

THE COMPANIES ACT 2006

---

PRIVATE COMPANY LIMITED BY SHARES

---

WRITTEN RESOLUTION

of

LANEBRIDGE HOLDINGS LIMITED (the "Company")

31 March 2014

(the "Circulation Date")

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolutions are passed as a written resolution of the Company, having effect, in the case of resolutions 1 and 6 as special resolutions, and in the case of resolutions 2, 3, 4, and 5 as ordinary resolutions (together the "**Resolutions**") -

**SPECIAL RESOLUTION**

- 1 **THAT** the regulations contained in the document circulated with this written resolution be and hereby approved and adopted as new articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company

**ORDINARY RESOLUTIONS**

- 2 **THAT** the Company entering into the deed of release and amendment circulated with these Resolutions to be entered into between the Company and N M Rothschild & Sons Limited (the "**Deed of Release and Amendment**") and the matters contemplated by it be approved
- 3 **THAT** the loan note certificate issued by the Company relating to the £2,000,000 B Notes (as defined in the Deed of Release and Amendment) be cancelled in its entirety
- 4 **THAT** the loan note certificate relating to £7,000,000 A Notes (as defined in the Deed of Release and Amendment) be cancelled and replaced by the issue of a new loan note certificated for £1,850,000 of the Amended A Notes (as defined in the Deed of Release and Amendment) issued to N M Rothschild & Sons Limited in accordance with the Deed of Release and Amendment
- 5 **THAT** in addition to any previous authority, the Directors be authorised to allot shares in the Company up to a maximum aggregate nominal amount of £1 00 in the capital of the Company in the form of 1 deferred share of £1 00



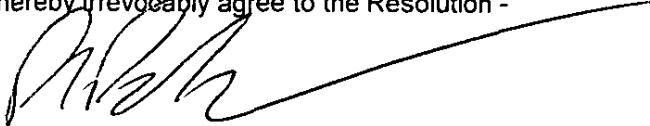
## **SPECIAL RESOLUTION**

- 6 **THAT** the Directors be authorised to allot the deferred share as if Section 561 of the Companies Act 2006 did not apply to the allotment, and that any rights of pre-emption applicable to the member of the Company under the articles or otherwise be waived

## **AGREEMENT**

Please read the notes at the end of this document before signifying your agreement to the Resolution

We, the undersigned, being the member of the Company and entitled to vote on the Resolution and in its capacity as the holder of loan notes in the Company at the time it was circulated, hereby irrevocably agree to the Resolution -

A handwritten signature in black ink, appearing to be 'N M Rothschild', written over a horizontal line.

For and on behalf of  
N M Rothschild & Sons Limited

31. 3.14

Date

**Company No 6334437**

**ARTICLES OF ASSOCIATION**

**of**

**LANEBRIDGE HOLDINGS LIMITED**

**Incorporated 6 August 2007**

**(Adopted by written resolution passed on 31 March 2014)**

## CONTENTS

Clause		Page
1	MODEL ARTICLES	1
2	INTERPRETATION	1
3	DIRECTORS TO TAKE DECISIONS COLLECTIVELY	3
4	UNANIMOUS DECISIONS	3
5	CALLING A DIRECTORS' MEETING	3
6	ALTERNATE DIRECTORS	3
7	TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY	5
8	AUTHORISATION OF CONFLICTS OF INTEREST	5
9	RECORDS OF DECISIONS TO BE KEPT	6
10	METHODS OF APPOINTING DIRECTORS	6
11	TERMINATION OF DIRECTOR'S APPOINTMENT	6
12	SECRETARY	6
13	DIRECTORS' POWER TO ALLOT SHARES	6
14	AUTHORISED SHARE CAPITAL	7
15	PREFERRED ORDINARY SHARES	7
16	ORDINARY SHARES	9
17	DEFERRED SHARES	10
18	COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS	10
19	QUORUM FOR GENERAL MEETINGS	10
20	VOTING MENTAL DISORDER	11
21	POLL VOTES	11
22	NOTICES AND COMMUNICATION	11
23	PARENT COMPANY	12

**ARTICLES OF ASSOCIATION**  
**of**  
**LANEBRIDGE HOLDINGS LIMITED**  
**(the "Company")**

**Incorporated 6 August 2007**

**(Adopted by written resolution passed on 31 March 2014)**

**1 MODEL ARTICLES**

- 1 1 The Model Articles apply to the Company except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles and, subject to any such modifications, exclusions or inconsistencies, will together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation
- 1 2 Notwithstanding the generality of Article 1 1, Articles 7, 8, 14, 17, 23, 38 and 48 of the Model Articles shall not apply to the Company

**2 INTERPRETATION**

- 2 1 In these Articles -

"Act"	means the Companies Act 2006
"Alternate" or "Alternate Director"	has the meaning given in Article 6
"Appointor"	has the meaning in Article 6
"Articles"	means these articles of association
"Board"	means the board of Directors of the Company from time to time
"Conversion Date"	means the date and time on which Preferred Ordinary Shares are to be converted into Ordinary Shares in accordance with Article 15 3
"Deferred Share(s)"	means the deferred shares of £1 each in the capital of the Company having the rights set out in Article 17
"Director"	means a director of the Company, and includes any person occupying the position of director, by whatever name called and together being the "Directors"
"Eligible Director"	means a Director who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting (but excluding any Director whose vote is not to be counted in respect of a particular matter)

<b>"Financial Years"</b>	means an accounting period in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Companies Act 2006
<b>"Issue Price"</b>	means, in respect of a share in the capital of the Company, the aggregate of the amount paid up (or credited as paid up) in respect of the nominal value and any share premium
<b>"Loan Note Instrument"</b>	means any loan note instrument executed by the Company constituting Loan Notes from time to time
<b>"Loan Notes"</b>	means any loan notes constituted by a Loan Note Instrument existing from time to time
<b>"Model Articles"</b>	means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 as amended prior to the date of adoption of these Articles
<b>"Ordinary Fixed Dividend"</b>	has the meaning in Article 16 1 1
<b>"Ordinary Share(s)"</b>	means the ordinary shares of £1 00 each in the capital of the Company having the rights set out in Article 16
<b>"Preferred Dividends"</b>	means the Preferred Fixed Dividend and the Ordinary Fixed Dividend
<b>"Preferred Fixed Dividend"</b>	means the dividend referred to in Article 15 1 1
<b>"Preferred Ordinary Share(s)"</b>	means the preferred ordinary shares of £1 00 each of the Company having the rights set out in Article 15
<b>"Rothschild"</b>	means N M Rothschild & Sons Limited (registered number 925279) of new Court, St Swithins Lane, London, EC4P 4DV
<b>"Shareholder"</b>	means a person who is the holder of a Share
<b>"Shares"</b>	means shares in the Company
2 2	References in these Articles to a document includes, unless otherwise specified any document sent or supplied in electronic form
2 3	References in these Articles to " <b>writing</b> " 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 4	References in these Articles to Shares being " <b>paid</b> " means those Shares being paid or credited as paid
2 5	Unless the context otherwise requires -
2 5 1	words importing the singular include the plural and vice versa,
2 5 2	words importing any gender include all other genders, and
2 5 3	words importing natural persons include corporations
2 6	Unless the context otherwise requires, words or expressions contained in these Articles which are defined in the Model Articles have the same meaning as in the Model Articles, subject to which and unless the context otherwise requires, words or expressions contained in these Articles which are

defined in the Act have the same meaning as in the Act in force on the date of adoption of these Articles

2 7 A reference to an article by number is to the relevant article of these Articles

2 8 Headings used in these Articles shall not affect their construction or interpretation

### 3 DIRECTORS TO TAKE DECISIONS COLLECTIVELY

3 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 4

3 2 If -

3 2 1 the Company only has one Director for the time being, and

3 2 2 no provision of these Articles requires it to have more than one Director,

the general rule does not apply, and the Director may (for so long as he remains the sole Director) take decisions without regard to any of the provisions of these Articles relating to Directors' decision-making

3 3 All acts done by a meeting of Directors, or a committee of Directors or by any Director shall, even if it is discovered afterwards that -

3 3 1 there was a defect in the appointment of any Director, or

3 3 2 any Director had been disqualified from holding office, or

3 3 3 any Director had vacated office or was not entitled to vote,

be valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote

### 4 UNANIMOUS DECISIONS

4 1 A decision of the Directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they share a common view on a matter

4 2 Such a decision may take the form of a resolution in writing where each Director has signed one or more copies of it or to which each Eligible Director has otherwise indicated agreement in writing

4 3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at a Director's meeting

### 5 CALLING A DIRECTORS' MEETING

5 1 Article 9(1) of the Model Articles is amended by inserting the words "at least seven days" after the words "by giving"

5 2 Article 9(2)(c) of the Model Articles is amended by the insertion of the words "and the proposed business of the meeting" after the word "place"

### 6 ALTERNATE DIRECTORS

6 1 Any Director (the "Appointor") may appoint as an alternate any other Director, or another person approved by resolution of the Directors to -

6 1 1 exercise that Director's powers, and

6 1 2 carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor (the "Alternate" or "Alternate Director")

6 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

6 3 The notice must -

6 3 1 identify the proposed Alternate, and

6 3 2 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

6 4 An Alternate Director may act as an Alternate Director to more than one Director and has the same rights, in relation to any decision of the Directors as the Alternate's Appointor

6 5 Alternate Directors -

6 5 1 are deemed for all purposes to be Directors,

6 5 2 are liable for their own acts and omissions,

6 5 3 are subject to the same restrictions as their Appointors,

6 5 4 are not deemed to be agents of or for their Appointors,

and in particular (but without limitation) each Alternate Director is entitled to receive notice of all meetings of Directors and all meetings of committees of Directors of which his Appointor is a member

6 6 A person who is an Alternate Director but not a Director -

6 6 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), and

6 6 2 may participate in a unanimous decision of the Directors (but only if his Appointor is an Eligible Director in relation to that decision and does not participate)

No Alternate may be counted as more than one Director for such purposes

6 7 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 remuneration as the Appointor may direct by notice in writing made to the Company

6 8 An Alternate Director's appointment as an Alternate terminates -

6 8 1 when the Alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

6 8 2 on the occurrence in relation to the Alternate of any event which, if it occurred in relation to the Alternate's Appointor, would result in the termination of the Appointor's appointment as a Director,

6 8 3 on the death of the Alternate's Appointor, or

6 8 4 when the Alternate's Appointor's appointment as a Director terminates, except that an Alternate's appointment as an Alternate does not terminate when the Appointor retires by rotation at a general meeting and is then re-appointed as a Director at the same general meeting



6 9 A Director who is also an Alternate Director has an additional vote on behalf of each Appointor who is -

6 9 1 not participating in a Directors' meeting, and

6 9 2 would have been entitled to vote if they were participating in it,

but shall not count as more than one Director for the purposes of determining whether a quorum is present

## 7 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Provided he has declared the nature and extent of his interest in accordance with the Act, a Director is entitled to vote on any resolution of the Directors or of a committee of Directors concerning any contract, transaction, arrangement or proposal to which the Company is or is to be a party and in which he or a person connected with him within the meaning of section 252 of the Act has an interest and shall be counted in the quorum for the meeting of Directors in relation to such contract, transaction, arrangement or proposal

## 8 AUTHORISATION OF CONFLICTS OF INTEREST

8 1 Subject always to the provisions of the Act, the board of Directors may from time to time authorise any matter which would, if not so authorised, result in a Director infringing his duty under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company

8 2 Subject to his declaring the nature and extent of the interest in accordance with the Act (save in the case of an interest falling within paragraph 8 2 1 below which shall not require to be so declared), a Director is permitted to have an interest in the following kind -

8 2 1 an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest,

8 2 2 where the Director (or person connected with him) is a Director or other officer of or employed by or otherwise interested (including by the holding of shares) in any Relevant Company,

8 2 3 where the Director (or person connected with him) is a party to, or otherwise interested in any contract, transaction or arrangement with a Relevant Company or in which the Company is otherwise interested, and

8 2 4 any other interest authorised by ordinary resolution,

and no authorisation pursuant to Article 8 1 shall be required in relation to such interest

8 3 For the purposes of this Article 8 -

8 3 1 a "Relevant Company" shall mean -

(a) the Company,

(b) any subsidiary or subsidiary undertaking of the Company,

(c) any holding company of the Company or any subsidiary or subsidiary undertaking of any such holding company,

(d) any body corporate promoted by the Company, or

(e) any body corporate in which the Company is otherwise interested,

- 8 3 2 a person is connected with a Director if he is connected to him in terms of section 252 of the Act
- 8 4 A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or any person connected with him) derives from any contract, transaction or arrangement or from any office, employment or position which has been approved by the board of Directors pursuant to this Article 8
- 9 **RECORDS OF DECISIONS TO BE KEPT**
- Article 15 of the Model Articles is amended by the addition of the following sentence -
- "Where decisions of the Directors are taken by electronic means, such decisions must be recorded by the Directors in permanent form so that they may be read by the naked eye "
- 10 **METHODS OF APPOINTING DIRECTORS**
- Article 17(2) of the Model Articles is replaced by the following -
- "17(2) If as a result of death or bankruptcy, the Company has no Shareholders and no Directors, the transmittee of the last Shareholder to have died or had a bankruptcy order made against him has the right by notice in writing to appoint any natural person who is willing to act and is permitted to do so, to be a Director "
- 11 **TERMINATION OF DIRECTOR'S APPOINTMENT**
- Article 18 of the Model Articles is amended by the addition of the following -
- "(g) he has, for more than six consecutive months been absent without the permission of the other Directors from meetings of Directors held during that period and the other Directors resolve that he has ceased to be a Director "
- 12 **SECRETARY**
- The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement in each case by a decision of the Directors
- 13 **DIRECTORS' POWER TO ALLOT SHARES**
- The Directors may offer or allot Shares, grant rights to subscribe for or to convert any security into or otherwise deal in, or dispose of Shares on such terms and at such time as they may decide provided that -
- 13 1 the maximum amount of Shares in respect of which the Directors are so authorised is £1,000, and
- 13 2 this authority may only be exercised for a period of five years commencing on the date of incorporation of the Company provided that the Directors may, before such expiry make one or more offers or agreements which would or might require Shares to be allotted after such expiry and the Directors may allot Shares after such authority has expired in pursuance of every such offer or agreement as if the power conferred by these Articles had not expired, and
- 13 3 this authority shall only apply insofar as the Company has not renewed, waived or revoked it by ordinary resolution or by a written resolution in accordance with section 282(2) of the Act

## SHARE RIGHTS

### 14 AUTHORISED SHARE CAPITAL

The authorised share capital of the Company at the date of adoption of these Articles is £1,000,001 divided into 490,000 Ordinary Shares of £1 00 each, 510,000 Preferred Ordinary Shares of £1 00 each and 1 Deferred Share of £1 00

### 15 PREFERRED ORDINARY SHARES

The rights attached to the Preferred Ordinary Shares are as follows

#### 15 1 Preferred Dividends

15 1 1 The Company shall, without resolution of the Board or the Company in general meeting and before application of any profits to reserve or for any other purpose, pay in respect of each Preferred Ordinary Share, a fixed cumulative preferential dividend at the annual rate of 15% of the Issue Price per share ("**Preferred Fixed Dividend**") which shall be paid in four equal instalments on 31 May, 30 June, 30 September and 31 December in each year to the person registered as the holder of such Preferred Ordinary Share at that date and which shall be calculated in respect of the period to such date on a daily basis assuming a 365 day year

15 1 2 Thereafter the Preferred Ordinary Shares shall rank *par passu* in all respects with the Ordinary Shares as to dividends in accordance with Article 16 1

15 1 3 Where the Company is precluded by the Act or otherwise by law from paying in full any Preferred Fixed Dividend on any date specified in this Article 15, then in respect of any such dividend which would otherwise require to be paid pursuant to these Articles on that date -

(a) the Company shall pay, on that date, to the holders of the Preferred Ordinary Shares on account of the Preferred Fixed Dividend the maximum sum (if any) which can then, consistent with the Act be paid by the Company, and

(b) as soon as the Company is no longer precluded from doing so, the Company shall in respect of the Preferred Ordinary Shares pay on account of the balance of Preferred Fixed Dividend for the time being remaining outstanding, and until all arrears, accruals and deficiencies of the Preferred Fixed Dividend have been paid in full, the maximum amount of Preferred Fixed Dividend which can, consistent with the Act, properly be paid by the Company at that time

#### 15 2 Capital

On a return of capital on liquidation or capital reduction or otherwise, the surplus assets of the Company remaining after the payment of its liabilities shall be applied in priority to any other class of share

15 2 1 in paying to each holder of Preferred Ordinary Shares -

(a) all unpaid arrears and accruals of the Preferred Dividends on the Preferred Ordinary Shares held by him (the amount of the Preferred Dividend being calculated on the pro rata basis set out in Article 15 3 3 as if the date of return of capital were the Conversion Date), calculated down to and including the date the return of capital is made (such arrears and accruals being payable irrespective of whether the relevant dividend has become due and payable in accordance with the Articles) and, subject thereto,

(b) an amount equal to the Issue Price of all the Preferred Ordinary Shares held by him, and

15 2 2 thereafter, in the manner prescribed by Article 16 2

### 15 3 Conversion

15 3 1 The holders of Preferred Ordinary Shares may at any time convert all the Preferred Ordinary Shares into the same number of fully paid Ordinary Shares by notice in writing given to the Company signed by Rothschild. The conversion shall take effect immediately upon the date of delivery of that notice to the Company (unless the notice states that conversion is to be effective when any conditions specified in the notice have been fulfilled in which case conversion shall take effect when those conditions have been fulfilled) and the Company and all holders of shares shall do all acts necessary to procure that conversion.

15 3 2 Each holder of Preferred Ordinary Shares shall deliver the certificates for those Preferred Ordinary Shares (or an indemnity in a form reasonably satisfactory to the Company in respect of any missing share certificate) to the Company on or before the Conversion Date. On the Conversion Date the Company shall issue to the persons entitled thereto certificates for the Ordinary Shares arising on conversion.

15 3 3 The Preferred Ordinary Shares shall rank for an apportioned part of the Preferred Dividend payable in respect of those Preferred Ordinary Shares attributable to the Financial Year of the Company in which the Conversion Date falls, calculated on a daily basis down to and including the Conversion Date. The Company shall accordingly deliver to each holder of Preferred Ordinary Shares on the Conversion Date, in cleared funds, an amount equal to the aggregate of -

- (a) all arrears and accruals of the Preferred Dividends payable in respect of those Preferred Ordinary Shares and attributable to Financial Years ending on or before the Conversion Date, whether declared or earned and payable under these Articles or not, and
- (b) the Preferred Dividends payable in respect of those Preferred Ordinary Shares from the date of the commencement of the then current Financial Year of the Company down to and including the Conversion Date, whether declared or earned and payable under these Articles or not.

15 3 4 The Ordinary Shares arising on conversion shall rank *pari passu* in all respects with the issued Ordinary Shares and shall entitle the holders of them to all dividends and other distributions declared, made or paid by reference to a record date on or after the conversion date on the Ordinary Shares.

### 15 4 Voting

15 4 1 The holders of the Preferred Ordinary Shares shall be entitled to receive notice of and to attend and speak at any general meetings of the Company and each holder of Preferred Ordinary Shares who (being an Individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative or by proxy shall, on a show of hands, have one vote, and, on a poll, have one vote each for every Preferred Ordinary Share of which he is the holder.

15 4 2 Each holder of the Preferred Ordinary Shares shall be entitled to appoint more than one proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the holder of Preferred Ordinary Shares.

15 4 3 Where a holder referred to in Article 15 4 2 has appointed more than one proxy, the proxies so appointed will together only have the same number of votes on a show of hands as the holder who appointed them would have if he were present at the meeting.

15 4 4 If more than one proxy is appointed in respect of a different share or shares by a holder of a Preferred Ordinary Shares in accordance with Article 15 4 2 but the document

appointing the proxies does not specify to which share or shares the appointment relates, then the person whose name appears before the name or names of the other proxy or proxies in the document appointing the proxies shall be the only proxy for such Preferred Ordinary Shareholder entitled to attend and vote at any general meeting of the Company

## 16 ORDINARY SHARES

The Ordinary Shares shall be treated *par passu* and as if they constituted one class of share. The rights attached to the Ordinary Shares are as follows

### 16.1 Dividends

16.1.1 Subject to the payment of the Preferred Fixed Dividend and provided that there is no default in the payment of interest or principal under a Loan Note Instrument the Company shall, without resolution of the Board or the Company in general meeting and before application of any profits to reserve or for any other purpose (other than the payment of the Preferred Fixed Dividend), pay in respect of each Ordinary Share, a fixed cumulative preferential dividend at the annual rate of 15% of the Issue Price per share ("**Ordinary Fixed Dividend**") which shall be paid in four equal instalments on 31 March, 30 June, 30 September and 31 December in each year to the person registered as the holder of such Ordinary Share at that date and which shall be calculated in respect of the period to such date on a daily basis assuming a 365 day year

16.1.2 Where the Company is precluded by the Act or otherwise by law from paying in full any Ordinary Fixed Dividend on any date specified in this Article 16, then in respect of any such dividend which would otherwise require to be paid pursuant to these Articles on that date -

- (a) the Company shall pay, on that date, to the holders of the Ordinary Shares on account of the Ordinary Fixed Dividend the maximum sum (if any) which can then, consistent with the Act, be paid by the Company, and
- (b) as soon as the Company is no longer precluded from doing so, the Company shall in respect of the Ordinary Shares pay on account of the balance of Ordinary Fixed Dividend for the time being remaining outstanding, and until all arrears, accruals and deficiencies of the Ordinary Fixed Dividend have been paid in full, the maximum amount of Ordinary Fixed Dividend which can, consistent with the Act, properly be paid by the Company at that time

16.1.3 Any remaining profits which the Company determines to distribute in respect of any Financial Year shall, subject to the approval of the holders of shares of the Company in general meeting be applied in distributing the balance of such profits amongst the holders of the Preferred Ordinary Shares and the Ordinary Shares then in issue *par passu* according to the number of such Shares held by them respectively as if they constituted one class of share

### 16.2 Capital

On a return of capital on liquidation or capital reduction or otherwise the surplus assets of the Company remaining after the payment of its liabilities shall be applied, subject to the payment of all amounts payable to the holders of the Preferred Ordinary Shares pursuant to Article 15.2.1 -

16.2.1 in paying to each holder of Ordinary Shares, firstly, any dividends thereon which have been declared but are unpaid and, secondly, an amount equal to the Issue Price of each Ordinary Share held by him, and

16.2.2 thereafter, subject to Article 17.2, in distributing the balance of such assets amongst the holders of the Ordinary Shares and the Preferred Ordinary Shares (*par passu* as if they constituted one class of share) in proportion to the numbers of the Ordinary Shares and the Preferred Ordinary Shares held by them respectively

## **16 3 Voting**

- 16 3 1 The holders of the Ordinary Shares shall be entitled to receive notice of and to attend and speak at any general meetings of the Company and the holders of Ordinary Shares who (being individuals) are present in person or by proxy or (being corporations) are present by duly authorised representative or by proxy shall, on a show of hands, have one vote each, and, on a poll, shall have one vote for each Ordinary Share of which he is the holder
- 16 3 2 Each holder of the Ordinary Shares shall be entitled to appoint more than one proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the holder of Ordinary Shares
- 16 3 3 Where a holder referred to in Article 16 3 2 has appointed more than one proxy, the proxies so appointed will together only have the same number of votes on a show of hands as the holder who appointed them would have if he were present at the meeting
- 16 3 4 If more than one proxy is appointed in respect of a different share or shares by a holder of Ordinary Shares in accordance with Article 16 3 2 but the document appointing the proxies does not specify to which share or shares the appointment relates, then the person whose name appears before the name or names of the other proxy or proxies in the document appointing the proxies shall be the only proxy for such Ordinary Shareholder entitled to attend and vote at any general meeting of the Company

## **17 DEFERRED SHARES**

The Deferred Shares shall be treated *pari passu* and as if they constituted one class share. The rights attached to the Deferred Shares are as follows

### **17 1 Dividends**

The Deferred Shares have no rights to receive any dividends or distributions whatsoever

### **17 2 Capital**

On a return of capital or liquidation or capital reduction or otherwise the surplus assets of the Company remaining after the payment of its liabilities shall be applied, subject to the payments of all amounts payable to the holders of the Preferred Ordinary Shares pursuant to Article 15 2 1 and all amounts payable to the holders of the Ordinary Shares pursuant to Article 16 2 1, in paying each holder of Deferred Shares £1 00 in respect of each Deferred Share held by him

### **17 3 Voting**

The holders of Deferred Shares shall not be entitled to receive notice of or attend or speak at any general meeting and such Deferred shares shall not confer on their holders the right to vote at any such meetings

## **18 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 these 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

## **19 QUORUM FOR GENERAL MEETINGS**

- 19 1 The quorum at any general meeting of the Company shall be two persons present in person or by proxy save in the case of a company with a single member in which case, one member present in person or by proxy or by duly authorised representative shall be a quorum

- 19 2 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

**20 VOTING: MENTAL DISORDER**

If a court has appointed a person to manage the affairs of a member as a result of a mental disorder of such member, the person appointed by that court may, provided he has not less than 48 hours before the time appointed for the relevant meeting, deposited at the registered office of the Company evidence to the satisfaction of the Directors that he has authority to exercise the right to vote, attend any general meeting of the Company and vote at such meeting whether on a show of hands or on a poll

**21 POLL VOTES**

- 21 1 Article 44(3) of the Model Articles is amended by the insertion of the words "and such a demand will not invalidate the result of a show of hands declared before the demand was made" as a new line at the end of that article
- 21 2 Polls must be taken immediately and in such manner as the chairman of the meeting directs. The result of the poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded
- 21 3 A demand for a poll does not prevent a general meeting from continuing except as regards the question on which the poll was demanded
- 21 4 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven days' notice must be given specifying the time and place at which the poll is to be taken

**22 NOTICES AND COMMUNICATION**

- 22 1 The Company may send, supply or give any document, information or notice to a Shareholder by hard copy, electronic form or by making that document or information available on a website and giving notice of the availability of that document or information to the relevant Shareholder (provided that Shareholder has individually agreed (or is deemed to have agreed) to the Company sending or supplying documents or information generally or those documents or information in question to him by means of a website), in each case subject to the provisions of sections 1143 to 1148 and Schedule 5 of the Act
- 22 2 A notice given by means of a website shall be deemed to have been sent, supplied or given when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website
- 22 3 Any document, information or notice which is required to be sent or given to the Company shall be sent by hard copy or electronic form in each case, subject to the provisions of sections 1143 to 1148, Schedule 4 and Schedule 5 of the Act
- 22 4 Any notice, document or other information shall be deemed served on or delivered to the intended recipient -
- 22 4 1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),
- 22 4 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,

- 22 4 3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
- 22 4 4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this Article, no account shall be taken of any part of a day that is not a working day

- 22 5 Proof that an envelope containing a document, notice or information was properly addressed, prepaid and posted shall be conclusive evidence that the document, notice or information was sent, supplied or given by post. A comprehensive transaction report or log generated by fax machine, suitably certified by or on behalf of the Company, shall be conclusive evidence that a document, notice or information was sent, supplied or given by fax. A copy of a record of the total number of recipients sent to or each recipient to whom an e-mail message was sent together with any notices of failed transmissions and copies of records of subsequent re-sending, suitably certified by or on behalf of the Company, shall be conclusive evidence that the document, notice or information was sent, supplied or given by e-mail
- 22 6 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act
- 22 7 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
- 22 8 Any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being

## 23 PARENT COMPANY

- 23 1 Whenever a company wherever incorporated (hereinafter called the "Parent Company") is the holder of not less than 90 per cent of the Shares of the Company the following provisions will apply and to the extent of any inconsistency will have overriding effect as against all other provisions of these Articles -
- 23 1 1 the Parent Company may at any time and from time to time appoint any person to be a Director or remove from office any Director howsoever appointed, but so that in the case of a managing director his removal from office will be deemed an act of the Company and will have effect without prejudice to any claim for damages in respect of the consequent termination of his executive office,
- 23 1 2 no securities or Shares may be issued or agreed to be issued or put under option without the consent of the Parent Company, and
- 23 1 3 any or all powers of the directors will be restricted in such respects and to such extent as the Parent Company may by notice to the Company from time to time prescribe
- 23 2 Any such appointment, removal, consent or notice must be in writing served on the Company and signed on behalf of the Parent Company by any two of its directors or by any one of its directors and its secretary or some other person duly authorised for the purpose
- 23 3 No person dealing with the Company will be concerned to see or enquire as to whether the powers of the directors have been in any way restricted under this Article or as to whether any requisite consent of the Parent Company has been obtained and no obligation incurred or security given or transaction effected by the Company to or with any third party will be invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the Directors



**MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES**

**INDEX TO THE ARTICLES**

**P A R T 1**

**INTERPRETATION AND LIMITATION OF LIABILITY**

- 1 Defined terms
- 2 Liability of members

**P A R T 2**

**DIRECTORS**

**DIRECTORS' POWERS AND RESPONSIBILITIES**

- 3 Directors' general authority
- 4 Shareholders' reserve power
- 5 Directors may delegate
- 6 Committees

**DECISION-MAKING BY DIRECTORS**

- 7 Directors to take decisions collectively
- 8 Unanimous decisions
- 9 Calling a directors' meeting
- 10 Participation in directors' meetings
- 11 Quorum for directors' meetings
- 12 Chairing of directors' meetings
- 13 Casting vote
- 14 Conflicts of interest
- 15 Records of decisions to be kept
- 16 Directors' discretion to make further rules

**APPOINTMENT OF DIRECTORS**

- 17 Methods of appointing directors
- 18 Termination of director's appointment
- 19 Directors' remuneration
- 20 Directors' expenses

**P A R T 3**

---

## **SHARES AND DISTRIBUTIONS**

### **SHARES**

- 21 All shares to be fully paid up
- 22 Powers to issue different classes of share
- 23 Company not bound by less than absolute interests
- 24 Share certificates
- 25 Replacement share certificates
- 26 Share transfers
- 27 Transmission of shares
- 28 Exercise of transmitters' rights
- 29 Transmitters bound by prior notices

### **DIVIDENDS AND OTHER DISTRIBUTIONS**

- 30 Procedure for declaring dividends
- 31 Payment of dividends and other distributions
- 32 No interest on distributions
- 33 Unclaimed distributions
- 34 Non-cash distributions
- 35 Waiver of distributions

### **CAPITALISATION OF PROFITS**

- 36 Authority to capitalise and appropriation of capitalised sums

## **P A R T 4**

### **DECISION-MAKING BY SHAREHOLDERS**

#### **ORGANISATION OF GENERAL MEETINGS**

- 37 Attendance and speaking at general meetings
- 38 Quorum for general meetings
- 39 Chairing general meetings
- 40 Attendance and speaking by directors and non-shareholders
- 41 Adjournment

#### **VOTING AT GENERAL MEETINGS**

- 42 Voting general
-

- 43 Errors and disputes
- 44 Poll votes
- 45 Content of proxy notices
- 46 Delivery of proxy notices
- 47 Amendments to resolutions

## **P A R T 5**

### **ADMINISTRATIVE ARRANGEMENTS**

- 48 Means of communication to be used
- 49 Company seals
- 50 No right to inspect accounts and other records
- 51 Provision for employees on cessation of business

### **DIRECTORS' INDEMNITY AND INSURANCE**

- 52 Indemnity
- 53 Insurance

## **P A R T   1**

### **INTERPRETATION AND LIMITATION OF LIABILITY**

#### **Defined terms**

1 In the articles, unless the context requires otherwise

<b>"articles"</b>	means the company's articles of association
<b>"bankruptcy"</b>	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy
<b>"chairman"</b>	has the meaning given in article 12
<b>"chairman of the meeting"</b>	has the meaning given in article 39
<b>"Companies Acts"</b>	means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company
<b>"director"</b>	means a director of the company, and includes any person occupying the position of director, by whatever name called
<b>"distribution recipient"</b>	has the meaning given in article 31
<b>"document"</b>	includes, unless otherwise specified, any document sent or supplied in electronic form
<b>"electronic form"</b>	has the meaning given in section 1168 of the Companies Act 2006
<b>"fully paid"</b>	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
<b>"hard copy form"</b>	has the meaning given in section 1168 of the Companies Act 2006
<b>"holder"</b>	in relation to shares means the person whose name is entered in the register of members as the holder of the shares
<b>"instrument"</b>	means a document in hard copy form
<b>"ordinary resolution"</b>	has the meaning given in section 282 of the Companies Act 2006
<b>"paid"</b>	means paid or credited as paid
<b>"participate"</b>	in relation to a directors' meeting, has the meaning given in article 10
<b>"proxy notice"</b>	has the meaning given in article 45
<b>"shareholder"</b>	means a person who is the holder of a share
<b>"shares"</b>	means shares in the company

<b>"special resolution"</b>	has the meaning given in section 283 of the Companies Act 2006
<b>"subsidiary"</b>	has the meaning given in section 1159 of the Companies Act 2006
<b>"transmittee"</b>	means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law
<b>"writing"</b>	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise

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

#### **Liability of members**

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

### **PART 2**

#### **DIRECTORS**

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

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

- 3 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

##### **Shareholders' reserve power**

- 4(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action
- 4(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution

##### **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
- (a) to such person or committee,
  - (b) by such means (including by power of attorney),
  - (c) to such an extent,
  - (d) in relation to such matters or territories, and
  - (e) on such terms and conditions,
- as they think fit

- 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 revoke any delegation in whole or part, or alter its terms and conditions

#### **Committees**

- 6(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
- 6(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**

#### **Directors to take decisions collectively**

- 7(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 8
- 7(2) If
- (a) the company only has one director, and
  - (b) no provision of the articles requires it to have more than one director,
- the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making

#### **Unanimous decisions**

- 8(1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter
- 8(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing
- 8(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting
- 8(4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting

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

- 9(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice
- 9(2) Notice of any directors' meeting must indicate
- (a) its proposed date and time,
  - (b) where it is to take place, and
  - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting

- 9(3) Notice of a directors' meeting must be given to each director, but need not be in writing
- 9(4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it

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

- 10(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when
- (a) the meeting has been called and takes place in accordance with the articles, and
  - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting
- 10(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
- 10(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

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

- 11(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting
- 11(2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two
- 11(3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision
- (a) to appoint further directors, or
  - (b) to call a general meeting so as to enable the shareholders to appoint further directors

#### **Chairing of directors' meetings**

- 12(1) The directors may appoint a director to chair their meetings
- 12(2) The person so appointed for the time being is known as the chairman
- 12(3) The directors may terminate the chairman's appointment at any time
- 12(4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it

#### **Casting vote**

- 13(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote
- 13(2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes

#### **Conflicts of interest**

- 14(1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes
- 14(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes
- 14(3) This paragraph applies when
- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process,
  - (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest, or
  - (c) the director's conflict of interest arises from a permitted cause
- 14(4) For the purposes of this article, the following are permitted causes
- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries,
  - (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities, and
  - (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors
- 14(5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting
- 14(6) Subject to paragraph (7), 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
- 14(7) 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

#### **Records of decisions to be kept**

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

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

- 16 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



## **APPOINTMENT OF DIRECTORS**

### **Methods of appointing directors**

- 17(1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director
- (a) by ordinary resolution, or
  - (b) by a decision of the directors
- 17(2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director
- 17(3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder

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

- 18 A person ceases to be a director as soon as
- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law,
  - (b) a bankruptcy order is made against that person,
  - (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
  - (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,
  - (e) 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,
  - (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms

### **Directors' remuneration**

- 19(1) Directors may undertake any services for the company that the directors decide
- 19(2) Directors are entitled to such remuneration as the directors determine
- (a) for their services to the company as directors, and
  - (b) for any other service which they undertake for the company
- 19(3) Subject to the articles, a director's remuneration may
- (a) take any form, and
  - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director
- 19(4) Unless the directors decide otherwise, directors' remuneration accrues from day to

day

- 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 company's subsidiaries or of any other body corporate in which the company is interested

#### **Directors' expenses**

- 20 The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at

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

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

### **PART 3**

## **SHARES AND DISTRIBUTIONS**

### **SHARES**

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

- 21(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
- 21(2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum

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

- 22(1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution
- 22(2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares

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

- 23 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

#### **Share certificates**

- 24(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds
- 24(2) Every certificate must specify
- (a) in respect of how many shares, of what class, it is issued,

- (b) the nominal value of those shares,
  - (c) that the shares are fully paid, and
  - (d) any distinguishing numbers assigned to them
- 24(3) No certificate may be issued in respect of shares of more than one class
- 24(4) If more than one person holds a share, only one certificate may be issued in respect of it
- 24(5) Certificates must
  - (a) have affixed to them the company's common seal, or
  - (b) be otherwise executed in accordance with the Companies Acts

#### **Replacement share certificates**

- 25(1) If a certificate issued in respect of a shareholder's shares is
  - (a) damaged or defaced, or
  - (b) said to be lost, stolen or destroyed,that shareholder is entitled to be issued with a replacement certificate in respect of the same shares
- 25(2) A shareholder exercising the right to be issued with such a replacement certificate
  - (a) may at the same time exercise the right to be issued with a single certificate or separate certificates,
  - (b) must return the certificate which is to be replaced to the company if it is damaged or defaced, and
  - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide

#### **Share transfers**

- 26(1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor
- 26(2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share
- 26(3) The company may retain any instrument of transfer which is registered
- 26(4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it
- 24(5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent

#### **Transmission of shares**

- 27(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share
- 27(2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require

- (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
  - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had
- 27(3) But transmitters 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

#### **Exercise of transmitters' rights**

- 28(1) Transmitters who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish
- 28(2) If the transmitter wishes to have a share transferred to another person, the transmitter must execute an instrument of transfer in respect of it
- 28(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 transmitter has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred

#### **Transmitters bound by prior notices**

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

### **DIVIDENDS AND OTHER DISTRIBUTIONS**

#### **Procedure for declaring dividends**

- 30(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends
- 30(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
- 30(3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights
- 30(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
- 30(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 arrear
- 30(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
- 30(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

#### **Payment of dividends and other distributions**

- 31(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means

- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide,
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide, or
- (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide

31(2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable

- (a) the holder of the share, or
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members, or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

#### **No interest on distributions**

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

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

#### **Unclaimed distributions**

33(1) All dividends or other sums which are

- (a) payable in respect of shares, and
- (b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the company until claimed

33(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

33(3) If

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
- (b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company

#### **Non-cash distributions**

34(1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company)

34(2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution

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

#### **Waiver of distributions**

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

- (a) the share has more than one holder, or
- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share

#### **CAPITALISATION OF PROFITS**

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

36(1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution

- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve, and
- (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions

- 36(2) Capitalised sums must be applied
- (a) on behalf of the persons entitled, and
  - (b) in the same proportions as a dividend would have been distributed to them
- 36(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
- 36(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
- 36(5) Subject to the articles the directors may
- (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another,
  - (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments), and
  - (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article

#### **PART 4**

### **DECISION-MAKING BY SHAREHOLDERS ORGANISATION OF GENERAL MEETINGS**

#### **Attendance and speaking at general meetings**

- 37(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
- 37(2) A person is able to exercise the right to vote at a general meeting when
- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting
- 37(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
- 37(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
- 37(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

#### **Quorum for general meetings**

- 38 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

#### **Chairing general meetings**

- 39(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so
- 39(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

39 2(a) the directors present, or

39 2(b) (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

- 39(3) The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting"

#### **Attendance and speaking by directors and non-shareholders**

- 40(1) Directors may attend and speak at general meetings, whether or not they are shareholders

- 40(2) The chairman of the meeting may permit other persons who are not

(a) shareholders of the company, or

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

to attend and speak at a general meeting

#### **Adjournment**

- 41(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

- 41(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if

(a) the meeting consents to an adjournment, or

(b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner

- 41(3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting

- 41(4) When adjourning a general meeting, the chairman of the meeting must

(a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and

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



- 41(5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)
- (a) to the same persons to whom notice of the company's general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain
- 41(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**

#### **Voting: general**

- 42 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

#### **Errors and disputes**

- 43(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
- 43(2) Any such objection must be referred to the chairman of the meeting, whose decision is final

#### **Poll votes**

- 44(1) A poll on a resolution may be demanded
- (a) in advance of the general meeting where it is to be put to the vote, or
  - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared
- 44(2) A poll may be demanded by
- (a) the chairman of the meeting,
  - (b) the directors,
  - (c) two or more persons having the right to vote on the resolution, or
  - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution
- 44(4) A demand for a poll may be withdrawn if
- (a) the poll has not yet been taken, and
  - (b) the chairman of the meeting consents to the withdrawal
- 44(5) Polls must be taken immediately and in such manner as the chairman of the meeting directs

#### **Content of proxy notices**

- 45(1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which

- (a) states the name and address of the shareholder appointing the proxy,
  - (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed,
  - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and
  - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate
- 45(2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes
- 45(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
- 45(4) Unless a proxy notice indicates otherwise, it must be treated as
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
  - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself

#### **Delivery of proxy notices**

- 46(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
- 46(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
- 46(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
- 46(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

#### **Amendments to resolutions**

- 47(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if
- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
  - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution
- 47(2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if
- (a) the chairman of the meeting proposes the amendment at the general

meeting at which the resolution is to be proposed, and

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

- 47(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

## **PART 5**

### **ADMINISTRATIVE ARRANGEMENTS**

#### **Means of communication to be used**

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

#### **Company seals**

- 49(1) Any common seal may only be used by the authority of the directors
- 49(2) The directors may decide by what means and in what form any common seal is to be used
- 49(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
- 49(4) For the purposes of this article, an authorised person is
  - (a) any director of the company,
  - (b) the company secretary (if any), or
  - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied

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

- 50 Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder

#### **Provision for employees on cessation of business**

- 51 The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or

former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary

## **DIRECTORS' INDEMNITY AND INSURANCE**

### **Indemnity**

- 52(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against
- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
  - (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
  - (c) any other liability incurred by that director as an officer of the company or an associated company
- 52(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
- 52(3) In this article
- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
  - (b) a "relevant director" means any director or former director of the company or an associated company

### **Insurance**

- 53(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
- 53(2) In this article
- (a) a "relevant director" means any director or former director of the company or an associated company,
  - (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
  - (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate