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Company number 07824805

Private company limited by shares

Written resolutions


of

**TOUMAZ CONNECT LIMITED**  
(Company)

Pursuant to chapter 2 of part 13 of the Companies Act 2006, on **8** December 2011, the following resolutions were passed by way of written resolution

**Special Resolutions**

- 1 that the draft articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association,
- 2 ~~that the name of the Company be changed to Toumaz Microsystems Limited, and~~  
**FOR INFORMATION ONLY**
- 3 that, subject to the passing of resolution 1, all rights of pre-emption be waived and the directors generally empowered to allot equity securities (as defined in section 560 of the Companies Act 2006) up to an aggregate nominal value of £20,000,000 (twenty million pounds) as if article 28 of the Company's articles of association did not apply, this authority to expire one year from the date of this resolution



Chairman

WEDNESDAY



LD3 \*L0051XZK\* #83  
14/12/2011  
COMPANIES HOUSE



## ARTICLES OF ASSOCIATION

of Toumaz Microsystems Limited  
(adoped by special resolution  
dated 8 December 2011)

WEDNESDAY

LD3

14/12/2011  
COMPANIES HOUSE

#82

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Company number 07824805

**The Companies Act 2006**  
**Private company limited by shares**  
**Articles of association**  
**of**

**Toumaz Microsystems Limited**

(Adopted by special resolution passed on [• ] December 2011)

**INTERPRETATION AND LIMITATION OF LIABILITY**

**1 Definitions and interpretation**

- 1.1 In these Articles, unless the context otherwise requires the following words and expressions have the following meanings

<b>Accepting Member</b>	as defined in Article 36.6
<b>Articles</b>	the company's Articles of association for the time being in force and references to an <b>Article</b> are to the relevant Article of the Articles
<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>Beneficial Owner</b>	a member who is shown to the reasonable satisfaction of the board to be the beneficial owner of shares
<b>Board Chairman</b>	as defined in Article 12.1
<b>Business Day</b>	any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business
<b>CA 2006</b>	the Companies Act 2006
<b>Called Shareholder</b>	as defined in Article 39.1
<b>Called Shares</b>	as defined in Article 39.1
<b>Capitalised Sum</b>	as defined in Article 50.1.2
<b>Conflict</b>	as defined in Article 15.1
<b>Continuing Member</b>	as defined in Article 36.1

<b>Directors</b>	the board of directors of the company from time to time, and <b>Director</b> includes any person occupying the position of director of the company, by whatever name called
<b>Distribution Recipient</b>	in respect of a Share for which a dividend or other sum is payable <ol style="list-style-type: none"> <li>1 the holder of the Share or, if the Share has two or more joint holders, whichever of them is named first in the company's register of members, or</li> <li>2 the Transmittree of the Share</li> </ol>
<b>Document</b>	any document, including, unless otherwise specified, any document sent or supplied in Electronic Form
<b>Drag Along Notice</b>	as defined in Article 39 2
<b>Drag Along Option</b>	as defined in Article 39 1
<b>Drag Along Price</b>	as defined in Article 39 5
<b>Electronic Form</b>	as defined in section 1168 CA 2006
<b>Eligible Director</b>	a Director entitled to vote on a matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of that matter)
<b>Equity Securities</b>	as defined in section 560(1) CA 2006
<b>Fair Price</b>	the price specified in Article 36 3
<b>Family Trust</b>	a trust (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or an intestacy) under which the only persons being (or capable of being) beneficiaries are the individual Beneficial Owner and/or his Privileged Relations and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees or the individual Beneficial Owner or his Privileged Relations
<b>Fully Paid</b>	the nominal value and any premium to be paid to the company in respect of a Share have been so paid
<b>Further Offer</b>	as defined in Article 36 8 1

<b>GM Chairman</b>	a person appointed to chair any general meeting of the company as provided in Article 53
<b>Hard Copy Form</b>	as defined in section 1168 CA 2006
<b>Instrument</b>	a Document in Hard Copy Form
<b>Model Articles</b>	the model Articles for private companies limited by shares contained in schedule 1 of The Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles
<b>Ordinary Resolution</b>	as defined in section 282 CA 2006
<b>Paid</b>	paid or credited as paid
<b>Participate</b>	in relation to a Directors' meeting, has the meaning given in Article 10
<b>Persons Entitled</b>	as defined in Article 50 1 2
<b>Privileged Relation</b>	the parent or spouse or brothers or sisters of the Beneficial Owner or any lineal descendant of that person or any person who is or has been married to any such lineal descendant or any stepchild or adopted child of the Beneficial Owner or of any such lineal descendant
<b>Proposed Buyer</b>	as defined in Article 38 1 1
<b>Proposed Seller</b>	as defined in Article 38 1 1
<b>Proxy Notice</b>	a notice in Writing given in accordance with Article 59
<b>Qualifying Person</b>	as defined in section 318 CA 2006
<b>Relevant Agreement</b>	any agreement from time to time entered into between the company and its members
<b>Relevant Loss</b>	any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or any associated company
<b>Relevant Officer</b>	any Director or other officer or former Director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) CA 2006), but excluding in each case any person engaged by

	the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)
<b>Remaining Shareholder</b>	as defined in Article 38 1 2 1
<b>Sale Shares</b>	as defined in Article 36 1
<b>Sellers</b>	as defined in Article 39 1
<b>Sellers' Shares</b>	as defined in Article 39 1
<b>Selling Member</b>	as defined in Article 36 1
<b>Shareholder</b>	a person whose name is entered in the register of members of the company as the holder of an Ordinary Share
<b>Shares</b>	ordinary shares of £1 00 (one pound) each in the company
<b>Special Resolution</b>	as defined in section 283 CA 2006
<b>Subsidiary</b>	as defined in section 1159 CA 2006
<b>Transfer Notice</b>	as defined in Article 36 1
<b>Transmittee</b>	a person or persons entitled to a Share by reason of the death or Bankruptcy of a Shareholder or otherwise by operation of law
<b>Valuers</b>	as defined in Article 36 5
<b>Writing</b>	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 2	Except as otherwise specifically provided in these Articles, and unless the context otherwise requires, words and expressions which have particular meanings in CA 2006 have the same meanings in these Articles
1 3	Headings in these Articles are used for convenience only and do not affect the construction or interpretation of these Articles
1 4	Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of
1 4 1	any subordinate legislation from time to time made under it, and
1 4 2	any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts



- 1 5 A reference to **Clear Days** in respect of any specified notice period excludes the date on which the notice is given and the date on which the specified period expires
- 1 6 Any phrase introduced by the terms **including, include, in particular** or any similar expression is to be construed as illustrative and does not limit the sense of the words preceding those terms
- 1 7 Companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate
- 1 8 The Model Articles do not apply to the company

## **2 Liability of members**

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

## **DIRECTORS**

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

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

Subject to these Articles, the Directors are responsible for the management of the company's business and for that purpose they may exercise all the powers of the company

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

- 4 1 The Shareholders may, by Special Resolution, instruct the Directors to take, or refrain from taking, any specified action
- 4 2 No such Special Resolution invalidates anything done by the Directors before the passing of the resolution

#### **5 Directors may delegate**

- 5 1 Subject to any restrictions in these Articles, the Directors may delegate, as they think fit, any of the powers which are conferred on them under these Articles
  - 5 1 1 to any person or committee,
  - 5 1 2 by any means (including by power of attorney),
  - 5 1 3 to such an extent,
  - 5 1 4 in relation to any matters or territories, and
  - 5 1 5 on such terms and conditions as the Directors determine
- 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 Committees to which the Directors delegate any of their powers must follow procedures which are based, as far as they are applicable, on those provisions of these Articles which govern the taking of decisions by Directors
- 6 2 So as to avoid any inconsistency the Directors may make procedural rules for committees which prevail over rules derived from these Articles

### **DECISION MAKING BY DIRECTORS**

#### **7 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 the company only has one Director for the time being and 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

## **8 Unanimous decisions**

- 8 1 A decision of the Directors is taken in accordance with Article 8 when all Eligible Directors indicate to each other by any means that they share a common view on a matter
- 8 2 A decision of the Directors may take the form of a resolution in Writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in Writing
- 8 3 A decision may not be taken in accordance with Article 8 if the Eligible Directors would not have formed a quorum at a Directors' meeting

## **9 Calling a Directors' meeting**

- 9 1 Any Director may call a Directors' meeting by giving not less than ten Business Days' notice of the meeting (or such lesser notice as all the Directors may agree) to the Directors
- 9 2 Notice of any Directors' meeting must indicate
- 9 2 1 its proposed date and time,
- 9 2 2 where it is to take place, and
- 9 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
- 9 3 Notice of a Directors' meeting must be given to each Director 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 in Writing to that effect to the company not more than seven days after the date on which the meeting is held Where such notice is given after the meeting has been held, the validity of the meeting, or of any business conducted at it will not be affected

## **10. Participation in Directors' meetings**

- 10 1 Directors Participate in a Directors' meeting, or part of a Directors' meeting, when
- 10 1 1 the meeting has been called and takes place in accordance with these Articles, and
- 10 1 2 they can each communicate to the other Directors any information or opinions they have on any particular item of the business of the meeting

10 2 In determining whether Directors Participate in a Directors' meeting, it is irrelevant where any Director is or how the Directors 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

## **11 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 Subject to Article 11 3, the quorum for the transaction of business at a Directors' meeting is any two Eligible Directors

11 3 For the purposes of any meeting (or part of a meeting) held pursuant to Article 15 to authorise a Conflict, if there is only one Eligible Director in office besides the conflicted Director(s), the quorum for such meeting (or part of a meeting) will be one Eligible Director

11 4 If the total number of Directors in office for the time being is less than the quorum required, the Directors must not take any decision except for purposes of

11 4 1 appointing further Directors, or

11 4 2 calling a general meeting so as to enable the Shareholders to appoint further Directors

## **12 Chairing of Directors' meetings**

12 1 The Directors may appoint a Director to chair their meetings (**Board Chairman**)

12 2 The Directors may terminate the Board Chairman's appointment at any time

12 3 If the Board Chairman is not participating in a Directors' meeting within ten minutes after its scheduled start time, the participating Directors must appoint one of themselves to chair it

## **13 Casting vote**

If the numbers of votes for and against a proposal at a meeting of Directors are equal, the Board Chairman or other Director appointed to chair the meeting will not have a casting vote

## **14 Transactions or other arrangements with the company**

14 1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) CA 2006, and declaring the nature and extent of his interest in accordance with the requirements of the section 177 or 182 CA 2006 (as the case may be), a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company

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, directly or indirectly, interested,

- 14 1 2 is an Eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such contract or proposed contract in which he is interested,
  - 14 1 3 may vote at a meeting of the Directors, or of a committee of the Directors, or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested,
  - 14 1 4 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm will be entitled to remuneration for professional services as if he were not a Director,
  - 14 1 5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested, and
  - 14 1 6 will not be accountable to the company (except as he may otherwise agree) for any benefit which he, or a person connected with him (as defined in section 252 of the Act), derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate. No such contract, transaction or arrangement will be liable to be avoided on the grounds of any such interest or benefit nor will the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 CA 2006
- 14 2 For the purposes of Article 14, references to proposed decisions and decision making processes include any Directors' meeting or part of a Directors' meeting
- 14 3 Subject to Article 14 4, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman (appointed pursuant to Article 12) whose ruling in relation to any Director, other than the chairman, is to be final and conclusive
- 14 4 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman (appointed pursuant to Article 12) 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
- 15 Directors' conflicts of interest**
- 15 1 The Directors may, as provided in Article 15, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 CA 2006 to avoid conflicts of interest (**Conflict**)
- 15 2 Any authorisation of a Conflict will be effective only if
- 15 2 1 the matter in question is proposed by any Director for consideration at a meeting of the Directors in the same way that any other matter may be

- proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine,
- 15 2 2 any requirement as to quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question, and
  - 15 2 3 the matter is agreed to without the Director in question voting or would be agreed to if his vote is not counted
- 15 3 Any authorisation of a Conflict may (whether at the time of giving the authorisation or subsequently)
- 15 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised,
  - 15 3 2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors determine, and
  - 15 3 3 be terminated or varied by the Directors at any time
- 15 4 Anything done by the Director in question in accordance with the terms of the authorisation will not be affected by its subsequent termination or variation
- 15 5 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation, if it would amount to a breach of that confidence, to
- 15 5 1 disclose such information to the Directors or to any Director or other officer or employee of the company, or
  - 15 5 2 use or apply any such information in performing his duties as a Director
- 15 6 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the Director in question
- 15 6 1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict,
  - 15 6 2 is not given any Documents or other information relating to the Conflict, and
  - 15 6 3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict
- 15 7 Where the Directors authorise a Conflict the Director in question
- 15 7 1 will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict, and

15 7 2 will not infringe any of the duties he owes to the company by virtue of sections 171 to 177 CA 2006 if he acts in accordance with any terms, limits and conditions as the Directors impose in respect of its authorisation

15 8 A Director is not required, by reason of being a Director (or because of his fiduciary relationship as a Director), to account to the company for any remuneration, profit or other benefit which he derives from, or in connection with, a relationship involving a Conflict which has been authorised by the Directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract will be liable to be avoided on such grounds

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

16 1 The Directors must ensure that the company keeps a record, in writing, for at least ten years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors

16 2 Where decisions of the Directors are taken by electronic means they must be recorded by the Directors in permanent form, so that they may be read with the naked eye

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

Subject to these Articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors

## **APPOINTMENT OF DIRECTORS**

### **18 Number of Directors**

Unless otherwise determined by Ordinary Resolution, the number of Directors (other than alternate Directors) will not be subject to any maximum but must not be less than two

### **19. Methods of appointing Directors**

19 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

19 1 1 by Ordinary Resolution,

19 1 2 by a decision of the Directors, or

19 1 3 pursuant to the provisions of any Relevant Agreement

19 2 Where, as a result of death or Bankruptcy, the company has no Shareholders and no Directors, the Transmittee of the last Shareholder to die or to have a Bankruptcy order made against him (as the case may be) may, by notice in Writing, appoint a natural person (including a Transmittee who is a natural person), who is willing to act and is permitted to do so, to be a Director

- 19 3 For the purposes of Article 19 2, where two or more Shareholders die in circumstances where it is uncertain who was the last to die, a younger Shareholder is deemed to have survived an older Shareholder

## **20 Termination of Director's appointment**

A person ceases to be a Director immediately if

- 20 1 that person ceases to be a Director by virtue of any provision of CA 2006 or is prohibited by any other law from being a Director,
- 20 2 a Bankruptcy order is made against that person,
- 20 3 a composition is made with that person's creditors generally in satisfaction of his debts,
- 20 4 a registered medical practitioner who is treating that person gives an opinion in Writing to the company stating that that person has become physically or mentally incapable of acting as a Director and is likely to remain so for more than three months,
- 20 5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which he would otherwise have, or
- 20 6 notification is received by the company from that person that he is resigning from office as a Director and such resignation has taken effect in accordance with its terms

## **21 Directors' remuneration**

- 21 1 A Director may undertake such services for the company as the Directors decide
- 21 2 Directors may receive remuneration as the Directors determine
- 21 2 1 for their services to the company in the office of Director, and
- 21 2 2 for any other service which they undertake for the company
- 21 3 Subject to these Articles, a Director's remuneration may
- 21 3 1 take any form including, without limitation, salary, fees, commission, profit participation and share options, and
- 21 3 2 include any arrangements for the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director
- 21 4 Unless the Directors decide otherwise, a Director's remuneration accrues from day to day
- 21 5 Unless the Directors decide otherwise, a Director is not accountable to the company for any remuneration received as a director or other officer or employee of any of the company's subsidiaries or of any other body corporate in which the company is interested



**22 Directors' expenses**

The company may pay any reasonable expenses which the Directors (including alternate Directors) and the secretary properly incur in connection

- 22 1 with their attendance at meetings of Directors or committees of Directors, general meetings or separate meetings of the holders of any class of Shares or of debentures of the company, or
- 22 2 otherwise in the exercise of their powers and the discharge of their responsibilities in relation to the company

**ALTERNATE DIRECTORS****23 Appointment and removal of alternate Directors**

- 23 1 Any Director may, in relation to the taking of decisions by the Directors in the absence of that Director, appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to
  - 23 1 1 exercise that Director's powers, and
  - 23 1 2 carry out that Director's responsibilities
- 23 2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the Directors
- 23 3 The notice must
  - 23 3 1 identify the proposed alternate, and
  - 23 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

**24. Rights and responsibilities of alternate Directors**

- 24 1 An alternate Director may act in that capacity to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor
- 24 2 Except as the Articles specify otherwise, alternate Directors
  - 24 2 1 are entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which their respective appointor is a member,
  - 24 2 2 are deemed for all purposes to be Directors,
  - 24 2 3 are liable for their own acts and omissions,
  - 24 2 4 are subject to the same restrictions as their appointors, and
  - 24 2 5 are not deemed to be agents of or for their appointors

- 24 3 A person who is an alternate Director but not a Director
  - 24 3 1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating),
  - 24 3 2 may participate in a unanimous decision of the Directors (but only if his appointor is an Eligible Director in relation to that decision, but does not participate), and
  - 24 3 3 will not be counted as more than one Director for the purposes of Articles 24 3 1 and 24 3 2
- 24 4 A Director who is also an alternate Director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor in addition to his own vote on any decision of the Directors (if his appointor is an Eligible Director in relation to that decision), but will not count as more than one Director for the purposes of determining whether a quorum is present
- 24 5 An alternate Director is not entitled to receive any remuneration from the company for serving as an alternate Director except for any such part of his appointor's remuneration as the appointor may direct by notice in Writing to the company

## **25 Termination of alternate Directorship**

An appointment as an alternate Director terminates

- 25 1 when the alternate Director's appointor revokes the appointment by notice to the company in Writing specifying when it is to terminate,
- 25 2 on the occurrence, in relation to the alternate Director, of any event which, if it occurred in relation to his appointor, would result in the termination of the appointor's appointment as a Director,
- 25 3 on the death of the alternate Director's appointor, or
- 25 4 when the alternate Director's appointor's appointment as a Director terminates

## **26. 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

## SHARES AND DISTRIBUTIONS

### ALLOTMENT OF SHARES AND PRE-EMPTION RIGHTS

#### 27 Further issues of Shares authority

- 27 1 Except as authorised by these Articles, or authorised from time to time by an ordinary resolution of the Shareholders or by a written resolution in accordance with section 282(2) of CA 2006, the Directors must not exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares in the company
- 27 2 Subject to the remaining provisions of Article 27 and to Article 28, the Directors are generally and unconditionally authorised, for the purpose of section 551 CA 2006 to exercise any power of the company to offer or allot, grant rights to subscribe for or to convert any security into or otherwise deal in, or dispose of, any Shares to any person, at any time and subject to any terms and conditions as the Directors think fit
- 27 3 The authority referred to in Article 27 2
- 27 3 1 is limited to a maximum nominal amount of £20,000,000 (twenty million pounds),
- 27 3 2 will 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) CA 2006, and
- 27 3 3 may only be exercised for a period of five years commencing on the date on which these Articles are adopted, but nothing in this Article 27 3 3 prevents the Directors from making an offer or agreement which would, or might, require Shares to be allotted after the expiry of such authority and the Directors may allot Shares pursuant to such an offer or agreement as if the authority had not expired)

#### 28 Further issues of Shares pre-emption rights

- 28 1 Sections 561 and 562 of CA 2006 do not apply to an allotment of Equity Securities made by the company
- 28 2 Unless otherwise agreed by special resolution, or by written resolution passed in accordance with section 283(2) CA 2006, the company must not allot any Equity Securities to any person unless it has first offered them to all Shareholders on the date of the offer, on the same terms and at the same price as those Equity Securities are proposed to be offered to other persons, equally and in proportion to the number of Shares held by those holders (as nearly as possible without involving fractions) The offer
- 28 2 1 must be in writing and remain open for acceptance for a period of 15 Business Days from the date of the offer and must give details of the number and subscription price of the relevant Equity Securities, and
- 28 2 2 may stipulate that any Shareholder who wishes to subscribe for a number of Equity Securities in excess of the proportion to which he is

entitled must, in his acceptance, state the number of excess Equity Securities for which he wishes to subscribe

- 28 3 Any Equity Securities not accepted by Shareholders pursuant to the offer made to them in accordance with Article 28 2 will be used for satisfying any requests for excess equity securities made pursuant to Article 28 2. If there are insufficient excess Equity Securities to satisfy such requests, they will be allotted to the applicants in proportion to the number of Shares held by the applicants immediately before the offer was made to the Shareholders (as nearly as possible without involving fractions or increasing the number of excess Equity Securities allotted to any Shareholder beyond that applied for by him). After that allotment, any excess Equity Securities remaining will be offered to any other person as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.
- 28 4 Subject to Articles 28 2 and 28 3 and to section 551 CA 2006, any Equity Securities will be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to any persons at such times and, generally, on the terms and conditions they think proper.
- 28 5 No shares may be allotted to any employee, Director, prospective employee or director unless such person has entered into a joint election with the company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

## **29. All Shares to be Fully Paid up**

- 29 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.
- 29 2 This does not apply to Shares taken on the formation of the company by the subscribers to the company's memorandum.

## **30 Powers to issue different classes of Share**

- 30 1 Subject to these Articles, but without prejudice to the rights attached to any existing Share, the company may issue shares with such rights or restrictions as may be determined by Special Resolution.
- 30 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.

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

Except as required by law or these Articles

- 31 1 no person is to be recognised by the company as holding any Share upon any trust, and
- 31 2 the company will not be bound by or recognise any interest in a Share other than the holder's absolute ownership of it and all the rights attaching to it.

**32 Share certificates**

- 32 1 The company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds
- 32 2 Every certificate must specify
  - 32 2 1 the number of Shares and the class in respect of which it is issued,
  - 32 2 2 the nominal value of those Shares,
  - 32 2 3 that the Shares are Fully Paid, and
  - 32 2 4 any distinguishing numbers assigned to them
- 32 3 No certificate may be issued in respect of Shares of more than one class
- 32 4 Only one certificate may be issued in respect of a Share notwithstanding that more than one person is registered as holder in respect of it
- 32 5 Certificates must
  - 32 5 1 have affixed to them the company's common seal, or
  - 32 5 2 be otherwise executed in accordance with CA 2006

**33 Replacement Share certificates**

- 33 1 Subject to Article 33 2, a Shareholder whose certificate is damaged or defaced, or lost stolen or destroyed, may be issued with a replacement certificate in respect of the same Shares
- 33 2 A Shareholder exercising the right to be issued with a replacement certificate
  - 33 2 1 may at the same time exercise the right to be issued with a single certificate or separate certificates,
  - 33 2 2 must return the certificate which is to be replaced to the company, if it is damaged or defaced, and
  - 33 2 3 must comply with such conditions as to evidence and indemnity as the Directors decide

**34 Transfer of shares**

- 34 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
- 34 2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share
- 34 3 The company may retain any instrument of transfer which is registered
- 34 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

- 34 5 The Directors may refuse to register the transfer of a share if
- 34 5 1 the transfer is not lodged at the company's registered office or such other place as the directors have appointed,
  - 34 5 2 the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf,
  - 34 5 3 the transfer is in respect of more than one class of share, or
  - 34 5 4 the transfer is in favour of more than four transferees
- 34 6 The Directors must refuse to register the transfer of a share if
- 34 6 1 the transfer is not made in accordance with Articles 35, 36, 38 or 39, and
  - 34 6 2 the transferee has not entered into a deed of adherence in accordance with the terms of any Relevant Agreement
- 34 7 If the Directors refuse to register the transfer of a share, 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

### 35 Transfers of shares to permitted transferees

#### *To Privileged Relations and trustees*

- 35 1 Any shares may be transferred by a Beneficial Owner who is an individual with the prior written consent of the Board
- 35 1 1 to a Privileged Relation of such Beneficial Owner, or
  - 35 1 2 to trustees to be held upon Family Trusts
- 35 2 Where any shares have been transferred to Privileged Relations or trustees pursuant to Article 35 1 the Privileged Relation or the trustees as the case may be may transfer any such shares to a person or persons shown to the reasonable satisfaction of the board to be
- 35 2 1 the trustees for the time being (on a change of trustee) of the Family Trusts in question, and/or
  - 35 2 2 the Beneficial Owner or any Privileged Relation of the Beneficial Owner
- 35 3 In any case where a member proposing to transfer shares under Articles 35 1 and 35 2 (**Proposing Transferor**) holds those shares as a result of an earlier transfer authorised under Articles 35 1 and 35 2 from another member (**Original Member**) the Proposing Transferor may only transfer those shares to a person to whom the Original Member could have transferred such shares under Articles 35 1 and 35 2

- 35 4 Where shares are held by trustees on a Family Trust and any such shares cease to be held upon Family Trusts (otherwise than in consequence of a transfer authorised under Article 35 2) the trustees must immediately transfer such shares to a transferee permitted under Articles 35 1 and 35 2 and in default of such transfer the trustees will be deemed to have given a Transfer Notice in respect of the shares in question

*To group companies*

- 35 5 A Shareholder being a company (**Member Company**) may transfer shares to its subsidiary or to its holding company or any other subsidiary of that company. If any such holding company or subsidiary ceases at any time while a member to be such holding company or such a subsidiary it must transfer the shares of the company back to the Member Company within 30 days of so ceasing, failing which the provisions of this Article will apply and a Transfer Notice will be deemed to have been served in respect of the shares in question

### 36 Rights of pre-emption on sale

- 36 1 Except for transfers made in accordance with Article 35, Article 38 or Article 39 or in accordance with any Relevant Agreement, a member wishing to transfer any of its shares in the company (**Selling Member**) must give notice in writing (**Transfer Notice**) to the other members (**Continuing Members**) including details of the shares proposed to be sold (**Sale Shares**) the proposed price (if available) and the identity of the proposed buyer. A member will be deemed to have served a Transfer Notice in respect of all of his shares upon his death or upon he or it being subject to any insolvency proceedings which are not discharged within 14 days
- 36 2 A Transfer Notice gives the Continuing Members the right to buy the Sale Shares in the proportion that their shareholdings in the company bear to the total issued share capital of the company, less the shareholding of the Selling Member (**Pro Rata Proportion**)
- 36 3 The **Fair Price** for the Sale Shares will be either
- 36 3 1 the cash price specified in the Transfer Notice, or
- 36 3 2 if the Transfer Notice does not specify a proposed price or is a deemed Transfer Notice, the Selling Member and the board will attempt to agree a fair price for the Sale Shares
- 36 4 The Directors may require the Selling Member to furnish them with such evidence as they require to confirm that the price specified (if any) in the Transfer Notice is a genuine open market price. The Directors may refuse to offer the Sale Shares for sale or to register the transfer if, in their absolute discretion, they determine that the price offered by such proposed buyer and/or the willingness of the proposed buyer to purchase the Sale Shares are not, for any reason, genuine
- 36 5 If the Selling Member and the board fail to reach agreement on the Fair Price within 14 days of the issue of a Transfer Notice in accordance with Article 36 3 2, either the board or the Selling Member may request an independent share valuer (**Valuers**) nominated jointly by the board and the Selling Member (and in the absence of a joint nomination, by the President for the time being of the Institute of Chartered Accountants in England & Wales) to determine the Fair Price and to issue written notice of the Fair Price to each of the members and the company

within 14 days of being nominated The price as so certified will be final and binding on the members except in case of manifest error In certifying the Fair Price for the Sale Shares

- 36 5 1 the Valuers will act as experts and not as arbitrators and their fees and expenses will be paid by the Selling Members and/or the Company in such proportions as are determined by the Valuers,
- 36 5 2 the sale will be treated as one between willing seller and willing buyer, and
- 36 5 3 the Sale Shares will be valued without taking into account the fact that the Sale Shares may constitute a minority or majority holding
- 36 6 Within 14 days of the date of the Transfer Notice, or where Article 36 3 2 applies, of the determination of the Fair Price in accordance with Article 36 3 or Article 36 5 (as the case may be), each Continuing Member may give a notice to the Selling Member stating that it wishes to purchase its Pro Rata Proportion For the purposes of this clause **Accepting Member** will mean any Continuing Member that issues such a notice
- 36 7 If any Continuing Member fails to give a notice pursuant to Article 36 6 within the 14 day period it will be deemed to have rejected the offer to purchase any of the Sale Shares
- 36 8 If any Continuing Member rejects the offer
  - 36 8 1 at the end of the 14 day period specified in Article 36 6 the Selling Member will give notice to any Accepting Members offering them the Pro Rata Proportions of any Continuing Members who have rejected the offer (**Further Offer**),
  - 36 8 2 within seven days of receipt of a notice of Further Offer the Accepting Members will give notice to the Selling Member specifying whether or not they wish to accept the Further Offer, and
  - 36 8 3 the Sale Shares comprised in the Further Offer will be allocated to those Accepting Members accepting the Further Offer provided that, if there are insufficient Sale Shares to satisfy all acceptances, then the Sale Shares will be divided between those Accepting Members accepting the Further Offer on a pro rata basis in accordance with their respective shareholdings prior to the date of the Transfer Notice
- 36 9 Completion of the sale and purchase of each Accepting Member's Pro Rata Proportion together with any Sale Shares taken up under any Further Offer will take place in accordance with Article 37
- 36 10 To the extent that any Sale Shares are not taken up by Accepting Members, either by notice pursuant to Article 36 6 or under any Further Offer, the Selling Member will be entitled to transfer those Sale Shares to the purchaser proposed in the Transfer Notice at not less than the Fair Price or to implement the provisions of Article 39 within 30 days of the last day for any member to take up the Sale Shares



### 37 Completion of transfer of Sale Shares

- 37 1 Completion of the sale and purchase of Sale Shares under these Articles (**Completion**) will take place within five Business Days of the date upon which the identity of the buyer and the price for the shares are fixed in accordance with the procedures set out in these Articles
- 37 2 At Completion
- 37 2 1 the Selling Member will deliver or procure that there is delivered to the buyer a duly completed share transfer form transferring the legal and beneficial ownership of the relevant shares to the buyer together with the relevant share certificates and such other documents as the buyer may reasonably require to show good title to the shares or to enable it to be registered as the holder of the shares, and
- 37 2 2 the buyer will deliver or will procure that there is delivered to the Selling Member a bankers' draft made payable to the Selling Member or to its order for the purchase price
- 37 3 The shares will be sold by the Selling Member with full title guarantee
- 37 4 If the buyer fails to pay the purchase price on the due date, without prejudice to any other remedy that the Selling Member may have, the outstanding balance of the purchase price will accrue interest at a rate equal to 2% above the base rate of Barclays Bank PLC from time to time
- 37 5 The directors of the company will procure the registration, subject to stamping by the buyer, of the transfers of shares in the company effected pursuant to this Article
- 37 6 If the Selling Member fails to transfer any of the Sale Shares in accordance with Article 37, the directors may authorise any person to execute a transfer of the Sale Shares to the buyer. The company may give a good receipt for the purchase price of the Sale Shares and may register the buyer as holder of them and issue to the buyer certificates for them. After the name of the buyer has been entered into the register the validity of the proceedings may not be questioned by any person. The Selling Member will in such case be bound to deliver up his certificate for the Sale Shares to the company and he will be entitled to receive the purchase price which will, in the meantime be held by the company on trust for him but without interest. If such certificate includes any balance of shares which the Selling Member has not become bound to transfer, the company will issue to the Selling Member a certificate for such balance

### 38 Tag along

- 38 1 Members may not transfer all or any of their shares (whether in one transaction or in a series of related transactions) to any person in circumstances where (i) that person would have an interest (as defined in sections 820-825 of the CA 2006) in 50% or more in aggregate of the voting shares in the Company or (ii) such transfer would give any person or persons acting in concert (as defined in the City Code on Takeovers and Mergers) an interest (as defined in sections 820-825 of the CA 2006) in 50% or more in aggregate of the voting shares in the Company, except in accordance with the following provisions

- 38 1 1 such members (**Proposed Seller**) may accept a bona fide offer (**Offer**) from a third party (**Proposed Buyer**) for the purchase of the entire legal and beneficial interest in shares owned by the Proposed Seller on arms length terms so long as the acceptance is conditional upon the terms of this Article 38 1 being complied with in all respects and that condition is not waived,
- 38 1 2 the Proposed Seller may complete a sale pursuant to the Offer only if
  - 38 1 2 1 it despatches a notice within 14 days of accepting the Offer notifying the other members (**Remaining Shareholders**) of the main terms of the Offer and that it has contracted to accept the Offer subject to the terms of this Article,
  - 38 1 2 2 the Proposed Buyer makes a binding written offer to the Remaining Shareholders to purchase from them the same proportion of their shareholding as is being sold by the Proposed Seller at the same price per share and on terms that are not worse than those in the Offer that is kept open for at least 14 days from delivery of the notice pursuant to Article 38 1 2 1,
  - 38 1 2 3 the 14 day period referred to in Article 38 1 2 2 has elapsed or all Remaining Shareholders have accepted or completed the offer made to them

### 39. Drag along

- 39 1 If one or more members holding 50 1% or more in aggregate of the voting shares in the Company at the relevant time (together the **Sellers**) wish to transfer all their interest in their shares (**Sellers' Shares**) to a purchaser (**Buyer**) on bona fide arms length terms, the Sellers shall, provided they have first given a Transfer Notice pursuant to Article 36 and have become entitled pursuant to Article 36 10 to implement the provisions of this Article 39, have the option (**Drag Along Option**) to require all other holders of shares (**Called Shareholders**) to sell and transfer all their shares (**Called Shares**) to the Buyer (or as the Buyer may direct) on terms that are no worse than those afforded to the Sellers in accordance with this Article 39 1
- 39 2 The Sellers may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (a **Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Buyer
- 39 3 Subject to Article 39 1, upon receipt of a Drag Along Notice, each party will sell the whole of its interest in the shares held by it to the Buyer specified in the Drag Along Notice
- 39 4 The Called Shareholders shall be obliged to sell their Called Shares at the Drag Along Price (as defined in 39 5) and otherwise on the same terms as applicable to the Seller (except that no Called Shareholder may be required to give any warranties or representations except as to title and authorities and capacity to sell) In the event of a disagreement as to the Drag Along Price, the matter shall be referred to a suitably qualified independent third party (acting as an expert not as arbitrator) nominated by the Called Shareholders or the Sellers (or, in the event of disagreement as to the nomination, appointed by the President for the time

being of the Institute of Chartered Accountants in England and Wales on application by any such party) whose decision shall be final and binding (in the absence of manifest error) and the cost of such expert shall be borne as he shall direct or, in default of such a direction, equally by the parties to the dispute or disagreement

- 39 5 For the purpose of this Article 39, "**Drag Along Price**" means the amount that each Called Shareholder is to receive for each of their Called Shares, such amount to be equal to the aggregate of
- 39 5 1 the consideration to be paid by the Buyer for each of the Sellers' Shares (whether in cash, securities or otherwise or any combination), and
  - 39 5 2 if relevant, an amount equal to the relevant proportion of any other consideration received or receivable by the Sellers for each of their shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as additional consideration above the amount referred to in Article 39 5 1
- 39 6 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless
- 39 6 1 all of the Called Shareholders and the Sellers agree otherwise,
  - 39 6 2 that date is less than 10 days after service of the Drag Along Notice, in which event it shall be deferred until the tenth day after service of the Drag Along Notice, or
  - 39 6 3 the consideration is to be determined under Article 39 4, in which event the date shall be deferred until the tenth day after the consideration is agreed or determined unless the Called Shareholders and the Sellers agree in writing on an earlier date
- 39 7 The obligation to sell the shares pursuant to Article 39 3 will lapse if the sale of the Sellers' Shares to the Buyer is not completed within 35 days of the issue of the Drag Along Notice or any other date agreed for this purpose by all the Called Shareholders and the Sellers
- 39 8 Article 37 6 will apply, with the necessary adaptations being made, as if references in that Article to the Selling Member were to a Called Shareholder who fails to comply with Article 39 2
- 39 9 Upon any person, following the issue of a Drag Along Notice, becoming a shareholder of the company pursuant to the exercise of an option to acquire shares in the Company or pursuant to the conversion of any convertible security of the company (a **New Shareholder**), that Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms such that the New Shareholder will then be bound, as if it were a Called Shareholder, to sell and transfer all shares so acquired to the Buyer. If such option is exercised after the completion of the sale of the Called Shares under Article 39 6, the sale and purchase by the New Shareholder will take place immediately upon the Drag Along Notice being deemed served on the New Shareholder

**40. Transmission of Shares**

- 40 1 If title to a Share passes to a Transmittée, the company may only recognise the Transmittée as having any title to that Share
- 40 2 A Transmittée who produces such evidence of entitlement to Shares as the Directors may properly require may, subject to the Articles
  - 40 2 1 choose either to be registered as the holder of those Shares or to have them transferred to another person, and
  - 40 2 2 pending any transfer of the Shares to another person, has the same rights as the holder from whom title passed had in respect of them
- 40 3 Subject to Article 19 2, a Transmittée does not have the right to attend or vote at a general meeting, or agree to a proposed written resolution unless he is registered the holder of those Shares

**41 Exercise of Transmittées' rights**

- 41 1 Transmittées who wish to be registered as the holders of Shares to which they have become entitled must so notify the company in Writing
- 41 2 If a Transmittée wishes to have a Share transferred to another person, the Transmittée must execute an instrument of transfer in respect of it
- 41 3 Any transfer made or executed under Article 41 will be treated as if made or executed by the person from whom the Transmittée derived title in respect of the Share, and as if the event which gave rise to the transmission had not occurred

**42 Transmittées bound by prior notices**

A Transmittée entitled to Shares is bound by any notice given by the company to the relevant Shareholder before the Transmittée's name, or the name of any person nominated under Article 40 2, has been entered in the register of members of the company

**DIVIDENDS AND OTHER DISTRIBUTIONS****43. Procedure for declaring dividends**

- 43 1 The company may by Ordinary Resolution declare dividends, and the Directors may resolve to pay interim dividends
- 43 2 A dividend must not be declared unless the Directors have made a recommendation as to its amount and must not exceed the amount of any such recommendation
- 43 3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights
- 43 4 A dividend 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 unless the Shareholders' resolution, Directors' decision, or the terms on which Shares are issued, specifies otherwise

- 43 5 If the company's Share capital is divided into different classes, no interim dividend may be paid on Shares with deferred or non preferred rights while any preferential dividend is in arrear
- 43 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
- 43 7 The Directors, acting in good faith, have no 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

#### **44. Calculation of dividends**

- 44 1 Except as otherwise provided by these Articles or the rights attached to Shares, all dividends must be
  - 44 1 1 declared and paid according to the amounts paid up on the Shares on which the dividend is paid, and
  - 44 1 2 apportioned and paid proportionately to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid
- 44 2 If any Share is issued on terms providing that it ranks for dividend as from a particular date, that Share ranks for dividend accordingly
- 44 3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a Share in advance of the due date for payment of that amount

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

- 45 1 Where a dividend or other distribution is payable in respect of a Share, it must be paid by one or more of the following means
  - 45 1 1 transfer to a bank or building society account specified by the Distribution Recipient in Writing,
  - 45 1 2 sending a cheque made payable to the Distribution Recipient (or some other person nominated in Writing by the Distribution Recipient to receive it) by post to the Distribution Recipient's registered address or to another address specified by the Distribution Recipient in Writing, or
  - 45 1 3 any other means of payment as the Directors agree with the Distribution Recipient in Writing

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

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

- 46 1 the terms on which the Share was issued, or
- 46 2 the provisions of another agreement between the holder of the Share and the company

**47. Unclaimed distributions**

- 47 1 All dividends or other sums payable in respect of Shares which are 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
- 47 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
- 47 3 The Distribution Recipient is no longer entitled to any dividend or other sum and it ceases to remain owing by the company if
  - 47 3 1 12 years have passed from the date on which a dividend or other sum became due for payment, and
  - 47 3 2 the Distribution Recipient has not claimed it

**48 Non cash distributions**

- 48 1 Subject to the terms of issue of any Share 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 it by transferring non cash assets of equivalent value (including, without limitation, shares or other securities in any company)
- 48 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
  - 48 2 1 fixing the value of any assets,
  - 48 2 2 paying cash to any Distribution Recipient on the basis of that value in order to adjust the rights of recipients, and
  - 48 2 3 vesting any assets in trustees

**49 Waiver of distributions**

- 49 1 Subject to Article 49 2, 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
- 49 2 A notice of waiver of entitlement to a dividend or other distribution payable in respect of a Share is not effective unless it is expressed to be given, and signed, by all the Shareholders or persons otherwise entitled to the Share

**CAPITALISATION OF PROFITS****50 Authority to capitalise and appropriation of Capitalised Sums**

- 50 1 Subject to these Articles, the Directors may, if authorised by an Ordinary Resolution
  - 50 1 1 decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential

dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve, and

- 50 1 2 appropriate any sum which they so decide to capitalise (**Capitalised Sum**) to the persons who would have been entitled to it if it were distributed by way of dividend (**Persons Entitled**) and in the same proportions
- 50 2 Capitalised sums must be applied
  - 50 2 1 on behalf of the Persons Entitled, and
  - 50 2 2 in the same proportions as a dividend would have been distributed to them
- 50 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
- 50 4 A Capitalised Sum 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
- 50 5 Subject to these Articles the Directors may
  - 50 5 1 apply Capitalised Sums in accordance with Articles 50 3 and 50 4 partly in one way and partly in another,
  - 50 5 2 make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under Article 50 (including the issuing of fractional certificates or the making of cash payments), and
  - 50 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 Article 50

## ORGANISATION OF GENERAL MEETINGS

### 51 Attendance and speaking at general meetings

- 51 1 A person may 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
- 51 2 A person may exercise the right to vote at a general meeting when
  - 51 2 1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - 51 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

- 51 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
- 51 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
- 51 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

## **52 Quorum for general meetings**

No business other than the appointment of the GM Chairman is to be transacted at a general meeting if the persons attending it do not constitute a quorum. A quorum is deemed to be constituted when two Qualifying Persons are present.

## **53 Chairing general meetings**

- 53 1 If the Directors have appointed a Board Chairman, he will chair general meetings if present and willing to do so
- 53 2 If the Directors have not appointed a Board Chairman, or if the Board Chairman is unwilling to chair the general meeting or is not present within ten minutes of the time at which it was due to start the Directors present or (if no Directors are present), the meeting, must appoint a Director or Shareholder to serve as GM Chairman, and such appointment must be the first business of the meeting

## **54 Attendance and speaking by Directors and non Shareholders**

- 54 1 Directors may attend and speak at general meetings, whether or not they are Shareholders
- 54 2 The GM Chairman may permit other persons who are not Shareholders or otherwise entitled to exercise the rights of Shareholders in relation to general meetings to attend and speak at a general meeting

## **55. Adjournment**

- 55 1 If, within half an hour of the time at which a general meeting was due to start the persons attending do not constitute a quorum the GM Chairman must adjourn it. Once a quorum is present, the general meeting may proceed and transact its business even if during the general meeting a quorum ceases to be present
- 55 2 The GM Chairman may adjourn a general meeting at which a quorum is present if
  - 55 2 1 the meeting consents to an adjournment, or
  - 55 2 2 it appears to the GM Chairman that an adjournment is necessary to protect the safety of any person attending the general meeting or ensure that the business of the meeting is conducted in an orderly manner



- 55 3 The GM Chairman must adjourn a general meeting if directed to do so by the meeting
- 55 4 When adjourning a general meeting, the GM Chairman must
  - 55 4 1 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
  - 55 4 2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- 55 5 If an adjourned general meeting is to be reconvened on a date more than 14 days after it was adjourned, the company must give at least seven clear days' notice of it
  - 55 5 1 to all persons to whom notice of the company's general meetings is required to be given, and
  - 55 5 2 containing the same information which such a notice is required to contain
- 55 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**

### **56 Voting: general**

A resolution put to the vote of a general meeting is decided on a show of hands unless a poll is duly demanded in accordance with these Articles

### **57 Errors and disputes**

- 57 1 No objection may be raised as 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
- 57 2 Any such objection must be referred to the GM Chairman, whose decision is final

### **58 Poll votes**

- 58 1 A poll on a resolution may be demanded
  - 58 1 1 in advance of the general meeting where it is to be put to the vote, or
  - 58 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
- 58 2 A poll may be demanded at any general meeting by any Qualifying Person present and entitled to vote at the meeting

- 58 3 A demand for a poll may be withdrawn if
  - 58 3 1 the poll has not yet been taken, and
  - 58 3 2 the GM Chairman consents to the withdrawal
- 58 4 A demand withdrawn as prescribed in Article 58 3 will not invalidate the result of a show of hands declared before the demand was made
- 58 5 Polls must be taken immediately and in such manner as the GM Chairman directs

## **59 Proxies**

- 59 1 Proxies may only validly be appointed by a Proxy Notice in Writing which
  - 59 1 1 states the name and address of the Shareholder appointing the proxy,
  - 59 1 2 identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed,
  - 59 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
  - 59 1 4 is delivered to the company in accordance with these Articles not less than 48 hours before the time appointed for holding the general meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate
- 59 2 A Proxy Notice which is not delivered as provided by Article 59 1 will be invalid unless the Directors, in their discretion, accept the notice at any time before the meeting
- 59 3 The company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes
- 59 4 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
- 59 5 Unless a Proxy Notice indicates otherwise, it must be treated as
  - 59 5 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 general meeting, and
  - 59 5 2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the general meeting itself

## **60 Delivery of Proxy Notices**

- 60 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

- 60 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
- 60 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
- 60 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

## **61 Amendments to resolutions**

- 61 1 An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if
  - 61 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 GM Chairman may determine), and
  - 61 1 2 the proposed amendment does not, in the reasonable opinion of the GM Chairman, materially alter the scope of the resolution
- 61 2 A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution, if
  - 61 2 1 the GM Chairman proposes the amendment at the general meeting at which the resolution is to be proposed, and
  - 61 2 2 the amendment does not go beyond what is necessary to correct a grammatical or other non substantive error in the resolution
- 61 3 If the GM Chairman, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the GM Chairman's error does not invalidate the vote on that resolution

## **ADMINISTRATIVE ARRANGEMENTS**

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

- 62 1 Anything to be sent or supplied by or to the company under these Articles may be sent or supplied in any way in which CA 2006 provides for Documents or information which are authorised or required by any of its provisions to be sent or supplied by or to the company
- 62 2 Any notice, Document or other information will be deemed served on or delivered to the intended recipient
  - 62 2 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 courier addressed to the intended recipient,

- 62 2 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- 62 2 3 if properly addressed and sent or supplied by electronic means, one hour after the Document or information was sent or supplied, and
- 62 2 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
- 62 3 For the purposes of Article 62, no account will be taken of any part of a day that is not a Business Day
- 62 4 In proving that any notice, Document or other information was properly addressed, it will be sufficient to show that the notice, Document or other information was delivered to an address permitted for the purpose by CA 2006
- 62 5 Subject to these Articles, any notice or Document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or Documents for the time being
- 62 6 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 The company is not obliged to have a common seal but if it does the 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 any common seal 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 Article 63, an authorised person
  - 63 4 1 is any Director or the company secretary (if any), or
  - 63 4 2 any person authorised by the Directors for the purpose of signing Documents to which the common seal is applied

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

Except as provided by law or authorised by the Directors or an Ordinary Resolution of the company, no person may inspect any of the company's accounting or other records or Documents merely by virtue of being a Shareholder

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

The Directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its Subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer of the whole or part of the undertaking of the company or that Subsidiary

**DIRECTORS' INDEMNITY AND INSURANCE****66 Indemnity**

66 1 Subject to Article 66 3, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled, each Relevant Officer will be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities (including any liability incurred in defending any civil or criminal proceedings in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs) incurred by him as a Relevant Officer

66 1 1 in the actual or purported execution or discharge of his duties, or in relation to them, and

66 1 2 in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) CA 2006)

66 2 The company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 66 1 and otherwise may take any action to enable any such Relevant Officer to avoid incurring such expenditure

66 3 Article 66 does not authorise any indemnity which would be prohibited or rendered void by any provision of CA 2006 or by any other provision of law

66 4 For the purpose of Article 66 companies are associated if one is a Subsidiary of the other or both are Subsidiaries of the same body corporate

**67. Insurance**

The Directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any Relevant Officer in respect of any Relevant Loss