

SCHEDULE 1

Regulation 2

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

INDEX TO THE ARTICLES

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

- 1 Defined terms
- 2 Liability of members

PART 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

PART 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

THURSDAY



R3KKRJZ5

RM

13/11/2014

#133

COMPANIES HOUSE

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

PART 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

PART 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

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise—

“Acting in Concert” has the meaning given to it in the City Code on Takeovers and Mergers,

“Allocation Notice” has the meaning given in article 26I(1),

“Approved Offer” has the meaning given in article 26N(2),

“articles” means the company’s articles of association,

“Auditors” means the company’s incumbent auditors from time to time,

“bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy,

“Business Day” means a day (which for these purposes ends at 5 30pm) on which banks are open for general business in the City of London other than a Saturday or Sunday,

“Buyer” has the meaning given in article 26N(1)(a),

“chairman” has the meaning given in article 12,

“chairman of the meeting” has the meaning given in article 39,

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

“Connected Persons” has the meaning given to it in section 1122 of the CTA 2010,

“Controlling Interest” in relation to a person means the ownership by that person and his or its Connected Persons of shares carrying the right to more than 50 per cent of the total number of votes which may be cast on a poll at a general meeting of the company,

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

“distribution recipient” has the meaning given in article 31,

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

“Drag Along Notice” has the meaning given in article 26O(2),

“Drag Along Right” has the meaning given in article 26O(1),

“electronic form” has the meaning given in section 1168 of the Companies Act 2006,

“Extra Shares” has the meaning given in article 26G(1),

“fully paid” in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company,

“hard copy form” has the meaning given in section 1168 of the Companies Act 2006,

“holder” in relation to shares means the person whose name is entered in the register of members as the holder of the shares,

“Independent Accountants” has the meaning given in article 26M(2),

“instrument” means a document in hard copy form,

“Interest” the legal or equitable or any other interest in a share (including any voting right attached to a share),

“Market Value” has the meaning given in article 26L,

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006,

“Other Shareholders” has the meaning given in article 26O(1),

“paid” means paid or credited as paid,

“participate”, in relation to a directors’ meeting, has the meaning given in article 10,

“Proportionate Entitlement” has the meaning given in article 26G(1),

“Proposed Transferee” means a person to whom a Seller proposes to transfer Sale Shares,
“proxy notice” has the meaning given in article 45,
“Sale Shares” means shares which a Seller wishes (or is required) to transfer,
“Seller” means any shareholder who wishes (or is required) to transfer any shares,
“shareholder” means a person who is the holder of a share,
“shares” means shares in the company,
“special resolution” has the meaning given in section 283 of the Companies Act 2006,
“subsidiary” has the meaning given in section 1159 of the Companies Act 2006,
“Total Transfer Condition” means a condition in a Transfer Notice stipulating that such Transfer Notice is conditional upon all and not some only of the Sale Shares specified in it being sold,
“Transfer Notice” means a notice in writing by a Seller of his wish to transfer any shares,
“Transfer Price” has the meaning given in article 26D,
“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law, and
“writing” means 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

(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

(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

(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

(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

(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

(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

(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

(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

(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

- (3) Notice of a directors' meeting must be given to each director, but need not be in writing
- (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
- (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
- (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

- (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
- (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

- (2) The person so appointed for the time being is known as the chairman
- (3) The directors may terminate the chairman's appointment at any time
- (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

- (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

- (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
- (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
- (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
- (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
- (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
- (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
- (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
- (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

(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

(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

(4) Unless the directors decide otherwise, directors' remuneration accrues from day to day

(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

(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

(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

(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

(3) No certificate may be issued in respect of shares of more than one class

(4) If more than one person holds a share, only one certificate may be issued in respect of it

(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

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

General Prohibitions

26A. - The directors shall not register any transfer of shares to any of the following

- (1) any person who, in the opinion of the directors is carrying on business directly or indirectly in competition with the company, except this restriction shall not apply to any transfer of shares pursuant to article 26N (Tag Along Rights) or article 26O (Drag Along Rights), and
- (2) any person who is less than 18 years of age and/or who does not have the legal capacity to hold and/or transfer any shares without let, hindrance or court order or otherwise to comply fully with the provisions of the articles

Prohibition unless in accordance with the articles

26B. - (1) Subject to article 26A, the directors shall not register a transfer of shares unless

- (a) the transfer
- (i) is authorised by the express written permission of the holders of 50 per cent or more in nominal value of the shares and has been made in accordance with articles 26C to 26K (Pre-emption), or
- (ii) has been made in accordance with article 26N (Tag Along Rights) or article 26O (Drag Along Rights),
- (b) the shares are fully paid, and
- (c) the instrument of transfer is duly stamped (or it is duly certified or otherwise shown to the satisfaction of the directors to be exempt from stamp duty)
- (2) For the purpose of ensuring that
- (a) a transfer of shares is permitted under these articles,
- (b) no circumstances have arisen whereby a Transfer Notice is required to be or ought to have been given, or
- (c) no circumstances have arisen whereby the provisions of article 26N (Tag Along Rights) are required to be or ought to have been complied with,
- the directors may require any shareholder to procure that any person whom the directors reasonably believes to have information and evidence relevant to such purpose, provides the company with such information and evidence as the directors reasonably think fit (including the names, addresses and interests of all persons respectively having an Interest in the shares from time to time registered in the relevant shareholder's name) regarding any matter which they deem relevant for the purpose. Pending the provision of such information the directors shall be entitled to refuse to register any relevant transfer

(3) Failing such information or evidence referred to in article 26B (2) being furnished to the reasonable satisfaction of the directors or if as a result of such information and evidence the directors are reasonably satisfied that

- (a) a transfer of shares has taken place which is not permitted under these articles,
- (b) circumstances have arisen whereby in accordance with the articles a Transfer Notice is required to be or ought to have been given, and has not been given, or
- (c) circumstances have arisen whereby the provisions of article 26N (Tag Along Rights) are required to be or ought to have been complied with, but an Approved Offer has not been made and/or the provisions of article 26N (Tag Along Rights) have not been complied with, the directors may notify the shareholder holding the relevant shares (or the person holding an Interest in such shares) in writing of that fact and if the shareholder (or such person) fails to provide such information or evidence or to remedy the situation to the reasonable satisfaction of the directors within 10 Business Days of receipt of such written notice, then
- (d) the relevant shares shall cease to confer on the holder of them any rights
 - (i) to receive notice of and to attend and speak at any general meeting of the company or any separate meeting of the holders of the class of shares in question,
 - (ii) to vote (either in person or by proxy and whether on a show of hands or on a poll) at a general meeting of the company or at any separate meeting of the holders of the class of shares in question or on a written resolution of the shareholders or of the class of shareholders in question and the relevant shares shall not be counted in determining the total number of votes which may be cast at any such meeting or on any such resolution or for the purpose of any other consent required under the articles,
 - (iii) to receive dividends or other distributions (other than the amount credited as paid up on the relevant shares upon a return of capital),
 - (iv) to participate in any further issues of shares in respect of such shares or in pursuance of an offer made to the relevant holder of such shares, or
 - (v) otherwise attaching to such shares, and
- (e) the directors may by notice in writing to the relevant holder determine that a Transfer Notice shall be deemed to have been served (without a Transfer Price being specified) in respect of some or all of the relevant shares with effect from the date of service of the notice (or such later date as may be specified in such notice) and the shares which are the subject of the deemed Transfer Notice shall be offered for sale in accordance with the provisions of articles 26C to 26K (Pre-emption) which shall apply as if set out in full in this article. The directors may also determine, in their absolute discretion, to revoke any Transfer Notice previously given or deemed to have been given by the relevant shareholder which is still outstanding at the time of service of the deemed Transfer Notice

(4) The rights referred to in Article 26B (3)(d) shall be reinstated by the directors once the failure to provide the information or evidence or to remedy the situation referred to in article 26B (2) is

remedied or, if earlier, in respect of any relevant shares transferred in accordance with article 26B (3)(e), upon the completion of any such transfer

Transfer Notices

26C. - (1) Except where the provisions of article 26N (Tag Along Rights) or article 26O (Drag Along Rights) apply and subject to the prohibitions on transfers set out in articles 26A and 26B (Prohibited transfers), a Seller must give a Transfer Notice to the company

(2) Each Transfer Notice shall relate to one class of shares only and shall specify

- (a) the number and class of the Sale Shares,
- (b) the identity of the Proposed Transferee (if any),
- (c) the price per share at which the Seller wishes to transfer the Sale Shares, and
- (d) whether or not the Transfer Notice is subject to a Total Transfer Condition. In the absence of any such stipulation it shall be deemed not to be so conditional. No Total Transfer Condition shall apply in respect of any Transfer Notice deemed to have been given pursuant to article 26B

(3) No Transfer Notice shall be capable of variation or cancellation without the consent of the directors or unless the Auditors (or, by virtue of Article 26M, the Independent Accountants) subsequently determine the Market Value of the Sale Shares to be less than the price specified in the Transfer Notice

Transfer Price

26D. - The Transfer Notice shall constitute the company as the agent of the Seller for the transfer of the Sale Shares in accordance with articles 26C to 26K at the following price ("**Transfer Price**")

- (1) if agreed by the directors, the price specified in the Transfer Notice, or
- (2) such other price as may be agreed between the Seller and the directors within 10 Business Days after the date of service or deemed service of the Transfer Notice, or
- (3) in default of agreement under articles 26D (1) or 26D (2) the lower of
 - (a) the price per share specified in the Transfer Notice, and
 - (b) if the directors elect within 15 Business Days after the date of service or deemed service of the Transfer Notice to instruct the Auditors for the purpose, the Market Value of the Sale Shares as at the date of service or deemed service of the Transfer Notice as determined in accordance with articles 26L and 26M

First Offer to the Company

26E. - (1) Within 10 Business Days after the later of

- (a) the receipt by the company of a Transfer Notice (or in the case of a deemed Transfer Notice the date such notice is deemed served); and
- (b) the determination of the Transfer Price,

the company (in its capacity as agent for the Seller) immediately offer at the Transfer Price such number of Sale Shares as it may determine to the company pursuant to the provisions of Part 18 of the Act

(2) If the company applies for any of the Sale Shares within 10 Business Days after the date of the offer, the company shall, subject to Article 26E (4), be allocated the number of Sale Shares applied for on or before the fifteenth Business Day following the date of the offer

(3) If all of the Sale Shares are so allocated, the provisions of articles 26F, 26G and 26H (1) shall not apply. If none or some only of the Sale Shares are so allocated, the provisions of articles 26F, 26G and 26H (1) will have effect as if reference to Sale Shares was to those not allocated in accordance with this article 26E

(4) No Sale Shares may be purchased by the company in pursuance of the articles until the terms of the purchase have been authorised by a special resolution in accordance with Chapter 4 of Part 18 of the Companies Act 2006

Offer to Shareholders

26F. - Within 10 Business Days after the later of

- (1) the receipt of a Transfer Notice (or in the case of a deemed Transfer Notice the date such notice is served),
- (2) the determination of the Transfer Price,
- (3) the completion of the operation and the allocation of Sale Shares pursuant to article 26E,

the company (in its capacity as agent for the Seller) shall give notice in writing to each of the shareholders (other than the Seller and any other shareholder who has served or who is deemed to have served a Transfer Notice in respect of his entire holding of shares pursuant to which the sale of such shares has not then been concluded) offering the Sale Shares for sale at the Transfer Price in accordance with article 26G. The notice shall specify that the shareholders shall have a period of up to 20 Business Days from the date of such notice within which to apply for some or all of the Sale Shares

Pre-Emption Procedure

26G. - (1) It shall be a term of any offer made pursuant to article 26F that, if there is competition for the Sale Shares, such Sale Shares will be treated as offered among the applying shareholders in proportion (as nearly as possible) to their existing holdings of shares ("**Proportionate Entitlement**") However, the offer shall also invite shareholders to indicate in their applications for Sale Shares, whether they would be willing to buy shares in excess of their Proportionate Entitlement should any such shares be available and, if so, how many ("**Extra Shares**")

Allocation of Shares

26H. - (1) After the expiry of the offer period specified in article 26G (or, if sooner, upon responses being received from all shareholders to whom the offer is made in accordance with that article confirming whether or not they apply for some or all of the Sale Shares and any Extra Shares) the company shall allocate the Sale Shares as follows

- (a) if the total number of Sale Shares applied for (including Extra Shares) is equal to or less than the available number of Sale Shares, each offeree shall be allocated the number applied for in accordance with his application, subject to article 26I (3), or

(b) if the total number of Sale Shares applied for (including Extra Shares) is greater than the available number of Sale Shares, each offeree shall be allocated his Proportionate Entitlement, or, if less, the number of Sale Shares which he has applied for,

and applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those applying for Extra Shares in such proportions as equal (as nearly as possible) the proportions of all the shares held by such offerees

(2) Allocations of Sale Shares made by the company pursuant to article 26E (2) and/or article 26H (1) shall, subject to article 26E (4), constitute the acceptance by the persons to whom they are allocated of the offer to purchase those Sale Shares on the terms offered to them, provided that no person shall be obliged to take more than the maximum number of Sale Shares which he has indicated to the company he is willing to purchase

Completion of Sale and Purchase of Sale Shares

26I. - (1) The company shall immediately upon allocating any Sale Shares (whether pursuant to article 26E (2) and/or article 26H (1)) give notice in writing ("**Allocation Notice**") to the Seller and to each person to whom Sale Shares have been allocated specifying

(a) the number of Sale Shares so allocated,

(b) the aggregate price payable for them,

(c) any additional information required by Article 26I (3)(a) (if applicable), and

(d) subject to article 26I (3)(a) (if applicable), the place and time (being not later than five Business Days after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed

(2) Subject to articles 26E (4) and 26I (3), completion of the sale and purchase of Sale Shares in accordance with the Allocation Notice shall take place at the place and time specified in the Allocation Notice when the Seller shall, upon payment of the Transfer Price, transfer those Sale Shares specified in the Allocation Notice and deliver the relevant share certificates (or an indemnity in a form reasonably satisfactory to the directors for any lost certificates) to the persons to whom they have been allocated

(3) If the Transfer Notice included a Total Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares

(a) the Allocation Notice shall refer to such Total Transfer Condition and shall contain a further offer in respect of the Sale Shares not previously applied for, open for 20 Business Days, to those persons to whom Sale Shares have been allocated to apply for further Sale Shares,

(b) such offer shall be made in accordance with the provisions of article 26G and the allocations shall be made in accordance with article 26H as if reference to the Sale Shares were to the Sale Shares not previously allocated, and

(c) completion of the transfer in accordance with this article 26I shall be conditional upon all such Sale Shares being so allocated and shall take place no later than five Business Days after notice by the company to the Seller that the Total Transfer Condition has been satisfied

Default by Seller

26J. - (1) Except in the case of an acquisition of Sale Shares by the company, if the Seller fails or refuses by the due completion date to execute and deliver any instrument of transfer in respect of any of the Sale Shares which he is due to transfer, the directors may irrevocably appoint, as agent of the Seller, any person with full power and authority to

(a) execute and complete on behalf of the Seller, the necessary instrument(s) of transfer and any other document required or desirable to give effect to the transfer of the Sale Shares to the relevant offeree(s), and

(b) against receipt by the company of the Transfer Price payable for the relevant Sale Shares (to be held on trust for the Seller without interest) (such receipt being a good discharge to the offeree who shall not be bound to see to the application thereof), deliver such instrument(s) of transfer to the relevant offeree(s),

and the directors shall (notwithstanding the absence of a certificate (or an indemnity in a form reasonably satisfactory to the directors for any lost certificate) authorise the registration of the transfer(s) and of the offeree(s) as the holder(s) of the Sale Shares so transferred, once appropriate stamp duty (if any) has been paid. After registration, the title of such offeree(s) as registered holder(s) of such Sale Shares shall not be affected by any irregularity in, or invalidity of, such proceedings, which shall not be questioned by any person

(2) In the case of an acquisition of Sale Shares by the company, if the Seller fails or refuses by the due completion date to transfer any of the Sale Shares which he is due to transfer, the directors may irrevocably appoint, as agent of the Seller, any person with full power and authority to execute and complete, on behalf of the Seller, the necessary instrument(s) of transfer and any other documents required or desirable to give effect to the transfer. Once appropriate stamp duty (if any) has been paid, the company shall (notwithstanding the absence of a certificate (or an indemnity in a form reasonably satisfactory to the directors for any lost certificate) ensure that such shares are cancelled and shall hold the Transfer Price payable for the relevant Sale Shares on trust for the Seller (without interest). The cancellation of the Sale Shares shall not be affected by any irregularity in, or invalidity of, such proceedings, which shall not be questioned by any person

(3) The Seller shall in each case be bound to deliver up its certificate (or an indemnity in a form reasonably satisfactory to the directors for any lost certificates) for the relevant Sale Shares to the company whereupon the Seller shall be entitled to receive the Transfer Price payable for the relevant Sale Shares

(4) The appointments referred to above are given by way of security for the due performance of the Seller's obligations pursuant to the articles

Exhaustion of Pre-Emption Rights – Rights and Restrictions with regard to Sale to Third Party

26K. - Immediately after the exhaustion of any pre-emption process followed in accordance with the articles, if any Sale Shares remain unallocated, the company will notify the Seller of that fact. The Seller may, at any time within one calendar month after receiving such notice (but not otherwise unless the pre-emption procedure set out in the articles is repeated), transfer any unsold Sale Shares to the Proposed Transferee at any price which is not less than the Transfer Price, provided that

(1) the directors shall refuse registration of any transfer to a Proposed Transferee who is a person to whom Shares may not be transferred by virtue of article 26A,

(2) if any such transfer would, if made and registered, result in the Proposed Transferee obtaining a Controlling Interest, the directors shall refuse registration of such transfer until such time as an

Approved Offer has been made and the provisions of article 26N (Tag Along Rights) complied with,

(3) if the Seller included a Total Transfer Condition in the Transfer Notice which has not been satisfied, the Seller shall only be entitled to transfer all (but not some only) of the Sale Shares, and

(4) any such transfer must be in good faith and the directors may require to be satisfied (in such manner as they may reasonably think fit) that the Sale Shares are being sold at a price which is not less than the Transfer Price without any deduction, rebate or allowance whatsoever. If not so satisfied, the directors may refuse to register the transfer.

Determination of "Market Value"

26L. - (1) If the Auditors (or, by virtue of article 26M, the Independent Accountants) are required to determine Market Value pursuant to article 26D (3)(b), the provisions set out below shall apply

(2) Market Value shall be determined by the Auditors or, as the case may be, the Independent Accountants, by first valuing the company as a whole

(a) assuming, if the company is then carrying on business as a going concern, that it will continue to do so,

(b) assuming that the entire issued share capital of the company is being sold as between a willing buyer and a willing seller by arm's-length private treaty for cash payable in full on completion,

(c) taking account of any shares which may be allotted pursuant to options which have been issued by the company and which are still outstanding,

(d) taking account of any bona fide offer for the company received from an unconnected third party within six months prior to the Transfer Notice being served or deemed to have been served, and

(e) recognising that in any other circumstances the shares are not freely marketable

(3) Having first valued the company as a whole, the Auditors or, as the case may be, the Independent Accountants shall then determine the Market Value of the shares concerned

(a) having deducted from the value of the company as a whole (if not already taken into account when so valuing the company)

(i) any amounts due and / or payable to the holders of debt instruments, and

(ii) any arrears, accruals or deficiencies of dividend on shares of any class,

(b) disregarding whether the shares concerned represent a majority or a minority interest, and

(c) disregarding the rights and restrictions attached to the shares concerning income, capital and transfer

(4) The costs and expenses of the Auditors or, as the case may be, the Independent Accountants for reporting on their opinion of the Market Value shall be borne as to one half by the Seller and as to the other half by the purchasing shareholders (or, to the extent applicable, the company) pro-rata to the number of Sale Shares purchased by them unless

(a) the Seller revokes the Transfer Notice in accordance with article 26C (3), or

(b) none of the Sale Shares are purchased by shareholders or the company pursuant to Articles 26C to 26K,

in which case the Seller shall pay all such costs and expenses

Settlements of Dispute as to Value etc

26M. - (1) Unless it is specifically stated otherwise, any dispute as to value, or as to calculations or adjustments to be made, or as to amount pursuant to the articles, shall, subject to article 26M (2), be referred immediately to the Auditors for final determination

(2) If the Auditors decline to act in respect of any such referral, the matter will be determined by an independent firm of chartered accountants ("**Independent Accountants**"), subject to article 26M (3), agreed and appointed, and whose terms of appointment shall be agreed and executed, for the purpose by each of the parties concerned

(3) In the absence of agreement between the parties concerned in relation to

(a) the identity of the Independent Accountants within five Business Days after the Auditors have declined to act, the identity of the Independent Accountants shall be agreed for the purpose by the incumbent president of the Institute of Chartered Accountants in England and Wales upon application by the company,

(b) the terms of appointment of the Independent Accountants within five Business Days after the identity of the Independent Accountants has been agreed (whether by each of the parties concerned or in accordance with article 26M (3)(a)), the terms of appointment shall be agreed with the Independent Accountants and the Independent Accountants shall be appointed for the purpose by any director acting as agent on behalf of each of the parties concerned,

and in the absence of all the parties concerned executing the terms of appointment agreed with the Independent Accountants within two Business Days after the Independent Accountants' terms of appointment have been agreed (whether by each of the parties concerned or in accordance with article 26M (3)(b)), any director may execute, complete and deliver the agreed terms of appointment as agent on behalf of each of the parties concerned that have not executed them and such terms of appointment, when executed by or on behalf of each of the parties concerned in accordance with this article 26M, shall be binding on the parties concerned

(4) The Auditors or, as the case may be, the Independent Accountants shall act as an expert and not as an arbitrator and their costs and expenses shall be borne as directed by the article in question or, if the article is silent on the point, as directed by the Auditors, or as the case may be, the Independent Accountants. In the absence of any such direction, such costs shall be borne equally between the parties concerned. The written certificate of the Auditors or, as the case may be, the Independent Accountants shall be conclusive and binding on the company and the shareholders (except in the case of fraud or manifest error)

Tag Along Rights

26N. - (1) No transfer of shares which would result, if made and registered, in any person and his or its Connected Persons or group of persons Acting in Concert obtaining a Controlling Interest, shall be made or registered unless

(a) an Approved Offer is made by the proposed transferee(s) ("**Buyer**") or, at the Buyer's written request, by the company as agent for the Buyer, and

(b) the Buyer complies in all respects with the terms of the Approved Offer at the time of completion of the sale and purchase of shares pursuant to it

(2) For the purposes of this article 26N and Article 26O

(a) **"Approved Offer"** means a bona fide offer in writing served on all shareholders (including the proposing transferor), offering to purchase all of the shares held by such shareholders (including any shares which may be allotted pursuant to the exercise or conversion of options, rights to subscribe for or securities convertible into shares in existence at the date of such offer) which

(i) is stipulated to be open for acceptance for at least 15 Business Days,

(ii) offers the same or equivalent consideration for each share (whether in cash, securities or otherwise in any combination) provided that a reduction, withholding or retention of consideration may be made to take account of tax payable or which might be payable by a shareholder or by his employing company in relation to the conversion of securities, the exercise of an option over shares and/or the disposal of shares shall not be construed as a failure to comply with the application of this paragraph,

(iii) includes an undertaking by or on behalf of the Buyer that no other consideration (whether in cash or otherwise) is to be received or receivable by any shareholder which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the shares to be sold by such shareholder and that neither the Buyer nor any person acting by agreement or understanding with it has, otherwise entered into more favourable terms or has agreed more favourable terms with any other shareholder for the purchase of shares,

(iv) includes provision for the payment of all arrears and accruals of dividend,

(v) is on the terms that the sale and purchase of the shares in respect of which the offer is accepted shall be completed at the same time

Drag Along Rights

26O.- (1) Whenever an Approved Offer is made, the holders of 50 per cent or more in nominal value of the shares shall have the right ("**Drag Along Right**") to require (in the manner set out in article 26O (2)) all of the other shareholders including persons who acquire shares following the making of the Approved Offer and/or after completion of the Approved Offer pursuant to the exercise of options or conversion of securities ("**Other Shareholders**") to accept the Approved Offer in full

(2) The Drag Along Right may be exercised by the service of notice ("**Drag Along Notice**") to that effect on the Other Shareholders at the same time as, or within five Business Days following the making of the Approved Offer (or, if later, within five Business Days following the acquisition by the relevant Other Shareholder of any shares) A Drag Along Notice shall specify

(a) the identity of the Buyer,

(b) the consideration for which the shares are to be transferred, and

(c) the proposed date of transfer (being a date not less than three days from the date of the Drag Along Notice)

and shall be accompanied by all documents required to be executed by the Other Shareholders to give effect to the relevant transfer

(3) On the exercise of the Drag Along Right, each of the Other Shareholders shall be bound to accept the Approved Offer in respect of its entire holding of shares and to comply with the obligations assumed by virtue of such acceptance

(4) If any of the Other Shareholders fails to accept the Approved Offer or, having accepted such offer, fails to complete the sale of any of its shares pursuant to the Approved Offer, or otherwise fails to take any action required of it under the terms of the Approved Offer, any person so authorised by the directors may accept the offer as agent on behalf of the Other Shareholder in question, or undertake any action required under the terms of the Approved Offer as agent for and on behalf of the Other Shareholder in question. In particular, such person may execute and complete on that Other Shareholder's behalf the necessary instrument(s) of transfer and any other documents required or desirable to give effect to the sale, and against

(a) receipt by the company of the consideration payable for the relevant shares (to be held on trust for such Other Shareholder without interest) (such receipt being a good discharge to the Buyer, who shall not be bound to see to the application of it),

(b) compliance by the Buyer and, where relevant, the company with all other terms of the Approved Offer,

deliver such instrument(s) of transfer (and any other documents) to the Buyer (or its nominee). The directors shall then (notwithstanding the failure) authorise the registration of the transfer(s) and of the Buyer (or its nominee) as the holder of the shares so transferred once appropriate stamp duty (if any) has been paid. After registration, the title of the Buyer (or its nominee) as registered holder of such shares shall not be affected by any irregularity in, or invalidity, of such proceedings, which shall not be questioned by any person. The Other Shareholder shall in such a case be bound to deliver, up its certificate (or an indemnity in a form reasonably satisfactory to the directors for any lost certificates) for its shares to the company whereupon the Other Shareholder shall be entitled to receive the consideration for such shares.

(5) Where the consideration payable for the relevant shares is the issue of shares and/or other securities, such Other Shareholder shall be deemed to have authorised the company to accept the allotment of such shares and/or other securities on his behalf and on completion of the transfer (duly stamped, if appropriate) the Buyer shall register such Other Shareholder as the holder of the relevant shares and/or such other securities.

Transmission of shares

27. - (1) If title to a share passes to a transferee, the company may only recognise the transferee as having any title to that share.

(2) A transferee 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.

(3) But transferees 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 transferees' rights

28. - (1) Transferees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.

- (2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it
- (3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred

Transmittees bound by prior notices

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

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
- (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
 - (3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights
 - (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
 - (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
 - (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
 - (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
- (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

(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

(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)

(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

(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

(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

(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

(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

(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

(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

(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

(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

(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—

(a) the directors present, or

(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

(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

(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

(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

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

(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

(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

(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

(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

(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

(3) A demand for a poll may be withdrawn if—

(a) the poll has not yet been taken, and

(b) the chairman of the meeting consents to the withdrawal

(4) 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

- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes
- (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
- (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
- (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
 - (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
 - (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
- (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
- (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

(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

(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

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

(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

(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

(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

(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

(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