

WINDERMERE HYDRO HOTEL LIMITED

COMPANY NO. 08450216

BOARD RESOLUTION

We the undersigned, being all Directors of the above Company, for the time being entitled to receive notice to attend and vote at Directors Meetings, hereby unanimously pass the following resolution,

RESOLVED:

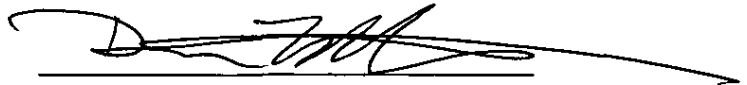
It is resolved that a new Articles of Association be adopted in substitution for, and to the exclusion of, the existing Articles of Association

Dated 20th March 2013

Signed by



Christine Adamson (Director)



Donald Fuller (Director)

THURSDAY



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06/02/2014

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COMPANIES HOUSE

Company Number: 8450216

WINDERMERE HYDRO HOTEL LIMITED

**ARTICLES OF ASSOCIATION
(adopted on 20th March 2013)**

**ARTICLES OF ASSOCIATION
OF
WINDERMERE HYDRO HOTEL LIMITED
("Company")**

Part 1: Preliminary and limitation of liability

1 Regulations and articles not to apply

No regulations or articles set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as the regulations or articles of the Company

2 Defined terms and interpretation

2 1 In these articles, unless the context requires otherwise

"Act"	means the Companies Act 2006 (as amended, varied or re-enacted from time to time),
"A Preferred Share"	means an A Preferred Share of £1 00 in the capital of the Company,
"A Preferred Shareholder"	means a person who is the holder of A Preferred Shares,
"articles"	means the Company's articles of association,
"bankruptcy"	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy,
"B Preferred Share"	means a B Preferred Share of £1 00 in the capital of the Company,
"B Preferred Shareholder"	means a person who is the holder of B Preferred Shares,
"chairman"	has the meaning given in article 13 2,
"chairman of the meeting"	has the meaning given in article 48 2,
"Companies Acts"	means every statute for the time being in force concerning companies (including any statutory instrument or other subordinate legislation made under any such statute), so far as it applies to the Company,
"C Preferred Share"	means a C Preferred Share of £1 00 in the capital of the Company,
"C Preferred Shareholder"	means a person who is the holder of C Preferred Shares,
"director"	means a director for the time being of the Company, and includes any person for the time being occupying the position of director, by whatever name called,

"distribution recipient"	has the meaning given in article 39 2,
"document"	includes, unless otherwise specified, any document sent or supplied in electronic form,
"electronic form" "electronic means"	and have the meanings given to them in section 1168 of the Act,
"eligible director"	means <ul style="list-style-type: none"> (a) in relation to a decision at a directors' meeting, a director who is to be counted as participating for quorum and voting purposes in the decision at the meeting, and (b) in relation to a directors' written resolution or a unanimous decision, a director who would have been counted as participating for quorum and voting purposes in the decision had the resolution or matter been proposed as a resolution at a directors' meeting,
"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,
"Group"	means the Company and its subsidiaries (as defined by section 1159 of the Act) from time to time and references to a "Member of the Group" or a "Group Member" will be construed accordingly,
"hard copy form"	has the meaning given in section 1168 of the Act,
"holder"	in relation to shares means the person whose name is entered in the register of members as the holder of the shares,
"instrument"	means a document in hard copy form
"Loan Notes"	means the loan notes with a maturity date in 2019 to be issued by the Company on or around the date of adoption of these Articles,
"non disclosable interest"	has the meaning given in article 19 1,
"ordinary resolution"	has the meaning given in section 282 of the Act,
"Ordinary Share"	means an Ordinary Share of £1 00 in the capital of the Company,
"Ordinary Shareholder"	means a person who is the holder of Ordinary Shares,
"paid"	means paid or credited as paid,

"participate"	in relation to a directors' meeting, has the meaning given in article 11,
"Preferred Shares"	means an A Preferred Share and/or a B Preferred Share and/or a C Preferred Share as the context requires,
"proxy notice"	has the meaning given in article 54 1,
"Shareholder"	means a person who is the holder of an A Preferred Share, B Preferred Share, a C Preferred Share or an Ordinary Share,
"Shares"	means A Preferred Shares, B Preferred Shares, C Preferred Shares or Ordinary Shares in the Company,
"special resolution"	has the meaning given in section 283 of the Act,
"subsidiary"	has the meaning given in section 1159 of the Act,
"transmittee"	means a person entitled to a share by reason of the death or bankruptcy of a Shareholder or otherwise by operation of law,
"working day"	has the meaning given in section 1173(1) of the Act, and
"writing" and "written"	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise

2 2 Unless the context requires otherwise, other words or expressions contained in these articles bear the same meaning as in the Act as in force on the date when these articles become binding on the Company

2 3 If, and for so long as, the Company has only one director, all references in these articles to "directors" (other than in those provisions which govern the decision making by directors and directors' interests) shall be construed as a reference to that sole director

2 4 References in these articles to the day on which a notice is given are to the day on which the notice is deemed received in accordance with article 63

2 5 References to numbered "articles" are references to numbered provisions in these articles

2 6 Headings in these articles are used for convenience only and shall not affect the meaning of these articles

3 **Liability of members**

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

Part 2: Officers

Directors' powers and responsibilities

4 **Directors' general authority**

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Subject to the articles, the directors are responsible for the management of the Company's business and/or investments, for which purpose they may exercise all the powers of the Company

5 Directors may delegate

5 1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles and which are not specifically reserved to the directors only to such person or committee, by such means (including by power of attorney), to such an extent, in relation to such matters or territories and on such terms and conditions, as they think fit

5 2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated

5 3 The directors may revoke any delegation in whole or part, or alter its terms and conditions

6 Committee

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 decision making by directors

6 2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them

Decision making by directors

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

7 1 1 a majority decision at a meeting in accordance with article 14,

7 1 2 a majority decision by a directors' written resolution adopted in accordance with article 8, or

7 1 3 a unanimous decision taken in accordance with article 9

7 2 If, and for so long as, the Company has only 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

8 Directors' written resolutions

8 1 Any director may propose a directors' written resolution and the company secretary (if any) must propose a directors' written resolution if a director so requests

8 2 Subject to article 8 3 a directors' written resolution is proposed by giving notice in writing of the proposed resolution to each director, unless the director is absent from the United Kingdom and has not given the Company an address to which such notices may be given by electronic means during his absence

8 3 Any director may waive his entitlement to notice of any proposed directors' written resolution, either prospectively or retrospectively, and any retrospective waiver shall not affect the validity of the directors' written resolution

8 4 A proposed directors' written resolution is adopted when a majority of the eligible directors have signed one or more copies of it, provided that those directors would have formed a quorum at a director's meeting had the resolution been proposed at such a meeting. Once a directors' written resolution has been adopted, it must be

treated as if it had been a decision at a directors' meeting in accordance with the articles

9 Unanimous decisions

9 1 A unanimous 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. Once a unanimous decision of the directors has been taken, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the articles

9 2 A decision may not be taken on a matter in accordance with this article if the eligible directors would not have formed a quorum at a directors' meeting had the matter been proposed as a resolution at such a meeting

10 Calling a directors' meeting

10 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

10 2 Notice of any directors' meeting must indicate

10 2 1 its proposed date and time,

10 2 2 where it is to take place, and

10 2 3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting

10 3 Subject to article 10 4, notice of a directors' meeting must be given to each director, unless the director is absent from the United Kingdom and has not given the Company an address to which such notices may be given by electronic means during his absence. Notice does not need to be in writing. A director who participates in a meeting shall be deemed to have received proper notice of the meeting

10 4 Any director may waive his entitlement to notice of any directors' meeting, either prospectively or retrospectively, and any retrospective waiver shall not affect the validity of the meeting or of any business conducted at it

11 Participation in directors' meetings

11 1 Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when

11 1 1 the meeting has been called and takes place in accordance with the articles, and

11 1 2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting

11 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

11 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

12 Quorum for directors' meetings

12 1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting

12 2 The quorum for directors' meetings is two directors

13 Chairing of directors' meetings

- 13 1 The directors may appoint a director to chair their meetings
- 13 2 The person so appointed for the time being is known as the chairman
- 13 3 The directors may terminate the chairman's appointment at any time
- 13 4 If the directors have not appointed a chairman, or if the chairman is not participating in a directors' meeting within 10 minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it

14 Voting at directors' meetings

- 14 1 A decision is taken at a directors' meeting by a majority of the votes of the eligible directors participating in the decision at the meeting
- 14 2 Subject to the articles, each director participating in a decision at a directors' meeting has one vote

15 Participating and voting when director interested

- 15 1 Subject to sections 177 and 182 of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way (whether directly or indirectly) interested in an existing or proposed transaction or arrangement with the Company
 - 15 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,
 - 15 1 2 shall be an eligible director for the purposes of any proposed decision of the directors (or a committee of directors) in respect of such contract or proposed contract in which he is interested,
 - 15 1 3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision of the directors, in respect of such contract or proposed contract in which he is interested,
 - 15 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 shall be entitled to remuneration for professional services as if he were not a director,
 - 15 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
 - 15 1 6 shall not, save as he may otherwise agree, be accountable to the Company 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 and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act
- 15 2 Articles 14(1) to 14(4) of the Model Articles shall not apply to the Company

16 Directors' discretion to make further rules

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

17 Records of directors' decisions to be kept

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

18 Directors' conflicts of interest

18 1 Provided that a director has declared the nature and extent of his interest (other than a non disclosable interest) to the other directors, he shall be authorised for the purposes of section 175 of the Act

18 1 1 to hold office as a director or other officer of, be employed or engaged by, hold Shares or other securities in, or otherwise be interested in, whether directly or indirectly, any group undertaking of the Company or any other undertaking in which the Company is otherwise (directly or indirectly) interested,

18 1 2 to participate in any scheme, transaction or arrangement for the benefit of employees or former employees of the Company or any group undertaking of the Company (including any pension fund or retirement, death or disability scheme or other bonus or employee benefit scheme),

18 1 3 to act as a trustee of any scheme for the benefit of employees or former employees of the Company or any group undertaking of the Company (including any pension, retirement, death or disability scheme or other bonus or employee benefit scheme),

18 1 4 to enter into, or otherwise be interested in, any transaction or arrangement in which the Company is (directly or indirectly) interested (other than a transaction or arrangement with the Company),

18 1 5 to be a party to any transaction or arrangement with any group undertaking of the Company or any other undertaking in which the Company is otherwise (directly or indirectly) interested

A "**non disclosable interest**" is an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest or one that the other directors are already aware of or ought reasonably to be aware of

18 2 The following provisions of this article apply to any authorisation of a matter by the directors for the purposes of section 175 of the Act

18 2 1 an authorisation may extend to any actual or potential conflict of interest (including a conflict of interest and duty and a conflict of duties) which may reasonably be expected to arise out of the matter so authorised,

18 2 2 an authorisation shall be subject to such conditions or limitations as the directors may determine, whether at the time such authorisation is given or subsequently, and may be terminated by the directors at any time, and

18 2 3 a director must comply with any obligations imposed on him by the directors pursuant to any authorisation

18 3 If a matter, office, employment, position, transaction or arrangement or interest has been authorised either pursuant to article 19 1 or by the directors in accordance with section 175 of the Act, then the director in question shall not be required to disclose to the Company any confidential information relating to such matter, office, employment, position, transaction or arrangement or interest, or to use such information in relation to the Company's affairs, if to do so would result in a breach of

a duty or obligation of confidence owed by him in relation to or in connection with that matter, office, employment, position, transaction or arrangement or interest

19 Accounting for profit when interested

19 1 Subject always to the obligation of the director to disclose his interest in proposed or existing transactions or arrangements with the Company in accordance with the Companies Acts

19 1 1 a director shall not be accountable to the Company for any profit, remuneration or other benefit which he (or a person connected with him as defined in section 252 of the Act) derives from or in connection with any interest (whether directly or indirectly) in any transaction or arrangement with the Company,

19 1 2 no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest, profit, remuneration or benefit, and

19 1 3 the receipt of any such profit, remuneration or other benefit shall not constitute a breach of his duty under section 176 of the Act

19 2 Subject always to the obligation of the director to disclose his interest in accordance with article 19 1 and to the terms on which any authorisation for the purposes of section 175 of the Act has been given

19 2 1 a director shall not be accountable to the Company for any profit, remuneration or other benefit which he (or a person connected with him as defined in section 252 of the Act) derives from or in connection with anything authorised pursuant to article 19 1 or by the directors for the purposes of section 175 of the Act,

19 2 2 no such thing authorised shall be liable to be avoided on the grounds of any such interest, profit, remuneration or benefit, and

19 2 3 the receipt of any such profit, remuneration or other benefit shall not constitute a breach of his duty under section 176 of the Act

Directors' terms of office

20 Methods of appointing directors

20 1 The holders of a majority in number of Shares may, from time to time, appoint one or more person as Directors from time to time

20 2 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

20 2 1 by ordinary resolution, which shall include holders of a majority of the Ordinary Shares voting in favour, or

20 2 2 by a decision of the directors

21 Termination of director's appointment

21 1 The holders of a majority in number of the Ordinary Shares may from time to time remove any Directors appointed in accordance with article 21 1

21 2 A person ceases to be a director as soon as

21 2 1 that person is removed as a director

21 2 2 by ordinary resolution, which shall include holders of a majority of the Ordinary Shares voting in favour, or

21 2 3 by notice in writing to the Company signed by (or, in the case of a corporation, signed on its behalf by a director or by a person authorised

by a decision of the directors or other governing body) the holder or holders of a majority in nominal value of the Ordinary Shares (and may consist of several documents in similar form each signed by or on behalf of one or more holders), such appointment to take effect when the notice is received by the Company or on such later date (if any) specified in the notice,

- 21 2 4 on termination of any director's contract for services with the Company provided that any such removal shall be without prejudice to any claim such director may have for breach of any contract of service between him and the Company,
- 21 2 5 that person ceases to be a director by virtue of any provision of the Act (including pursuant to section 168 of the Act) or is prohibited from being a director by law,
- 21 2 6 a bankruptcy order is made against that person,
- 21 2 7 a composition or arrangement is made with that person's creditors generally in satisfaction of that person's debts,
- 21 2 8 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,
- 21 2 9 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have, or
- 21 2 10 notice in writing is received by the Company from the director that he is resigning from office, and such resignation has taken effect in accordance with its terms

22 Directors' remuneration

22 1 Directors may undertake any services for the Company that the directors decide

22 2 Directors are entitled to such remuneration as the directors determine

22 2 1 for their services to the Company as directors, and

22 2 2 for any other service which they undertake for the Company

22.3 Subject to the articles, a director's remuneration may

22 3 1 take any form, and

22 3 2 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,

22 4 Unless the directors decide otherwise, directors' remuneration accrues from day to day

23 Directors' expenses

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

23 1 meetings of directors or committees of directors,

23 2 general meetings, or

- 23 3 separate meetings of the holders of any class of Shares or of debentures of the Company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company

Company Secretary

24 **Secretary's terms of office**

The directors may appoint any person who is willing to act to be the company secretary for such term and on such conditions as they think fit, and may remove any company secretary so appointed

Part 3: Shares and distributions

Shares

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

- 25 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

- 25 2 This does not apply to Shares taken on the formation of the company by the subscribers to the company's memorandum

26 **Issue of shares**

In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (within the meaning of section 560 of the Act) by the Company

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

The Share capital of the Company at the date of adoption of these Articles shall comprise A Preferred Shares, B Preferred Shares, C Preferred Shares and Ordinary Shares Subject to the articles, but without prejudice to the rights attached to any existing Shares, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution which shall include the holders of a majority of the A Preferred Shares, B Preferred Shares, C Preferred Shares and Ordinary Shares voting in favour

28 **Power to redeem the shares**

- 28 1 The Company may issue shares which are to be redeemed or are liable to redeemed at the option of Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares

- 28 2 With prejudice to the generality of article 29 1 any of the A Preferred Shares or B Preferred Shares may be redeemed at their nominal value by the Company on giving not less than 7 days written notice to the holder of such Shares

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

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

30 **Share certificates**

- 30 1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds

- 30 2 Every certificate must specify

30 2 1 in respect of how many Share, of what class, it is issued,

- 30 2 2 the nominal value of those Shares,
- 30 2 3 the amount paid up on them (including both the nominal value and any Share premium), and
- 30 2 4 any distinguishing numbers assigned to them (if any)
- 30 3 No certificate may be issued in respect of Shares of more than one class
- 30 4 If more than one person holds a Share, only one certificate may be issued in respect of it
- 30 5 Certificates must be executed in accordance with the Companies Acts
- 31 **Replacement share certificates**
- 31 1 If a certificate issued in respect of a Shareholder's Shares is
 - 31 1 1 damaged or defaced, or
 - 31 1 2 said to be lost, stolen or destroyed
 that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares
- 31 2 A Shareholder exercising the right to be issued with such a replacement certificate
 - 31 2 1 may at the same time exercise the right to be issued with a single certificate or separate certificates,
 - 31 2 2 must return the certificate which is to be replaced to the Company if it is damaged or defaced, and
 - 31 2 3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide
- 32 **Share transfers**
- 32 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 and (if any of the Shares are not fully paid) by and on behalf of the transferee
- 32 2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share
- 32 3 The Company may retain any instrument of transfer which is registered
- 32 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
- 32 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
- 32 6 Save in the case of a transfer of a Share
 - 32 6 1 by a beneficial owner to a person shown to the reasonable satisfaction of the Directors to be a nominee for such beneficial owner only, and by any such nominee to the beneficial owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the beneficial owner only, or
 - 32 6 2 in the case of Shares held by a pension scheme or other registered pension fund, to any beneficiary of that scheme or fund or to any replacement trustees or into the joint name of the existing and any new or additional trustees

it will be a condition of any transfer of Shares ("**Sale Shares**") that the Shares are first offered to the other existing holders of Shares of the class being transferred, on equivalent terms to those which it is proposed the Sale Shares are transferred, and such Sale Shares will be treated as offered among the holders of such class in proportion (as nearly as possible) to their existing holdings of Shares. The Directors shall determine the timing and mechanics for such pre-emptive offers and the conditions attached to any transfer where the transfer in question is not to a person who is not already a Shareholder

33 Transmission of shares

33 1 If title to a Share passes to a transmittee, the Company may only recognise the transmittee as having any title to that Share, but nothing in the articles releases the estate of a deceased Shareholder from any liability in respect of a Share solely or jointly held by that Shareholder

33 2 A transmittee who produces such evidence of entitlement to Shares as the directors may properly require

33 2 1 may, subject to the articles, choose either to become the holder of those Shares or to have them transferred to another person, and

33 2 2 subject to the articles, and pending any transfer of the Shares to another person, has the same rights as the holder had

33 3 But transmittees do not have the right to attend or vote at a general meeting, or to 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

34 Exercise of transmittees' rights

34 1 Transmittees who wish to become the holders of Shares to which they have become entitled must notify the Company in writing of that wish

34 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

34 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

35 Transmittees bound by prior notices

If a notice, document or other information is served on or sent or supplied to a Shareholder in respect of Shares and a transmittee is entitled to those Shares, the transmittee is bound by the notice, document or other information if it was served on or sent or supplied to the Shareholder before the transmittee's name, or the name of any person nominated under article 34 2 1, has been entered in the register of members

Dividends and other distributions

36 Procedure for declaring dividends and other distributions

36 1 The directors may declare and pay to holders of Shares, such dividends as the directors may determine

36 2 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

36 3 The directors may pay at intervals any dividend if it appears to them that the profits available for distribution justify the payment

37 Calculation of dividends and other distributions

All dividends must be declared and paid in proportions based on the amounts paid up on the nominal value of the Shares during any portion or portions of the period in respect of which the dividend is paid

38 Payment of dividends and other distributions

38 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

38 1 1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,

38 1 2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the Shares), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide,

38 1 3 sending by post a cheque made payable to such person, and sent to such person at such address, as the distribution recipient has specified either in writing or as the directors may otherwise decide, or

38 1 4 any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide

38 2 In the articles, the "**distribution recipient**" means, in respect of a Share in respect of which a dividend or other sum is payable

38 2 1 the holder of the Share, or

38 2 2 if the Share has two or more joint holders, whichever of them is named first in the register of members, or

38 2 3 if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

39 No interest on distributions

The Company may not pay interest on any distribution or other sum payable in respect of a Share

40 Unclaimed distributions

40 1 All distributions or other sums which are

40 1 1 payable in respect of Shares, and

40 1 2 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

40 2 The payment of any such distribution or other sum into a separate account does not make the Company a trustee in respect of it

40 3 If

40 3 1 12 years have passed from the date on which a distribution or other sum became due for payment, and

40 3 2 the distribution recipient has not claimed it

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

41 Waiver of distributions

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

41 1 the Share has more than one holder, or

41 2 more than one person is entitled to the Share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise

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

42 Return of capital

42 1 On a return of capital, whether on capital reduction or otherwise (including a purchase of own shares) any surplus assets of the Company remaining after the payment of its liabilities shall first be applied in paying up the issue price (together with all and any arrears of dividends, if any) on the A Preferred Shares and B Preferred Shares in priority to the Ordinary Shares and for this purpose as if the A Preferred Shares and B Preferred Shares were the same class

42 2 Where the surplus assets available for distribution to any particular class of share in accordance with article 43 1 is less than the total amount specified to be distributed to the class in that article, the available assets shall be distributed amongst the holders of shares of that class pro rata according to the number of shares of the relevant class held by each of them respectively

Part 4: Decision-making by shareholders

Written resolutions

43 Redemption of Preferred Shares

43 1 To the extent then outstanding the Company shall redeem all the Preferred Shares then in issue

43 1 1 on the sixth anniversary of the date of issue of any Preferred Share, or

43 1 2 immediately prior to the appointment of a receiver or manager or administrative receiver over all or any part of the undertaking or assets of the Company or the appointment of a liquidator or administrator over the Company

43 2 The Company may at any time redeem all or any (and if any then on a pro rata basis by class of Preferred Shares in issue) upon giving not less than 10 Business Days notice to the holder of the Preferred Shares

43 3 On redemption the Company shall pay on each Preferred Share redeemed an amount equal to the issue price of such Preferred Share

44 Written resolutions

A resolution of the Shareholders (or a class of Shareholders) may be passed as a written resolution in accordance with Chapter 2 of Part 13 of the Act

General Meetings

Organisation of General Meetings

45 Calling general meetings

- 45 1 The Directors or any Ordinary Shareholder or the holders of not less than 10% by nominal value of the A Preferred Shares or B Preferred Shares or C Preferred Shares may call a general meeting
- 45 2 A Shareholder present in person or by proxy at a general meeting shall be deemed to have received proper notice of the meeting and, if required, of the purposes for which it was called

46 Attendance and speaking at general meetings

- 46 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
- 46 2 A person is able to exercise the right to vote at a general meeting when
- 46 2 1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- 46 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
- 46 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
- 46 4 In determining attendance at a general meeting, it is immaterial whether any two or more Shareholders attending it are in the same place as each other
- 46 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

47 Quorum for general meetings

- 47 1 No business of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum
- 47 2 The quorum for a general meeting of the Company shall be ten A Preferred Shareholders, ten B Preferred Shareholders and one Ordinary Shareholder

48 Chairing general meetings

- 48 1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so
- 48 2 The person chairing a general meeting in accordance with this article is referred to as "**the chairman of the meeting**"

49 Attendance and speaking by directors and non shareholders

- 49 1 Directors may attend and speak at general meetings, whether or not they are Shareholders
- 49 2 The chairman of the meeting may permit other persons who are not
- 49 2 1 Shareholders or Shareholders of the Company, or
- 49 2 2 otherwise entitled to exercise the rights of Shareholders in relation to general meetings

to attend and speak at a general meeting

50 Adjournment

- 50 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. If at such an adjourned meeting the persons attending within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during such an adjourned meeting a quorum ceases to be present, the meeting shall be dissolved.
- 50 2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if
- 50 2 1 the meeting consents to an adjournment, or
- 50 2 2 it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 50 3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 50 4 When adjourning a general meeting, the chairman of the meeting must
- 50 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
- 50 4 2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 50 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 seven clear days' notice of it (that is, excluding the day on which the notice is given and the day of the adjourned meeting)
- 50 5 1 to the same persons to whom notice of the Company's general meetings is required to be given, and
- 50 5 2 in the same manner in which such notice is required to be given and containing the same information which such notice is required to contain.
- 50 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

51 Voting: general

- 51 1 Subject to article 49 2 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.
- 52 Subject to the articles, each Shareholder participating in a general meeting has one vote. Each Shareholders vote when cast shall constitute an equal proportion of the balance of votes available.

53 Errors and disputes

- 53 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.

53 2 Any such objection must be referred to the chairman of the meeting, whose decision is final

54 Poll votes

54 1 A poll on a resolution may be demanded

54 1 1 in advance of the general meeting where it is to be put to the vote, or

54 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

54 2 A poll may be demanded by

54 2 1 the chairman of the meeting,

54 2 2 the directors,

54 2 3 two or more persons having the right to vote on the resolution,

54 2 4 a person or persons representing not less than 10 per cent of the total voting rights of all the Shareholders having the right to vote on the resolution, or

54 2 5 a person or persons who hold (or are representing a holder or holders of) Shares conferring a right to vote on the resolution, being Shares on which an aggregate sum has been paid up equal to not less than 10 per cent of the total sum paid up on all the Shares conferring the right to vote on the resolution

54 3 A demand for a poll may be withdrawn if

54 3 1 the poll has not yet been taken, and

54 3 2 the chairman of the meeting consents to the withdrawal

A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made

54 4 Polls must be taken immediately and in such manner as the chairman of the meeting directs

55 Content of proxy notices

55 1 Proxies may only validly be appointed by a notice in writing ("**proxy notice**") which

55 1 1 states the name and address of the Shareholder appointing the proxy,

55 1 2 identifies the person appointed to be that Shareholder's proxy and the general meeting or adjourned meeting in relation to which that person is appointed,

55 1 3 is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the directors may otherwise determine,

55 1 4 is delivered to the Company in accordance with the articles and any instructions contained in the notice of the general meeting or adjourned meeting to which it relates, and

55 1 5 is received by the Company no later than 48 hours (excluding any part of a day that is not a working day) before the time appointed for the commencement of the general meeting or adjourned meeting to which the proxy relates or such later time as the directors may determine

55 2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes

55 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

55 4 Unless a proxy notice indicates otherwise, it must be treated as

55 4 1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

55 4 2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself

56 **Delivery of proxy notices**

56 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. However, if that person votes at the meeting or adjourned meeting on a resolution, then as regards that resolution any proxy notice delivered to the Company by or on behalf of that person shall

56 1 1 on a show of hands, be invalid,

56 1 2 on a poll, be invalid to the extent that such person votes in respect of the Shares to which the proxy notice relates

56 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

56 3 A notice revoking a proxy appointment only takes effect if it is received by the Company before the commencement of the meeting or adjourned meeting to which it relates

56 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

56 5 When two or more valid but different proxy notices are received in respect of the same Share for use at the same meeting or adjourned meeting, the one which is last validly received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other(s) as regards that Share. If the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that Share

57 **Corporate representatives**

Where a Shareholder that is a corporation has authorised a representative or representatives to act on its behalf at a general meeting in accordance with section 323 of the Act

57 1 a director or the company secretary (if any) may require any such representative to produce a certified copy of such authority before such representative is entitled to exercise any power on behalf of the corporation which he represents, and

57 2 a vote given or poll demanded by such representative at a general meeting or adjourned meeting shall be valid even though his authority has previously terminated unless notice in writing of the termination was received by the Company before the commencement of that meeting

58 **Amendments to resolutions**

58 1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if

- 58 1 1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
- 58 1 2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution
- 58 2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if
 - 58 2 1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - 58 2 2 the amendment does not go beyond what is necessary to correct a grammatical or other non substantive error in the resolution
- 58 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
- 59 Variation of Share Rights**
 - 59 1 The rights attached to the Shares may, in each case, be altered or abrogated (whether or not the Company is being wound up) only with the prior consent of the holders of the issued Shares of that class given in accordance with Article 56 2
 - 59 2 The consent of the holders of a class of Shares may be given by
 - 59 2 1 a special resolution passed at a separate general meeting of the holders of that class,
 - 59 2 2 a written resolution in any form signed by or on behalf of the holders of not less than 75 percent in nominal value of the issued Shares of that class
 - 59 3 Without prejudice to the general effect of Article 57 1, the following will be deemed to constitute a variation of the rights attached to the Shares
 - 59 3 1 any variation of the rights attaching to the Shares,
 - 59 3 2 the payment of any distribution or return of a capital nature to any Shareholder or Shareholder other than in accordance with these articles,
 - 59 3 3 any variation of the authorised or issued capital of the Company,
 - 59 3 4 the taking of any steps to wind up or dissolve the Company

Part 5: Administrative arrangements

60 Form of notice

Any notice or other document to be given pursuant to the articles (other than a notice calling a meeting of the directors) must be in writing

61 Notices to the Company

Any notice, document or other information may be served on or sent or supplied to the Company by anyone

- 61 1 by sending it through the post in a prepaid envelope addressed to the Company or any officer of the Company at its registered office or such other place in the United Kingdom as may from time to time be specified by the Company for that purpose,

- 61 2 by delivering it by hand to or leaving it at its registered office or such other place in the United Kingdom as may from time to time be specified by the Company for that purpose in an envelope addressed to the Company or any officer of the Company,
- 61 3 by sending or supplying it by electronic means to an address specified by the Company from time to time for that purpose, or
- 61 4 by any other means authorised in writing by the Company

62 Notices to shareholders and transmitters

62 1 Any notice, document or other information may be served on or sent or supplied to any Shareholder

- 62 1 1 personally,
- 62 1 2 by sending it through the post in a prepaid envelope addressed to the Shareholder at his registered address,
- 62 1 3 by delivering it by hand to or leaving it at that address in an envelope addressed to the Shareholder,
- 62 1 4 by sending or supplying it by electronic means to an address notified by the Shareholder to the Company from time to time for that purpose, or
- 62 1 5 by any other means authorised in writing by the relevant Shareholder

62 2 Nothing in article 60 1 shall affect any provision of the Act requiring offers, notices or documents to be served on or sent or supplied to a Shareholder in a particular way

62 3 In the case of joint holders of a Shares

- 62 3 1 all notices, documents or other information shall be served on or sent or supplied to the person named first in the register in respect of the joint holding, and notice so given shall be sufficient notice to all joint holders, and
- 62 3 2 any request for consent to the receipt of communications in electronic form shall be sent or supplied to the person named first in the register in respect of the joint holding, and any express consent given by such holder to the receipt of communications in such manner shall bind all joint holders

62 4 Notices, documents or other information to be served on or sent or supplied to a transmittee may be served on or sent or supplied to him by name, or by the title of the representative of the deceased or trustee of the bankrupt (or by any like description), at an address supplied for the purpose by him Articles 61 1 and 63 shall apply to any notice, document or information so served, sent or supplied as if references in those articles to

- 62 4 1 "Shareholder" are to the transmittee, and
- 62 4 2 a Shareholder's "registered address" or "address" are to the address so supplied

This article 61 4 is without prejudice to paragraph 17 of Schedule 5 to the Act

63 Notices to directors

Any notice, document or other information may be served on or sent or supplied to a director by the Company or by any other director or the company secretary (if any)

- 63 1 personally,
- 63 2 (other than a notice of a proposed directors' written resolution) by word of mouth,

- 63 3 by sending it through the post in a prepaid envelope addressed to the director at his registered address or such other postal address as may from time to time be specified by him for that purpose,
- 63 4 by delivering it by hand to or leaving it at that address in an envelope addressed to him,
- 63 5 by sending or supplying it by electronic means to an address specified from time to time by the director for that purpose, or
- 63 6 by any other means authorised in writing by the director

64 Service of notices on shareholder or directors

Any notice, document or other information (other than any notice, document or other information given to the Company including, for the avoidance of doubt, the appointment of a proxy)

- 64 1 addressed to a Shareholder or a director in the manner prescribed by the articles shall, if sent by post (whether in hard copy or electronic form), be deemed to have been received

- 64 1 1 (if prepaid as first class) 24 hours after it was posted,

- 64 1 2 (if prepaid as second class) 48 hours after it was posted,

- 64 1 3 (if prepaid as airmail) 72 hours after it was posted

and, in proving such receipt, it shall be sufficient to prove that the envelope containing such notice, document or other information was properly addressed, prepaid and put in the post,

- 64 2 not sent by post, but addressed to a Shareholder or a director and delivered by hand to or left at an address in accordance with the articles, shall be deemed to have been received on the day it was so delivered or left,

- 64 3 served, sent or supplied to a Shareholder or a director by electronic means shall be deemed to have been received on the day it was sent, and, in proving such receipt, it shall be sufficient to show that such notice, document or information was properly addressed,

- 64 4 served, sent or supplied by any other means authorised in writing by the Shareholder or the director shall be deemed to have been received when the Company has carried out the action it has been authorised to take for that purpose

65 Company Seals

- 65 1 Any common seal may only be used by the authority of the directors

- 65 2 The directors may decide by what means and in what form any common seal is to be used

- 65 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

- 65 3 1 two directors,

- 65 3 2 one director and the company secretary (if any), or

- 65 3 3 one authorised person in the presence of a witness who attests the signature

- 65 4 For the purposes of this article, an authorised person is

- 65 4 1 any director of the Company,

- 65 4 2 the company secretary (if any), or

65 4 3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied

66 No right to inspect accounts and other records

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

67 Provision for employees on cessation of business

The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary

Director's indemnity and insurance

68 Directors' indemnity and insurance

To the extent permitted by the Acts, the Company may

68 1 indemnify any director of the Company or of any associated company against any liability,

68 2 purchase and maintain insurance against any liability for any director of the Company or of any associated company