

XOSERVE LIMITED ('THE COMPANY')
COMPANY NUMBER 05046877
WRITTEN RESOLUTIONS OF THE COMPANY
PURSUANT TO SECTION 288 OF THE COMPANIES ACT 2006
PASSED ON 29 MARCH 2017

The following written resolutions having been duly proposed by the directors of the Company were duly passed by the Company, resolution 1 as a special resolution and resolution 2 as an ordinary resolution.

SPECIAL RESOLUTION

1. **THAT** with effect from 1 April 2017 the Articles of Association annexed hereto be adopted as the new Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association of the Company.

ORDINARY RESOLUTION

2. **THAT** with effect from 1 April 2017 each of the 89,000 issued ordinary A shares of £0.01 each in the capital of the Company and each of the 11,000 issued ordinary B shares of £0.01 each in the capital of the Company be and are hereby redesignated as ordinary shares of £0.01 each in the capital of the Company having the rights and being subject to the restrictions set out in the Articles of Association adopted pursuant to resolution 1.

Signed
Secretary
for and on behalf of Xoserve Limited



No. 5046877

Xoserve Limited

ARTICLES OF ASSOCIATION

(Adopted with effect from 1 April 2017 by Special Resolution passed on 29 March 2017)


Certified true
copy

ALICE MORGAN
SECRETARY

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PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

1. EXCLUSION OF OTHER REGULATIONS AND DEFINED TERMS

- 1.1 No regulations or model articles contained in any statute or subordinate legislation including, without prejudice to such generality, the regulations contained in Table A to the Companies Act 1948, Table A to the Companies Act 1985 and the Companies (Model Articles) Regulations 2008, shall apply as the articles of association of the company.

- 1.2 In these articles, unless the context requires otherwise:

"articles" means the company's articles of association;

"Associate" means any person who directly or indirectly controls a member or is controlled by a member or is controlled by the same person as a member, and for this purpose **"control"** means the possession by a person, directly or indirectly, of the power to direct or cause the direction of the management and policies of another person, whether through the ownership of shares or other securities carrying the right to vote, through the composition of the board of directors of such other person, by contract or otherwise;

"Authority" has the meaning given in section 1(1) of the Utilities Act 2000;

"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 or Sunday) on which banks are open for general business in London;

"CDSP Budget" has the meaning given in the Uniform Network Code;

"CDSP Services" has the meaning given in the Uniform Network Code;

"Chairman Director" means the director appointed pursuant to article 17.2.5;

"chairman of the meeting" has the meaning given in article 51.3;

"Companies Acts" means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

"Data Services Contract" has the meaning given in the Uniform Network Code;

"day" means a calendar day;

"Deferred Shares" means all those redeemable deferred shares of £0.01 each in the capital of the company following any conversion pursuant to article 27, which shares shall have the rights set out in article 26;

"director" means a Shipper Director, a Network Director, the Transmission Director, the iGT Director, or the Chairman Director, and includes any person occupying the position of director, by whatever name called;

"Distribution Network Nominations Committee" means the Energy Networks Association Gas Regulation Group or such other body (which shall be independent of the company) notified to the company in writing by all of the Network Operators excluding the Transmission Network Operator;

"distribution recipient" has the meaning given in article 42;

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

"electronic form" has the meaning given in section 1168 of the Companies Act 2006;

"First Offer" has the meaning given in article 30.3;

"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;

"GT Licence" means a gas transporter licence granted under section 7 of the Gas Act 1986 which is current and valid;

"hard copy form" has the meaning given in section 1168 of the Companies Act 2006;

"holder" in relation to shares means the member whose name is entered in the register of members as the holder of the shares;

"iGT Director" means the director appointed by the iGT Nominations Committee in accordance with article 17.2.4;

"iGT Nominations Committee" means the Association of Independent Gas Transporters or such other body (which shall be independent of the company) notified to the company in writing by all of the Independent Gas Transporters;

"Independent Gas Transporter" means an independent gas transporter holding a GT Licence that does not relate to a Network Area;

"Insolvency Event" means the occurrence of any of the following in respect of a Network Operator;

- (a) it holds any meeting with or makes a composition or arrangement with its creditors or puts a proposal to its creditors for a voluntary arrangement;
- (b) it has a supervisor, receiver, administrator, administrative receiver or other encumbrancer take possession of or appointed over or has any distress, execution or other process levied or enforced (and not discharged with 7 days) upon, the whole or any substantial part of its assets;
- (c) it ceases or threatens to cease to carry on business or becomes unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 (ignoring any requirement in that section to prove a matter to the satisfaction of the court);
- (d) it is presented with a petition for bankruptcy or has a meeting convened to consider a resolution for the making of an administrative order against it, or its winding up, bankruptcy or dissolution (other than for the purposes of a solvent amalgamation or reconstruction); or
- (e) any event analogous to those referred to in paragraphs (a) to (d) inclusive occur in relation to it under the laws under which it is incorporated;

"instrument" means a document in hard copy form;

"month" means a calendar month;

"Network Area" means all those assets which together constitute a gas distribution network for the region of the United Kingdom specified in a Network Operator's GT Licence (and being a Distribution Network for the purposes of the Uniform Network Code), but for the purposes of these articles the NTS shall also be treated as if it were itself a single Network Area;

"Network Director" means a director appointed by the Distribution Network Nominations Committee in accordance with article 17.2.2;

"Network Operator" means the holder of a GT Licence enabling it to operate a given Network Area;

"NTS" means the gas national transmission system which at the date of adoption of these articles is owned and operated by National Grid Gas plc;

"ordinary resolution" has the meaning given in section 282 of the Companies Act 2006;

"Ordinary Shares" means the convertible, redeemable, ordinary shares of £0.01 each in the capital of the company;

"paid" means paid or credited as paid;

"participate", in relation to a directors' meeting, has the meaning given in article 11;

"proxy notice" has the meaning given in article 57;

"Relevant Agreement" means any agreement to which the shareholders (in their capacity as shareholders in the company) and the company are party relating to the affairs of the company;

"Second Offer" has the meaning given in article 30.3;

"shareholder" means a holder of Ordinary Shares or Deferred Shares;

"shares" means Ordinary Shares and/or Deferred Shares;

"Shipper" means a Shipper User as defined in the Uniform Network Code;

"Shipper Director" means a director appointed by the Shipper Nominations Committee in accordance with article 17.2.1;

"Shipper Nominations Committee" means the committee formed by Shippers to appoint directors in accordance with article 17.2.1, which committee shall be independent of the company;

"special resolution" has the meaning given in section 283 of the Companies Act 2006;

"Subsidiary" means a subsidiary undertaking of the company;

"Transmission Director" means the director appointed by the Transmission Network Operator in accordance with article 17.2.3;

"Transmission Network Operator" means the operator of the NTS, which at the date of adoption of these articles is National Grid Gas plc;

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

"Uniform Network Code" means the terms, as modified from time to time, that are (in whole or in part) incorporated into the business network codes relating to each Network Area in respect of which a Network Operator holds a GT Licence; 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.

- 1.3 Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

- 1.4 In these articles:

1.4.1 references to "includes" or "including" shall be construed without limitation;

1.4.2 words in the singular shall include the plural and vice versa;

1.4.3 a reference to a person shall include a reference to a firm, a body corporate, an unincorporated association, a partnership or to an individual's executors or administrators; and

1.4.4 a reference to an enactment, EU instrument or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, EU instrument, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced.

2. **LIABILITY OF MEMBERS**

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

PART 2

DIRECTORS

3. DIRECTORS' GENERAL AUTHORITY

3.1 The company's business shall be:

3.1.1 the provision of CDSP Services; and

3.1.2 such other business as the directors may agree from time to time, provided that the Authority consents in writing to such business.

3.2 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.

4. SHAREHOLDERS' RESERVE POWERS

4.1 The shareholders may, by ordinary resolution, direct the directors to ensure that the company:

4.1.1 makes such changes to a CDSP Budget as are directed by the Authority pursuant to paragraphs 12 and 13 of Standard Special Condition A15A of the GT Licence; and/or

4.1.2 provides the shareholders with any information requested by the Authority pursuant to Standard Special Condition A26 of the GT Licence.

4.2 No alteration of the articles and no such ordinary resolution invalidates anything which the directors have done before the alteration was made or the resolution was passed.

5. DIRECTORS MAY DELEGATE

5.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:

5.1.1 to such committee or such director;

5.1.2 by such means (including by power of attorney);

5.1.3 to such an extent;

5.1.4 in relation to such matters or territories; and

5.1.5 on such terms and conditions;
as they think fit.

5.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

5.3 The directors may at any time revoke any delegation in whole or part, or alter its terms and conditions.

6. COMMITTEES

6.1 In relation to committees to which directors delegate any of their power, unless the directors decide otherwise there shall be at a minimum an audit committee (which shall meet at least once every six months) and a remuneration committee (which shall meet at least annually).

6.2 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. The quorum for meetings of any such committee shall be at least three members thereof and no resolution at a meeting of any such committee shall be effective unless a majority of the members present shall have voted in favour of such resolution.

6.3 Committees to which the directors delegate any of their powers must consist of at least three directors.

7. CHIEF EXECUTIVE OFFICER

7.1 Subject to article 7.2, the directors shall have the exclusive right to appoint, remove and replace the chief executive officer of the company. The chief executive officer shall not be a director and shall not be entitled to vote at directors' meetings.

7.2 The chief executive officer shall be appointed for renewable terms of three years subject to any early termination provisions in any contract of employment between the chief executive officer and the company.

8. DIRECTORS' DECISIONS

8.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 9. Subject to articles 8.2 and 8.3, where a decision is taken at a directors' meeting each director shall have one vote.

8.2 The Chairman Director shall not be entitled to vote at directors' meetings except in the case of an equality of votes in which case the Chairman Director shall have a casting vote.

8.3 Where a temporary chairman is appointed pursuant to article 13.2, the temporary chairman shall be entitled to vote but in the case of an equality of votes shall not have a casting vote.

9. DIRECTORS' WRITTEN RESOLUTIONS

9.1 Any director may propose a directors' written resolution by giving notice of the proposed resolution to each other director or by authorising the secretary (if any) to give such notice.

9.2 Notice of a proposed directors' written resolution must indicate:

9.2.1 the proposed resolution; and

9.2.2 the time by which it is proposed that the directors should adopt it.

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

9.4 A proposed directors' written resolution is adopted when all the directors who would have been entitled to vote on the resolution at a directors' meeting have signed one or more copies of it or have otherwise indicated their agreement to it in writing, provided that those directors would have formed a quorum at such a meeting.

9.5 It is immaterial whether any director signs the resolution, or otherwise indicates their agreement to it in writing, before or after the time by which the notice proposed that it should be adopted.

9.6 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.

10. CALLING A DIRECTORS' MEETING

- 10.1 Unless otherwise decided by the directors, directors' meetings shall be held in Solihull, United Kingdom at intervals of not more than three months.
- 10.2 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the secretary (if any) to give such notice. Notice of any directors' meeting must indicate:
- 10.2.1 its proposed date and time;
 - 10.2.2 where it is to take place; and
 - 10.2.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 10.3 Notice of any directors' meeting must be accompanied by an agenda of the business to be transacted and, where practicable, all papers to be presented or considered at the meeting. Unless otherwise agreed by all of the directors present, each directors' meeting shall deal only with the business set out in such agenda or papers.
- 10.4 Notice of a directors' meeting must be given to each director but need not be in writing.
- 10.5 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting by giving notice to that effect to the company not more than five Business Days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 10.6 A minimum of five Business Days' notice must be given for a directors' meeting, save where all directors who would be entitled to attend such meeting consent in writing to a shorter period of notice.
- 10.7 The chief executive officer, the secretary and, when the chief executive officer or the Chairman Director so requests, other senior executives of the company, shall be entitled to attend and speak at directors' meetings but shall not be entitled to vote unless they are also a director.
- 10.8 The Chairman Director shall, at their discretion, be entitled to appoint non-voting specialist advisers (who shall not be directors) to advise the board of directors. Such persons may, at the Chairman Director's discretion, attend and speak at directors' meetings but shall not be entitled to vote.

11. DIRECTORS' MEETINGS BY CONFERENCE FACILITIES

- 11.1 A meeting of the directors may consist of a conference between directors some or all of whom are in different places provided that each director who participates in the meeting is able:
- 11.1.1 to hear each of the other participating directors addressing the meeting; and
 - 11.1.2 if they so wish, to address each of the other participating directors simultaneously,
- whether directly, by conference telephone or by any other form of communication equipment (whether in use when this article 11 is adopted or developed subsequently) or by a combination of such methods.

- 11.2 A director shall be treated as present and shall count towards the quorum requirements set out in article 12.2 if the conditions set out in article 11.1 are satisfied in respect of that director.
- 11.3 A meeting held in the manner contemplated by this article 11 shall be deemed to take place at the location where the largest group of directors is assembled or, if no such group is readily identifiable, at the location from where the Chairman Director (or temporary chairman appointed pursuant to article 13.2) participates at the start of the meeting.
- 12. QUORUM FOR DIRECTORS' MEETINGS**
- 12.1 No business shall be transacted at any meeting of the directors unless a quorum is present.
- 12.2 The quorum for directors' meetings shall be five directors.
- 12.3 A director shall not be counted in the quorum present in relation to a matter or resolution on which they are not entitled to vote but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting.
- 13. CHAIRING OF DIRECTORS' MEETINGS**
- 13.1 The Chairman Director shall hold the post of chairman of the board of directors.
- 13.2 If the Chairman Director 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 act as temporary chairman for that meeting.
- 14. CONFLICTS OF INTEREST**
- 14.1 Provided that they have disclosed to the directors the nature and extent of any material interest they have, a director notwithstanding their office:
- 14.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested;
- 14.1.2 may 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 in which the company is interested;
- 14.1.3 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any shareholder or any group undertaking of a shareholder, or any body corporate in which any such shareholder or group undertaking is interested; and
- 14.1.4 may be involved in putting in place, amending, operating, implementing or supervising the performance of any transaction or arrangement between the company or any body corporate in which the company is otherwise interested and any shareholder or any group undertaking of a shareholder, or any body corporate in which any such shareholder or group undertaking is interested.
- 14.2 If a director has duly declared their interest in a matter of the nature referred to in article 14.1:
- 14.2.1 they shall not, by reason of their office, be accountable to the company for any benefit which they derive from any such office or employment or from any such transaction or arrangement or from any interest in any such undertaking or body corporate;

- 14.2.2 they shall not infringe their duty to avoid a situation in which they have, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company as a result of any such office or employment or any such transaction or arrangement or any interest in any such undertaking or body corporate;
 - 14.2.3 they shall not be required to disclose to the company, or use in performing their duties as a director of the company, any confidential information relating to such office or employment if to make such a disclosure or use would result in a breach of a duty or obligation of confidence owed by them in relation to or in connection with such office or employment;
 - 14.2.4 they may absent themselves from discussions, whether in meetings of the directors or otherwise, and exclude himself from information, which will or may relate to such office, employment, transaction, arrangement or interest; and
 - 14.2.5 no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- 14.3 For the purposes of this article:
- 14.3.1 a director shall be deemed to have disclosed the nature and extent of an interest which consists of them being a director, officer or employee of any shareholder or group undertaking of a shareholder or any body corporate in which any shareholder or group undertaking is interested;
 - 14.3.2 a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
 - 14.3.3 an interest of which a director has no knowledge and of which it is unreasonable to expect them to have knowledge shall not be treated as an interest of theirs.
- 14.4 The directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law:
- 14.4.1 any matter which would otherwise result in a director infringing their duty to avoid a situation in which they have, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties); and
 - 14.4.2 a director to accept or continue in any office, employment or position in addition to their office as a director of the company and, without prejudice to the generality of article 14.3.1, may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,
- provided that the authorisation is effective only if:
- 14.4.3 any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and
 - 14.4.4 the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

- 14.5 If a matter, office, employment or position has been authorised by the directors in accordance with article 14.4 or is of the nature referred to in article 14.1 or has been approved by the shareholders pursuant to a shareholders' resolution then (subject to such terms and conditions, if any, as the directors may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation or the permissions set out below):
- 14.5.1 the director shall not be required to disclose to the company, or use in performing their duties as a director of the company, any confidential information relating to such matter, or such office, employment or position if to make such a disclosure or use would result in a breach of a duty or obligation of confidence owed by them in relation to or in connection with such matter, or that office, employment or position;
 - 14.5.2 the director may absent themselves from discussions, whether in meetings of the directors or otherwise, and exclude themselves from information, which will or may relate to that matter, or that office, employment or position; and
 - 14.5.3 a director shall not, by reason of their office as a director of the company, be accountable to the company for any benefit which they derive from any such matter, or from any such office, employment or position.
- 14.6 A director who has duly declared their interest (so far as they are required to do so) may vote at a meeting of the directors or of a committee of the directors on any resolution concerning a matter in which they are interested, directly or indirectly. If they do, their vote shall be counted; and whether or not they do, their presence at the meeting shall be taken into account in calculating the quorum.
- 14.7 Subject to article 14.8, 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 Director (or temporary chairman appointed pursuant to article 13.2) whose ruling in relation to any director other than the Chairman Director (or temporary chairman appointed pursuant to article 13.2) shall be final and conclusive.
- 14.8 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairman Director (or temporary chairman appointed pursuant to article 13.2), the question is to be decided by a decision of the directors at that meeting, for which purpose the Chairman Director (or temporary chairman appointed pursuant to article 13.2) is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.
- 15. RECORDS OF DECISIONS TO BE KEPT**
- 15.1 The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every decision taken by the directors, whether taken by a meeting of all the directors, by a committee of directors or by written resolution of the directors.
- 15.2 Copies of the minutes of each directors' meeting shall be delivered to each director within 10 Business Days of the relevant meeting. If a director was not present at the meeting, copies of all papers considered by the directors at the directors' meeting shall be sent to them with the minutes.
- 16. DIRECTORS' DISCRETION TO MAKE FURTHER RULES**
- Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

17. APPOINTMENT, REMOVAL AND REPLACEMENT OF DIRECTORS

17.1 Unless otherwise determined by the company by special resolution the number of directors shall not be less than three or more than nine.

17.2 Subject to articles 17.1 and 17.3 including the restriction on removal set out in article 17.3.1:

17.2.1 the Shipper Nominations Committee shall have the exclusive right to appoint up to four directors who shall be the Shipper Directors and to remove such Shipper Directors; and

17.2.2 the Distribution Network Nominations Committee shall have the exclusive right to appoint up to two directors who shall be the Network Directors and to remove such Network Directors; and

17.2.3 the Transmission Network Operator shall have the exclusive right to appoint one director who shall be the Transmission Director and to remove the Transmission Network Director; and

17.2.4 the iGT Nominations Committee shall have the exclusive right to appoint one director who shall be the iGT Director and to remove the iGT Director; and

17.2.5 the directors excluding the Chairman Director shall have the exclusive right to appoint one director who shall be the Chairman Director and to remove the Chairman Director. This right shall only be exercised by a majority vote of such directors subject to a minimum number of votes equal to 50% of the total number of votes held by all directors in office excluding the Chairman Director. The Chairman Director shall not be a director, chairman, officer or employee of any party to the Data Services Contract other than the company.

17.3 Subject to article 18:

17.3.1 each director shall hold office for a term of three years from:

(A) the date of their appointment or (if later) 1 April 2016; and

(B) the date of their reappointment as referred to in article 17.3.2, and shall not be removed from office, including pursuant article 17.2, during any such term of three years; and

17.3.2 on expiry of each such term of three years, such director shall retire from office but shall be eligible for reappointment, save that no director shall hold office for more than nine years in total excluding any time spent holding office before 1 April 2016.

17.4 Subject to article 17.3 including the restriction on removal set out in article 17.3.1, any appointment or removal of a director by the Shipper Nominations Committee, the Distribution Network Nominations Committee, the Transmission Network Operator or the iGT Nominations Committee shall take effect upon the date specified in a direction delivered to a directors' meeting or to the secretary (if any) by an authorised representative of the Shipper Nominations Committee, the Distribution Network Nominations Committee, the Transmission Network Operator or the iGT Nominations Committee, as applicable.

18. TERMINATION OF DIRECTOR'S APPOINTMENT

18.1 A person ceases to be a director as soon as:

- 18.1.1 they cease to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- 18.1.2 a bankruptcy order is made against them;
- 18.1.3 a composition is made with their creditors generally in satisfaction of their debts;
- 18.1.4 a registered medical practitioner who is treating them gives a written opinion to the company stating that they have become physically or mentally incapable of acting as a director and may remain so for more than three months;
- 18.1.5 notification is received by the company from the director that the director is resigning from office and such resignation has taken effect in accordance with its terms;
- 18.1.6 their appointment is terminated in accordance with the terms of any letter of appointment between them and the company; or
- 18.1.7 they shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that their office be vacated,

and the resulting vacancy may be filled in accordance with article 17.

19. DIRECTORS' REMUNERATION

- 19.1 Directors may undertake any services for the company that the directors decide.
- 19.2 The directors shall be entitled to be paid such fees for their services in the office of director as the directors may determine. The fees shall be deemed to accrue from day to day and shall be distinct from and additional to any remuneration or other benefits which may be paid or provided to any director pursuant to any other provision of these articles.
- 19.3 Any director who holds any other office in the company (including for this purpose the post of chairman of the board of directors but not including service on any committee of the directors), or who performs, or undertakes to perform, services which the directors consider go beyond the ordinary duties of a director may be paid such additional remuneration (whether by way of fixed sum, bonus, commission, or otherwise) as the directors may determine.
- 19.4 The powers set out in articles 19.2 and 19.3 shall be delegated as follows:
 - 19.4.1 the remuneration of the directors, other than the Chairman Director, shall be determined by the Chairman Director having due regard to any advice or recommendation received from the remuneration committee; and
 - 19.4.2 the remuneration of the Chairman Director shall be determined by the directors excluding the Chairman Director (by a majority vote of such directors subject to a minimum number of votes equal to 50% of the total number of votes held by all directors in office excluding the Chairman Director), having due regard to any advice or recommendation received from the remuneration committee.
- 19.5 Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the Subsidiaries or of any other body corporate in which the company is interested.

20. DIRECTORS' EXPENSES

- 20.1 The company may pay any reasonable expenses which the directors and the secretary (if any), properly incur in connection with their attendance at:

- 20.1.1 meetings of directors or committees of directors;
 - 20.1.2 general meetings; or
 - 20.1.3 separate meetings of the holders of any class of shares or of debentures of the company,
- or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company, including in relation to holding the post of chairman of the board of directors.

21. NO ALTERNATE DIRECTORS

No director may appoint an alternate director.

PART 3

SHARES

22. RESTRICTION ON SHARE OWNERSHIP

No person shall hold any share unless that person is the holder of a GT Licence.

23. ALL SHARES TO BE FULLY PAID UP

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

24. CLASSES OF SHARES

The shares of each class of shares shall entitle the holders thereof to the respective rights and privileges, and subject them to the respective restrictions and provisions, appearing in these articles.

25. RIGHTS ATTACHING TO ORDINARY SHARES

- 25.1 Subject to any special rights which may be attached to any class of shares issued after the date of adoption of these articles the rights attaching to the Ordinary Shares are as set out in this article.
- 25.2 Subject to article 26:
 - 25.2.1 on a return of assets on a winding up, reduction of capital or otherwise, the assets of the company available for distribution among the holders of Ordinary Shares shall be applied first in paying to the holders of Ordinary Shares a sum equal to the nominal amount of each Ordinary Share held by them and secondly the balance of such assets (if any) shall be distributed amongst the holders of Ordinary Shares, pro rata (as nearly as may be) according to the nominal amounts paid up or credited as paid up on the Ordinary Shares held by them respectively;
 - 25.2.2 subject to the provisions of these articles, the profits of the company relating to periods prior to 1 April 2017 (or such later date as the Authority may direct) available for distribution and resolved to be distributed shall be distributed among the holders of Ordinary Shares. Such dividend shall be distributed to the holders of Ordinary Shares pro rata (as nearly as may be) according to the amounts paid up or credited as paid up on the Ordinary Shares held by them respectively; and

- 25.2.3 subject to any special rights, privileges or restrictions attached to any shares and the provisions of the Companies Acts, at a general meeting of the company on a show of hands every holder of Ordinary Shares who (being an individual) is present in person or by proxy (not being himself a member) or (being a corporation) is present by a representative duly authorised under section 323 of the Companies Act 2006 (not being himself a member entitled to vote) shall have one vote, and on a poll every holder of Ordinary Shares present in person, by representative or by proxy shall have one vote for every Ordinary Share of which they are the holder.

26. RIGHTS ATTACHING TO DEFERRED SHARES

- 26.1 The rights attaching to the Deferred Shares are as follows:

- 26.1.1 the right on a return of assets on a winding up, reduction of capital or otherwise, to repayment of the capital paid up or credited as paid on such shares but only after the holders of the Ordinary Shares shall have received the nominal amount paid up on their Ordinary Shares;
- 26.1.2 save as aforesaid, no right to any dividend or distribution and the Deferred Shares shall not entitle the holders thereof to receive notice of, or to attend or vote at, any general meeting of the company; and
- 26.1.3 at any separate meeting of the holders of the Deferred Shares, on a show of hands any such holder present in person shall have one vote and on a poll every such holder who is present in person or by proxy shall have one vote for each Deferred Share of which they are the holder.

- 26.2 In the event that:

- 26.2.1 there shall be no Ordinary Shares in issue; or
- 26.2.2 all of the Ordinary Shares in the capital of the company in issue have been converted to Deferred Shares pursuant to article 27,

the rights attaching to the Deferred Shares pursuant to article 26.1 shall automatically be modified such that they have the same rights to receive notice of, or to attend or vote at, any general meeting of the company as would otherwise apply to Ordinary Shares.

27. CONVERSION OF ORDINARY SHARES INTO DEFERRED SHARES

- 27.1 If a Network Operator of a given Network Area ceases to hold a GT Licence in respect of that Network Area, or part thereof, then all Ordinary Shares held by that Network Operator which relate to that Network Area, or part thereof, shall convert into Deferred Shares. For the purposes of this article 27.1, the number of Ordinary Shares that relate to part of a Network Area:

- 27.1.1 shall be determined by agreement between the Network Operator ceasing to hold a GT Licence in respect of that part of a Network Area and the proposed replacement Network Operator (or by the Authority if circumstances so require); and
- 27.1.2 shall be notified in writing by the former to the company in advance of the former ceasing to hold a GT Licence in respect of that part of a Network Area.

- 27.2 If title to any Ordinary Shares passes to a transmittee who does not hold a GT Licence then all such Ordinary Shares held by such transmittee shall convert into Deferred Shares.

- 27.3 If:

- 27.3.1 an Insolvency Event occurs in relation to a Network Operator; and
- 27.3.2 the board of directors so elects by giving notice in accordance with article 27.4,
- then all Ordinary Shares held by that Network Operator relating to the Network Areas operated by that Network Operator shall convert into Deferred Shares.
- 27.4 In the event that the board of directors elects to convert Ordinary Shares of any Network Operator pursuant to article 27.3 the company shall notify such Network Operator in writing not less than 10 days prior to conversion specifying the article pursuant to which conversion is to be effected, the number of Ordinary Shares to be converted and a time and place at which share certificates in respect of such Ordinary Shares are to be delivered.
- 27.5 Subject to the provisions of the Companies Acts the company may at its option at any time after the conversion of any Ordinary Shares to Deferred Shares redeem all or any of the Deferred Shares then in issue at a price not exceeding the nominal value of such Deferred Shares upon giving the registered holder of such Deferred Shares not less than 10 days prior notice of its intention to do so, fixing a time and a place for the redemption.
- 28. CONSENT MATTERS**
- 28.1 Subject to articles 28.2 and 28.3 below, the company agrees, so far as it lawfully may, and the holders of Ordinary Shares agree to procure, so far as it is within their powers as holders of Ordinary Shares, that the following matters shall require and shall only be implemented if the company has received the prior written consent of all the holders of Ordinary Shares:
- 28.1.1 any amendment to the articles which will, in the opinion of a holder of Ordinary Shares (such opinion having been notified to the company in writing), result in that holder of Ordinary Shares breaching its GT Licence;
- 28.1.2 passing any resolution or presenting any petition for the company's winding up (unless the company is insolvent);
- 28.1.3 entering into any scheme of arrangement or merger; and/or
- 28.1.4 subject to any Relevant Agreement, the issue and allotment of shares in the capital of the company.
- 28.2 In the event that consent is required pursuant to this article 28 in relation to any matter, the Chairman Director shall promptly (and in any event no later than three days after becoming aware of the requirement for shareholder consent in respect of such matter) serve notice on all holders of Ordinary Shares describing with reasonable detail the matter in question and requesting each such holder of Ordinary Shares to indicate whether or not it consents to the matter in question.
- 28.3 Each holder of Ordinary Shares shall respond in writing to the Chairman Director within seven days of receipt of such notice, stating whether or not it wishes to give its consent. Failure by any holder of Ordinary Shares to so respond shall be deemed to be a statement by that holder of Ordinary Shares that it consents to the matter in question.
- 28.4 If shareholder consent is obtained in respect of any matter requiring shareholder consent pursuant to this article 28, the directors shall, unless otherwise constrained by their fiduciary duties, vote in favour of such matter and any other decision necessary to give effect to the matter to the extent that it requires directors' action or approval. If such consent is not obtained in respect of any such matter, the directors shall, unless otherwise constrained by their fiduciary duties, take no action to implement the relevant matter.

29. VARIATION OF CLASS RIGHTS

29.1 Subject to the Companies Acts, all or any of the special rights or privileges for the time being attached to any share or class of shares in the capital of the company (notwithstanding that the company may be or be about to be in liquidation) may only be varied or abrogated with either:

29.1.1 the prior consent in writing of the holders of not less than three-quarters of the issued shares of that class; or

29.1.2 the sanction of a special resolution passed at a separate meeting of the holders of shares of that class duly convened and held as provided in these articles (but not otherwise).

29.2 To every such separate meeting the provisions of these articles with respect to notice of and proceedings at general meetings shall apply mutatis mutandis, but so that the requisite quorum shall be two persons, present in person, by proxy or by corporate representative, holding or representing not less than one-third of the issued shares of that class (and so that if at any meeting of such holders adjourned pursuant to article 53 a quorum as above defined is not present, those shareholders who are present shall be a quorum) and that any holder of shares of the appropriate class, present in person, by proxy or by corporate representative and entitled to vote, may demand a poll.

30. PRE-EMPTION RIGHTS ON ISSUE

30.1 Sections 561 and 562 of the Companies Act 2006, in relation to all allotments by the company of equity securities, are hereby excluded.

30.2 Subject to the provisions of these articles, no share is to be issued whether for cash or otherwise unless it has been offered to the shareholders, at the same price per share and on the same terms as to payment and otherwise, in proportion, as nearly as may be, to their holdings of shares.

30.3 The offer referred to in article 30.2 shall be made by notice specifying the number of shares offered, the proportionate entitlement of the relevant shareholder and the price per share and setting a date (not less than 60 days after the date of the notice) on which the offer, if not accepted, will be deemed to be declined (the "**First Offer**"). After such date the directors shall by notice offer the shares which have been declined or are deemed to have been declined (if any) to the shareholders who have by such date accepted all the shares offered to them (the "**Second Offer**"). Such further offer shall be on the same terms as the First Offer and shall invite each of such shareholders to state in writing by a date not less than 14 days but not more than 21 days after the notice of the Second Offer whether they are willing to take any, and if so what maximum number, of the shares so offered.

30.4 As soon as reasonably practicable after the date provided by the notice or notices given pursuant to article 30.3, the directors shall allot the shares so offered to or amongst the shareholders who have notified their willingness to take all or any of such shares in accordance with the terms of the relevant offer. Where no Second Offer is made the relevant date shall be that made in the First Offer. Where a Second Offer is made the relevant date shall be that made in the Second Offer. No shareholder shall be obliged to take more than the maximum number of shares they have indicated they are willing to take.

30.5 The directors shall make such arrangements as they shall think fit concerning entitlements to fractions, overseas shareholders and shareholders unable by law or regulation to receive or accept any offer pursuant to this article 30.

30.6 No shares may be allotted or issued to any person who is not, immediately prior to such allotment or issue, a shareholder.

- 30.7 No shares shall be allotted on terms that the right to take up the shares allotted may be renounced in favour of, or assigned to, another person and no person entitled to allotment of a share may direct that such share be allotted or issued to any other person.
- 30.8 Any share issued pursuant to article 30.4 to a shareholder by reference to their holding of shares shall on issue be designated a share of the same class as that holding.
- 30.9 With the prior written approval of all the shareholders, any of the restrictions or other provisions of this article 30 may be waived or varied by the directors at a directors' meeting in relation to any proposed issue of shares.

31. PAYMENT OF COMMISSIONS ON SUBSCRIPTION FOR SHARES

- 31.1 The company may pay any person a commission in consideration for that person:
- 31.1.1 subscribing, or agreeing to subscribe, for shares; or
 - 31.1.2 procuring, or agreeing to procure, subscriptions for shares.
- 31.2 Any such commission may be paid:
- 31.2.1 in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other; and
 - 31.2.2 in respect of a conditional or an absolute subscription.

32. COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS

Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

33. SHARE CERTIFICATES

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

34. REPLACEMENT SHARE CERTIFICATES

- 34.1 If a certificate issued in respect of a shareholder's shares is:

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

35. GENERAL PROVISIONS IN RELATION TO SHARE TRANSFERS

- 35.1 The directors shall not register any transfer of shares in the company except in the circumstances permitted in and contemplated by article 36. In addition, the directors may decline to register the transfer of a share on which the company has a lien. The directors may also refuse to register the transfer of a share unless:
- 35.1.1 it is lodged, duly stamped, at the registered office of the company or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer; and
 - 35.1.2 they have no substantial reasons for believing that it has not been carried out in accordance with the provisions of these articles and any Relevant Agreement.
- 35.2 If the directors refuse to register a transfer of a share, they shall as soon as practicable, and in any event within two months after the date on which the transfer was lodged with the company send to the transferee notice of the refusal and the relevant instrument of transfer.
- 35.3 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 35.4 The company may retain any instrument of transfer which is registered.
- 35.5 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.
- 35.6 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

36. PERMITTED SHARE TRANSFERS

- 36.1 The holder of a share shall not transfer that share (or any interest therein) unless both of the following conditions are satisfied:
- 36.1.1 the transfer will not result in that share (or any interest therein) being held by a person who does not hold a GT Licence; and
 - 36.1.2 the prior written consent to such transfer has been obtained from all the holders of Ordinary Shares.

- 36.2 For the purpose of ensuring that a transfer of shares is permitted pursuant to this article 36, the directors may from time to time require the holder of any share or any person named as transferee in any transfer lodged for registration in respect thereof to furnish the company with such information and evidence as the directors think fit. Failure to provide such information or evidence to the satisfaction of the directors (acting reasonably) within five Business Days of receipt of a request to do so from the directors shall entitle the directors to refuse to register the transfer.

37. TRANSMISSION OF SHARES

- 37.1 If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- 37.2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:
- 37.2.1 may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person; and
- 37.2.2 subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 37.3 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.

38. EXERCISE OF TRANSMITTEES' RIGHTS

- 38.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- 38.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 38.3 Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

39. 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.

PART 4

DIVIDENDS AND OTHER DISTRIBUTIONS

40. GENERAL RULE - NO DIVIDENDS OR DISTRIBUTIONS

- 40.1 The company shall have no power or authority to, and the company shall not at any time, declare or pay any dividends or any other sum which is a distribution in respect of a share, except where such declaration or payment of dividends or other sum which is a distribution, is in respect of profits relating to periods prior to 1 April 2017 or such later date as the Authority may direct.
- 40.2 Where the declaration and payment of dividends or any other sum which is a distribution in respect of a share is permitted pursuant to article 40.1, articles 41 to 46 shall apply. In all other circumstances articles 41 to 46 shall not apply.

41. PROCEDURE FOR DECLARING DIVIDENDS

- 41.1 Subject to the articles, the company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 41.2 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 41.3 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.
- 41.4 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.
- 41.5 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.
- 41.6 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.

42. PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS

- 42.1 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:
 - 42.1.1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - 42.1.2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - 42.1.3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
 - 42.1.4 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.
- 42.2 In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable:
 - 42.2.1 the holder of the share;
 - 42.2.2 if the share has two or more joint holders, whichever of them is named first in the register of members; or
 - 42.2.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

43. NO INTEREST ON DISTRIBUTIONS

- 43.1 The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:

- 43.1.1 the terms on which the share was issued; or
- 43.1.2 the provisions of another agreement between the holder of that share and the company.

44. UNCLAIMED DISTRIBUTIONS

44.1 All dividends or other sums which are:

- 44.1.1 payable in respect of shares; and
- 44.1.2 unclaimed after having been declared or become payable, may be invested or otherwise used by the directors for the benefit of the company until claimed.

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

44.3 If:

- 44.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment; and
- 44.3.2 the distribution recipient has not claimed it, the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

45. NON-CASH DISTRIBUTIONS

45.1 Subject to the terms of issue of the share in question, the company may, by ordinary resolution, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including shares or other securities in any company).

45.2 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:

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

46. WAIVER OF DISTRIBUTIONS

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

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

47. GENERAL RULE – NO AUTHORITY TO CAPITALISE OR APPROPRIATE CAPITALISED SUMS

- 47.1 The company shall have no power or authority to, and the company shall not at any time, capitalise any profits or appropriate any capitalised sums, except where such capitalisation or appropriation is in respect of profits relating to periods prior to 1 April 2017 or such later date as the Authority may direct.
- 47.2 Where the capitalisation or appropriation of capitalised sums is permitted pursuant to article 47.1, article 48 shall apply. In all other circumstances article 48 shall not apply.

48. AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS

- 48.1 The directors may, if they are so authorised by an ordinary resolution:
- 48.1.1 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 any of the company's reserves, or funds including the share premium account, capital redemption reserve, merger reserve or revaluation reserve; and
 - 48.1.2 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.
- 48.2 Capitalised sums must be applied:
- 48.2.1 on behalf of the persons entitled; and
 - 48.2.2 in the same proportions as a dividend would have been distributed to them.
- 48.3 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.
- 48.4 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.
- 48.5 Subject to the articles, the directors may:
- 48.5.1 apply capitalised sums in accordance with articles 48.3 and 48.4 partly in one way and partly in another;
 - 48.5.2 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
 - 48.5.3 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

49. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

- 49.1 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.

- 49.2 A person is able to exercise the right to vote at a general meeting when:
- 49.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - 49.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 49.3 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.
- 49.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 49.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.
- 50. QUORUM FOR GENERAL MEETINGS**
- 50.1 No business shall be transacted at any general meeting unless a quorum of shareholders is present at the time when the meeting proceeds to business and remains present during the transaction of business.
- 50.2 The quorum for a general meeting of the company or for a separate meeting of the holders of Ordinary Shares shall be not less than two holders of Ordinary Shares (present by duly appointed corporate representative or by proxy) that are not Associates of each other and together hold such number of Ordinary Shares as is equal to at least 50% of the Ordinary Shares in the company then in issue PROVIDED that if at any time there shall not be two holders of Ordinary Shares that are not Associates of each other and that (together with their Associates) hold the requisite number of Ordinary Shares then the quorum shall be all the holders of Ordinary Shares.
- 51. CHAIRING GENERAL MEETINGS**
- 51.1 The Chairman Director shall chair general meetings.
- 51.2 If the Chairman Director is not present at any general meeting the shareholders present shall be entitled to appoint a shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 51.3 The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".
- 52. ATTENDANCE AND SPEAKING BY NON-SHAREHOLDERS**
- 52.1 The chairman of the meeting may permit other persons who are not:
- 52.1.1 shareholders of the company; or
 - 52.1.2 otherwise entitled to exercise the rights of shareholders in relation to general meetings,
- to attend and speak at a general meeting.
- 53. ADJOURNMENT**
- 53.1 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.

- 53.2 Any such meeting shall stand adjourned to a day not less than three Business Days later at the same time and place or to such other time and place as the directors may determine. If at the continuation of such an adjourned meeting a quorum is not present within half an hour of the time at which the meeting was due to start, the shareholders present may conduct the business of the meeting.
- 53.3 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:
- 53.3.1 the meeting consents to an adjournment; or
 - 53.3.2 it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 53.4 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 53.5 When adjourning a general meeting, the chairman of the meeting must:
- 53.5.1 specify the time and place to which it is adjourned; and
 - 53.5.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 53.6 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
- 53.6.1 to the same persons to whom notice of the company's general meetings is required to be given; and
 - 53.6.2 containing the same information which such notice is required to contain.
- 53.7 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.
- 54. VOTING AT GENERAL MEETINGS**
- 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.
- 55. ERRORS AND DISPUTES**
- 55.1 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.
- 55.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.
- 56. POLL VOTES**
- 56.1 A poll on a resolution may be demanded:
- 56.1.1 in advance of the general meeting where it is to be put to the vote; or
 - 56.1.2 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.
- 56.2 A poll may be demanded by:

- 56.2.1 the chairman of the meeting;
- 56.2.2 any shareholder present in person, by proxy or by corporate representative and entitled to vote.
- 56.3 A demand for a poll may be withdrawn if:
 - 56.3.1 the poll has not yet been taken; and
 - 56.3.2 the chairman of the meeting consents to the withdrawal.A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.
- 56.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.
- 57. **CONTENT OF PROXY NOTICES**
- 57.1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:
 - 57.1.1 states the name and address of the shareholder appointing the proxy;
 - 57.1.2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
 - 57.1.3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - 57.1.4 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.
- 57.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 57.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 57.4 Unless a proxy notice indicates otherwise, it must be treated as:
 - 57.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
 - 57.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as that meeting itself.
- 58. **DELIVERY OF PROXY NOTICES**
- 58.1 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.
- 58.2 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.
- 58.3 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.

- 58.4 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.

59. AMENDMENTS TO RESOLUTIONS

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

59.1.1 notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and

59.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

- 59.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

59.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and

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

- 59.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, their error does not invalidate the vote on that resolution.

60. WRITTEN RESOLUTIONS

- 60.1 Subject to the Companies Act 2006, a written resolution proposed and approved in accordance with the Companies Act 2006 by:

60.1.1 a simple majority in the case of an ordinary resolution; and

60.1.2 at least 75% in the case of a special resolution,
in each case of the holders of all the issued shares entitled to vote on the matter is as valid and effective for all purposes as a resolution passed at a general meeting duly convened and held.

- 60.2 A written resolution may consist of several documents in the like form, each executed by or on behalf of one or more persons.

- 60.3 In the case of a corporation the resolution may be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative.

61. CLASS MEETINGS

Except as otherwise provided by these articles, and except where there is only one holder of shares of a class, the provisions of these articles relating to general meetings shall apply, with necessary modifications, to any meeting of the holders of shares of a class held otherwise than in connection with the variation or abrogation of the rights attached to shares of that class.

PART 6

ADMINISTRATIVE ARRANGEMENTS

62. MEANS OF COMMUNICATION TO BE USED

- 62.1 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 2006 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.
- 62.2 Subject to the articles, each shareholder shall be entitled to have notice of any shareholders' meeting given to it at its registered address set out in the register of members, whether or not that address is in the United Kingdom. Where a shareholders' address is outside the United Kingdom notices shall be sent by airmail and to such fax number (if any) as the shareholder shall have notified to the secretary.
- 62.3 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.
- 62.4 A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

63. COMPANY SEALS

- 63.1 Any common seal may only be used by the authority of the directors.
- 63.2 The directors may decide by what means and in what form any common seal is to be used.
- 63.3 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.
- 63.4 For the purposes of this article, an authorised person is:
- 63.4.1 any director of the company;
 - 63.4.2 the secretary (if any); or
 - 63.4.3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

64. 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 the 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.

65. DIRECTORS' AND OFFICERS' INDEMNITY

- 65.1 Subject to article 65.2, a director or other officer of the company or an associated company may be indemnified out of the company's assets against:
- 65.1.1 any liability incurred by that director or other officer in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company;
 - 65.1.2 any liability incurred by that director or other officer 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 2006); and

65.1.3 any other liability incurred by that director or other officer as an officer of the company or an associated company, including by funding any expenditure incurred or to be incurred by them in connection with any liability referred to in this article 65.1.

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

65.3 In this article:

65.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

65.3.2 a "director or other officer" means any director or other officer or former director or other officer of the company or an associated company.

66. **INSURANCE**

66.1 The directors may decide to and may exercise all powers of the company to purchase and maintain insurance, at the expense of the company, for the benefit of any director or other officer in respect of any relevant loss.

66.2 In this article:

66.2.1 a "director or other officer" means any director or other officer or former director or other officer of the company or an associated company;

66.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a director or other officer in connection with that director's or other officer's (or former director or officers) 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

66.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.