retain from the acquirer and/or the transferee (as the company requires) all such amounts as are or will become due from them under the provisions of article 50 on the issue or the transfer of the shares; and



- 49.2.3 if the transfer is likely to result in any liability for the company to account for any income tax and/or employee's national insurance contributions under the PAYE system and/or any liability for employer's national insurance contributions, the proposed transferee of the shares must notify the company of his intention to make the transfer at least five business days before making the transfer
- 49.3 Notwithstanding anything contained in these articles no person shall be issued or transferred, and there shall be no acquisition of, shares (to include without limitation if the issue, transfer or acquisition of shares would result in acquiring control and/or other changes in control for the purposes of Financial Services and Markets Act 2000 (as amended) unless and until all necessary approvals have been given to the Financial Conduct Authority of the United Kingdom (or its successors)
- 49.4 References to **issue** or **transfer** or **acquisition of shares** in article 49.2 include acquiring or disposing any interest in, or right attaching to, or renouncing or assigning any right to receive or subscribe for any share or creating or permitting to exist any charge, lien, encumbrance or trust over any share or agreeing to do any of those things
- 49.5 If any person who wishes to make a voluntary acquisition of shares or a voluntary transfer of shares or to exercise any right to acquire or transfer shares refuses or fails to satisfy the requirements of article 49.2 within the time period required by the company, he may not make that acquisition or transfer and any attempt to acquire or transfer the shares which is or has been made in breach of article 49.2 will be of no effect.
- 49.6 If any person is required to make any acquisition of shares or is required to transfer shares and that person refuses or fails to satisfy the requirements of article 49.2 within the time period required by the company, to the extent legally permissible, any person appointed by the directors for the purpose will be irrevocably authorised as agent with full power in the name of (and on behalf of) that person to execute and deliver the documents necessary to make the elections referred to in article 49.2.1 and/or the arrangements referred to in article 49.2.2.
- 50. ITEPA INDEMNITY**
- 50.1 Each shareholder fully and effectually indemnifies the company and undertakes to pay to the company an amount equal to any liability of the company or any subsidiary of the company to pay or to account to HMRC or any other tax authority for any amount of, or representing, income tax or national insurance contributions (including employer's national insurance contributions, to the extent legally permissible) and any related fines and penalties which may arise as a result of the operation of Part 7 of ITEPA in relation to any shares acquired by, held by or disposed of by him (and as regards disposals, whether that liability arises on the disposal by him or the acquisition by any other person as a consequence of that disposal) or any other person associated with him (within the meaning of section 421C of ITEPA) (but in the case of an associated person, only to the extent that the

relevant shares were acquired by the associated person pursuant to a transfer or a series of transfers under article 39.1).

- 50.2 If any payment required to be made pursuant to article 50.1 is not made within the time period specified in section 222 of ITEPA, the relevant shareholder must pay to the company on demand an amount equal to the liability of the company or any subsidiary of the company to pay or to account to HMRC for any amounts of or representing, income tax or national insurance contributions (including employer's national insurance contributions, to the extent legally permissible) and any related interest fines and penalties which arise as a result of any amount being treated as earnings of that shareholder or any person associated with that shareholder (within the meaning of section 421C of ITEPA) as a result of the application of section 222 of ITEPA.
- 50.3 A shareholder will not cease to be liable under the provisions of this article 50 on ceasing to be a shareholder in respect of any shares and will continue to be liable in respect of those shares after he has ceased to hold them and whether or not he continues to hold any other shares
- 50.4 If any sum payable by any person to the company under this article 50 (the **indemnity payment**) is subject to tax in the hands of the company, but in calculating the tax liability of the company no deduction is available to the company in respect of the loss or liability of the company to which the indemnity payment relates, the indemnity payment will be increased by the amount necessary to ensure that, after the company's tax liability in respect of the increased indemnity payment, the company receives and retains an amount equal to the amount which it would have received and retained if the indemnity payment were not subject to any tax in the company's hands.
- 50.5 If any shareholder is liable to make any payment to the company for any amount under this article 50 and the shareholder does not make that payment within 15 business days of demand by the company, a compulsory transfer event will be deemed to occur in respect of any shares held by that person and any shares held by any person associated with him (within the meaning section 421C of ITEPA) (but in the case of such associated person, only to the extent that the shares were acquired by the associated person pursuant to one or more transfers made under article 39.1). The shareholder and any person so associated with him will be deemed to have given a transfer notice in respect of all the shares held by the shareholder and any person so associated with him (but in the case of such associated person, only to the extent that the shares were acquired by the associated person pursuant to one or more transfers made under article 39.1). The provisions of article 41 will apply accordingly, subject to any arrangements made pursuant to article 49.2.2.
- 50.6 The directors may by written notice request any shareholder (or any former shareholder) or his transmittee to supply to the company all such information and evidence as they may consider is relevant:

50.6.1 to determine whether that shareholder (or former shareholder) is liable to make any payment to the company under this article 50, and if so, the amount of that liability; and/or

50.6.2 to discharge the legal obligations of the company or any subsidiary of the company to provide any information or compile and file any forms or return for the purposes of or in connection with any tax or national insurance contributions

If the relevant information and evidence are not provided, the shares held by that shareholder will be subject to the Restrictions (as defined by article 38.3). The Restrictions may be lifted by the directors on the relevant information and evidence being supplied and will be automatically lifted in a transfer of the shares being registered by the directors, where the transfer is required to be made by these articles.

50.7 Each shareholder must inform the company whenever any reportable event (as defined by section 421K of ITEPA) occurs in respect of or in connection with any shares acquired, held or disposed of by him or by any person who is associated with him (within the meaning of section 421C of ITEPA) (but in the case of such associated person, only to the extent that it relates to shares which were acquired by that associated person pursuant to one or more transfers made under article 39.1)

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **51. PROCEDURE FOR DECLARING DIVIDENDS**

51.1 Subject to complying with the Companies Acts and any relevant agreement, the company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends

51.2 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

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

51.4 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 on the date of the resolution or decision to declare or pay it.

51.5 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.

51.6 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.

- 51.7 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.

**52. PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

- 52.1 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

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

52.1.2 posting a cheque made payable to the distribution recipient to the distribution recipient at his 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,

52.1.3 posting a cheque made payable to such person to such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or

52.1.4 any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

- 52.2 In the articles, **the distribution recipient** means, in respect of a share in respect of which a dividend or other sum is payable: the holder of the share; or if the share has two or more joint holders, whichever of them is named first in the register of members; or if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

**53. NO INTEREST ON DISTRIBUTIONS**

The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by the terms on which the share was issued; or the provisions of another agreement between the holder of that share and the company.

**54. UNCLAIMED DISTRIBUTIONS**

- 54.1 All dividends or other sums which are payable in respect of shares; and 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.

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

- 54.3 If twelve years have passed from the date on which a dividend or other sum became due for payment; and 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.

## **55. NON-CASH DISTRIBUTIONS**

55.1 Subject to the Companies Acts and 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)

55.2 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 fixing the value of any assets; paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and vesting any assets in trustees.

## **56. 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 the share has more than one holder; or more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise, the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

## **CAPITALISATION OF PROFITS**

### **57. AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS**

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

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

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

57.2 Capitalised sums must be applied on behalf of the persons entitled; and in the same proportions as a dividend would have been distributed to them

57.3 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.

- 57.4 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.
- 57.5 Subject to the articles, the directors may:
- 57.5.1 apply capitalised sums in accordance with paragraphs 57.3 and 57.4 partly in one way and partly in another;
  - 57.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments), and
  - 57.5.3 authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## **PART 5 - DECISION-MAKING BY SHAREHOLDERS**

### **ORGANISATION OF GENERAL MEETINGS**

#### **58. CALLING A MEETING**

- 58.1 The directors may call a general meeting of the company and must convene a general meeting on request of the shareholders, made in accordance with the provisions of sections 303 to 305 of the Companies Act.
- 58.2 A general meeting must be called by notice of at least 14 clear days unless called by shorter notice in accordance with the Companies Act. For the purposes of this article **clear days** means a period of days excluding the day on which the notice is given and excluding the day of the meeting.
- 58.3 Every notice of meeting must comply with the provisions of the Companies Acts relating to its content, the manner in which it should be given and to whom. In particular, the notice must state the time, date and place of the meeting and the general nature of the business to be conducted at the meeting and comply with the provisions of section 325(1) of the Companies Act regarding shareholders' rights to appoint proxies. It may also specify a deadline by which, and address or addresses at which, proxies must be received, which must not be earlier than 48 hours (not counting any part of a day that is not a working day) before the time for holding the meeting.
- 58.4 Without prejudice to section 313 of the Companies Act, the notice must be given to: the shareholders (including any transmittee, where the company has been notified of his entitlement) and directors under section 310 of the Companies Act; and the auditors under section 502 of the Companies Act.

- 58.5 Failure to comply with any provision of this article will not invalidate the notice of meeting or anything done at the meeting except to the extent that non-compliance would otherwise invalidate such notice or act by law

## 59. **ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

- 59.1 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 and be heard by all such persons during the meeting
- 59.2 A person is able to exercise the right to vote at a general meeting when: that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and 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.
- 59.3 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. In determining attendance at a general meeting, it is immaterial whether any two or more shareholders attending it are in the same place as each other. Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them

## 60. **QUORUM FOR GENERAL MEETINGS**

- 60.1 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.
- 60.2 Where the company has only one shareholder, one qualifying person attending the meeting will be a quorum. Otherwise, subject to article 38.3, the quorum will be two qualifying persons having the right to vote on the business to be transacted at the meeting unless
- 60.2.1 each is a qualifying person only because he is authorised under section 323 of the Companies Act to act as the representative of a corporation in relation to a meeting and they are representatives of the same corporation; or
- 60.2.2 each is a qualifying person only because he is appointed as proxy of a shareholder in relation to the meeting, and they are proxies of the same shareholder.
- 60.3 In this article, **qualifying person** has the same meaning as in section 318(3) of the Companies Act

**61 CHAIRING GENERAL MEETINGS**

- 61.1 If the directors have appointed a chairman, the chairman must chair general meetings if present and willing to do so
- 61.2 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 the directors present, or (if no directors are present), the meeting, must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 61.3 The person chairing a meeting in accordance with this article is referred to as **the chairman of the meeting**.

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

- 62.1 Directors may attend and speak at general meetings, whether or not they are shareholders
- 62.2 The chairman of the meeting may permit other persons who are not shareholders of the company; or otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

**63 ADJOURNMENT**

- 63.1 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.
- 63.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if: the meeting consents to an adjournment; or 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.
- 63.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 63.4 When adjourning a general meeting, the chairman of the meeting must: 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 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 63.5 If the continuation of an adjourned meeting is to take place more than fourteen 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); to the same persons to whom notice of the company's general meetings is



required to be given; and containing the same information which such notice is required to contain

- 63.6 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**

### **64. VOTING: GENERAL**

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

### **65. ERRORS AND DISPUTES**

- 65.1 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.
- 65.2 Any such objection must be referred to the chairman of the meeting, whose decision is final

### **66 POLL VOTES**

- 66.1 A poll on a resolution may be demanded: in advance of the general meeting where it is to be put to the vote, or 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.
- 66.2 A poll may be demanded by: the chairman of the meeting; the directors; two or more persons having the right to vote on the resolution, or a person or persons representing at least one tenth of the total voting rights of all the shareholders having the right to vote on the resolution
- 66.3 A demand for a poll may be withdrawn if: the poll has not yet been taken; and the chairman of the meeting consents to the withdrawal. A demand so withdrawn will not invalidate the result of a show of hands declared before the demand was made.
- 66.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

### **67. CONTENT OF PROXY NOTICES**

- 67.1 Proxies may only validly be appointed by a notice in writing (a **proxy notice**) which.
- 67.1.1 states the name and address of the shareholder appointing the proxy;
- 67.1.2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;

67.1.3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may decide; and

67.1.4 is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate,

unless the directors decide that an appointment which does not comply with one or more of these requirements should be accepted as a valid appointment.

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

67.3 Unless a proxy notice indicates otherwise, it must be treated as:

67.3.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and

67.3.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

## **68 DELIVERY OF PROXY NOTICES**

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

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

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

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

## **69. AMENDMENTS TO RESOLUTIONS**

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

69.1.1 notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed at least 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may decide); and

- 69.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 69.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
- 69.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
- 69.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 69.3 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.

## **WRITTEN RESOLUTIONS OF SHAREHOLDERS**

### **70. WRITTEN RESOLUTIONS**

- 70.1 Written resolutions of the company may be proposed by either the directors or the shareholders of the company and passed in accordance with and subject to the provisions of the Companies Act.
- 70.2 A shareholder or shareholders representing 5% of the total voting rights of the shareholders of the company entitled to vote on the resolution may require that the company circulate a resolution that may be properly moved as a written resolution
- 70.3 The directors of the company may decide that the expenses of circulation of a written resolution required by shareholders need not be paid by the shareholders who requested circulation of the resolution.

## **PART 6 - ADMINISTRATIVE ARRANGEMENTS**

### **71. MEANS OF COMMUNICATION TO BE USED**

- 71.1 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 Companies 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. Subject to the articles, the "company communications provisions" (as defined in section 1143 of the Companies Act) will apply where such documents or information are supplied by such means. Without limitation, any document or information supplied by the company to a person as a member of the company under the articles or under the Companies Acts, may be supplied by being made available on a website (and such person will be taken to have agreed that the company may send documents or information to him in that manner) provided the conditions and requirements of the Companies Act are met.

- 71.2 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.
- 71.3 Subject to the next article, anything sent or supplied by the company will be deemed to have been received (and will be treated as having been given):
- 71.3.1 if sent by the company by post, on the day following the day on which it was put in the post if first class post was used or 48 hours after it was posted in any other case (but in each case excluding any part of a day that falls on a Sunday or Bank holiday) and for this purpose it will be sufficient to prove that it was properly addressed, pre-paid and put in the post;
  - 71.3.2 if left at an address (other than address for the purposes of communications by electronic means), when it was so left or sent;
  - 71.3.3 if sent or supplied by electronic means, at the time it was sent or supplied and for this purpose it will be sufficient to prove that it was properly addressed;
  - 71.3.4 if made available on a website, on the day on which it 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
  - 71.3.5 if sent or supplied by any other means authorised in writing by the shareholder concerned when the company has carried out the action it has been authorised to take for that purpose

Anything sent or supplied to the company by a director or shareholder will be given when it is received by the company and deemed receipt will not apply.

- 71.4 A director may agree with the company that notices or documents sent to that director (whether or not supplied by the company) in a particular way are to be deemed to have been received within a specified time of their being sent. Unless so agreed, articles 71.3.1 to 71.3.4 will apply. Such notices or documents must be addressed to the director at the address given by him for the purpose (generally or specifically) or, if no such address has been given the address set out in the register of directors
- 71.5 Notwithstanding any other provision of these articles, no communication, document or information to be sent or supplied to a person under articles 33, 38, 39, 40, 41, 42, 43, 44 and 45 may be sent or supplied in electronic form other than by fax.

## **72 COMPANY SEALS**

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

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

72.3 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.

72.4 For the purposes of this article, an authorised person is: any director of the company; the company secretary (if any), or any person authorised by the directors to sign documents to which the common seal is applied.

**73. 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 being a shareholder

**74 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.

**75 OVERRIDING PROVISIONS**

75.1 Notwithstanding the provisions of these articles, the directors must, so far as may be permitted by law, act in all respects in accordance with and give effect to any relevant agreement.

75.2 Where the consent, approval or agreement of any shareholder or director is required under any provision of these articles to any particular matter, that consent, approval or agreement:

75.2.1 may be given subject to such terms and conditions as that shareholder or director may impose and any breach of those terms and conditions will be deemed to be a breach of these articles; and

75.2.2 must be in writing, in English, and given in any form or by any means provided for in article 71, except that it may not be sent or supplied in electronic form other than by fax.

**PART 7 - DIRECTORS' INDEMNITY AND INSURANCE**

**76. INDEMNITY AND FUNDING OF PROCEEDINGS**

76.1 Subject to article 76.2 and without prejudice to the company's ability to indemnify or fund any person, a relevant director of the company or an associated company may

- 76.1.1 be indemnified out of the company's assets against any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust concerning the company or an associated company;
  - 76.1.2 be indemnified out of the company's assets against 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 Companies Act);
  - 76.1.3 be indemnified out of the company's assets against any other liability incurred by that director as an officer of the company or an associated company; and
  - 76.1.4 be provided with funds (by loan or otherwise) to meet or avoid expenditure in defending any criminal or civil proceedings or investigation or proceedings by a regulatory authority or in connection with an application for relief, in each case as permitted by sections 205 or 206 of the Companies Act.
- 76.2 Articles 76.1.1 to 76.1.3 do 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.
- 76.3 In this article:
- 76.3.1 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
  - 76.3.2 a **relevant director** means any director or former director of the company or an associated company

## 77 **INSURANCE**

- 77.1 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.
- 77.2 In this article
- 77.2.1 a **relevant director** means any director or former director of the company or an associated company;
  - 77.2.2 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
  - 77.2.3 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate.