

Company number: 08601938

THE COMPANIES ACT 2006

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

MK OILS LIMITED

WEDNESDAY



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PART 1 - PRELIMINARY, INTERPRETATION AND LIMITATION OF LIABILITY

1 PRELIMINARY

- 1.1 The model articles for private companies limited by shares contained in schedule 1 to the Companies (Model Articles) Regulations 2008 shall not apply to the company.

2 DEFINED TERMS

- 2.1 In the articles, unless the context requires otherwise:

"**appointor**" has the meaning given in article 24.1;

"**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;

"**business day**" means any day (other than a Saturday, Sunday or public holiday in England) on which clearing banks in the City of London are generally open for business;

"**call**" has the meaning given in article 35.1;

"**call notice**" has the meaning given in article 35.1;

"**call payment date**" has the meaning given in article 38.2.1;

"**capitalised sum**" has the meaning given in article 56.1.2;

"**chairman**" has the meaning given in article 13.2;

"**chairman of the meeting**" has the meaning given in article 59.3;

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

"**company's lien**" has the meaning given in article 33.1;

"**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 50.2;

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

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

"**eligible director**" means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not counted in respect of the particular matter);

"**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;

"instrument" means a document in hard copy form;

"lien enforcement notice" has the meaning given it in article 34;

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

"paid" means paid or credited as paid;

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

"persons entitled" has the meaning given in article 56.1.2;

"proxy notice" has the meaning given in article 65.1;

"relevant rate" has the meaning given in article 38.2.2;

"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;

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

"United Kingdom" means Great Britain and Northern Ireland; 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.

- 2.2 Unless the context otherwise requires, other words or expressions contained in the 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.

3 LIABILITY OF MEMBERS

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

PART 2 - DIRECTORS AND SECRETARY

DIRECTORS' POWERS AND RESPONSIBILITIES

4 DIRECTORS' GENERAL AUTHORITY

- 4.1 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.

5 SHAREHOLDERS' RESERVE POWER

- 5.1 The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- 5.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

6 DIRECTORS MAY DELEGATE

- 6.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:
- 6.1.1 to such person(s) or committee(s);
 - 6.1.2 by such means (including by power of attorney);
 - 6.1.3 to such an extent;
 - 6.1.4 in relation to such matters or territories; and
 - 6.1.5 on such terms and conditions,
as they think fit.
- 6.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 6.3 The directors may revoke any delegation of their powers in whole or part, or alter its terms and conditions.

7 COMMITTEES

- 7.1 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.

DECISION MAKING BY DIRECTORS

8 DIRECTORS TO TAKE DECISIONS COLLECTIVELY

- 8.1 The general rule about decision making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 9.
- 8.2 If:

- 8.2.1 the company only has one director for the time being; and
- 8.2.2 no provision of the articles requires it to have more than one director, the general rule does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the articles relating to directors' decision making.

9 UNANIMOUS DECISIONS

- 9.1 A decision of the directors is taken in accordance with this article 9 when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 9.2 Such a decision may take the form of a resolution in writing where each eligible director has signed one or more copies of it or to which each eligible director has otherwise indicated agreement in writing.
- 9.3 A decision may not be taken in accordance with this article 9 if the eligible directors would not have formed a quorum had the matter been proposed at a directors' 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 Notice of a directors' meeting must be given to each director (other than a director who is absent from the United Kingdom), but need not be in writing.
- 10.4 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.

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 Subject to article 12.3, the quorum for directors' meetings may be fixed from time to time by a decision of the directors and unless so fixed it is two save that if at any time there shall only be one director, the quorum shall be one.

12.3 For the purposes of any meeting (or part of a meeting) held pursuant to article 16 to authorise a director's conflict of interest, if there is only one director in office besides the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

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 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.

14 CASTING VOTE

- 14.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall have a casting vote.
- 14.2 Article 14.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the articles, the chairman or other director chairing the meeting is not an eligible director for the purposes of that meeting (or part of a meeting).

15 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 15.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Companies Act 2006 and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed contract, transaction or arrangement with the company:
- 15.1.1 may be a party to, or otherwise interested in, any contract, 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 committee of directors) in respect of such contract, transaction or arrangement 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, in respect of such contract, transaction or arrangement 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 contract, 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 Companies Act 2006)) 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 Companies Act 2006.

16 CONFLICTS OF INTEREST

- 16.1 The directors may, in accordance with the requirements set out in this article 16, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of the Companies Act 2006 to avoid conflicts of interest.
- 16.2 Any authorisation under this article 16 will be effective only if:
- 16.2.1 the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of the articles or in such other manner as the directors may determine;
- 16.2.2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question; and
- 16.2.3 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.
- 16.3 Any authorisation of a conflict of interest under this article 16 may (whether at the time of giving the authorisation or subsequently):
- 16.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
- 16.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine; and
- 16.3.3 be terminated or varied by the directors at any time (but no such termination or variation shall affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation).
- 16.4 In authorising a conflict of interest the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the conflict of interest otherwise than as a director of the company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:

- 16.4.1 disclose such information to the directors or to any director or other officer or employee of the company; or
- 16.4.2 use or apply any such information in performing his duties as a director, where to do so would amount to a breach of that confidence.
- 16.5 Where the directors authorise a conflict of interest they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the director:
- 16.5.1 is excluded from discussions (whether at meetings of directors or otherwise) related to the conflict of interest;
- 16.5.2 is not given any documents or other information relating to the conflict of interest; and
- 16.5.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the conflict of interest.
- 16.6 Where the directors authorise a conflict of interest:
- 16.6.1 the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the conflict of interest; and
- 16.6.2 the director will not infringe any duty he owes to the company by virtue of sections 171 to 177 of the Companies Act 2006 provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation.
- 16.7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a conflict of interest which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract, transaction or arrangement shall be liable to be avoided on such grounds.

17 RECORDS OF DECISIONS TO BE KEPT

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

18 DIRECTORS' DISCRETION TO MAKE FURTHER RULES

- 18.1 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

19 NUMBER OF DIRECTORS

- 19.1 Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum and the minimum number of directors shall be one.

20 METHODS OF APPOINTING DIRECTORS

- 20.1 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:
- 20.1.1 by ordinary resolution; or
- 20.1.2 by a decision of the directors,
- provided that the appointment does not cause the number of directors in office for the time being (excluding alternate directors who are not also directors) to exceed any maximum number fixed or otherwise detailed in accordance with the articles.
- 20.2 In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittes of the last shareholder to have died or have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person) who is willing to act and is permitted to do so to be a director.
- 20.3 For the purposes of article 20.2, 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.

21 TERMINATION OF DIRECTOR'S APPOINTMENT

- 21.1 A person ceases to be a director as soon as:
- 21.1.1 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;
- 21.1.2 a bankruptcy order is made against that person;
- 21.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 21.1.4 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;

- 21.1.5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
- 21.1.6 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.
- 21.2 A shareholder, or shareholders together, holding more than fifty per cent in nominal value of the issued share capital of the company may from time to time and at any time remove from office any director however appointed. Such removal shall be effected by an instrument signed by the relevant shareholder(s) or (if a company) representative(s) and shall take effect upon being served on the company at its registered office.

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.
- 22.5 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.

23 DIRECTORS' EXPENSES

- 23.1 The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:
 - 23.1.1 meetings of directors or committees of directors;
 - 23.1.2 general meetings; or

- 23.1.3 separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

ALTERNATE DIRECTORS

24 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

- 24.1 Any director ("**appointor**") may appoint as an alternate any other director, or any other person willing to act to:
- 24.1.1 exercise that director's powers; and
- 24.1.2 carry out that director's responsibilities,
- in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.
- 24.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.
- 24.3 The notice must:
- 24.3.1 identify the proposed alternate; and
- 24.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

25 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

- 25.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.
- 25.2 Except as the articles specify otherwise, alternate directors:
- 25.2.1 are deemed for all purposes to be directors;
- 25.2.2 are liable for their own acts and omissions;
- 25.2.3 are subject to the same restrictions as their appointors; and
- 25.2.4 are not deemed to be agents of or for their appointors,
- 25.2.5 and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, but it shall not be necessary to give notice of meetings to an alternate director who is absent from the United Kingdom.

- 25.3 A person who is an alternate director but not a director:
- 25.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
- 25.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
- 25.3.3 shall not be counted as more than one director for the purposes of articles 25.3.1 and 25.3.2.
- 25.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.
- 25.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

26 TERMINATION OF ALTERNATE DIRECTORSHIP

- 26.1 An alternate director's appointment as an alternate terminates:
- 26.1.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
- 26.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- 26.1.3 on the death of the alternate's appointor; or
- 26.1.4 when the alternate's appointor's appointment as a director terminates.

SECRETARY

27 SECRETARY

- 27.1 The directors may (but are not obliged to) appoint any person who is willing to act as the secretary of the company for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

PART 3 - SHARES AND DISTRIBUTIONS

SHARES

28 POWERS TO ISSUE DIFFERENT CLASSES OF SHARE

28.1 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.

28.2 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.

29 PRE-EMPTION RIGHTS

29.1 In accordance with section 567(1) of the Companies Act 2006, sections 561 and 562 of the Companies Act 2006 shall not apply to an allotment of equity securities (as defined in section 560(1) of the Companies Act 2006) made by the company.

29.2 Unless otherwise agreed by a written waiver signed by all of the shareholders or agreed by special resolution, if the company proposes to allot any equity securities, those equity securities shall not be allotted to any person unless the company has first offered them to all shareholders on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a pari passu and pro rata basis to the number of shares held by those holders (as nearly as possible without involving fractions).

29.3 The offer referred to in article 29.2:

29.3.1 shall be in writing, shall be open for acceptance for a period of 15 business days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and

29.3.2 may stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities ("Excess Securities") for which he wishes to subscribe.

29.4 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with article 29.2 shall be used for satisfying any requests for Excess Securities made pursuant to article 29.3. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of shares held by the applicants immediately before the offer was made to shareholders in accordance with article 29.2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders.

29.5 Subject to articles 29.2, 29.3 and 29.4, the directors are authorised, pursuant to section 550 Companies Act 2006, to exercise all the powers of the company to allot shares or to grant rights to subscribe for or to convert any security into shares.

30 COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS

30.1 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.

31 SHARE CERTIFICATES

31.1 Subject to articles 31.3 and 31.4, the company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

31.2 Every certificate must specify:

31.2.1 in respect of how many shares, of what class, it is issued;

31.2.2 the nominal value of those shares;

31.2.3 the amount paid up on those shares; and

31.2.4 any distinguishing numbers assigned to them.

31.3 No certificate may be issued in respect of shares of more than one class.

31.4 If more than one person holds a share, only one certificate may be issued in respect of it.

- 31.5 Certificates must:
- 31.5.1 have affixed to them the company's common seal; or
- 31.5.2 be otherwise executed in accordance with the Companies Acts.

32 REPLACEMENT SHARE CERTIFICATES

- 32.1 If a certificate issued in respect of a shareholder's shares is:
 - 32.1.1 damaged or defaced; or
 - 32.1.2 said to be lost, stolen or destroyed,that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- 32.2 A shareholder exercising the right to be issued with such a replacement certificate:
 - 32.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - 32.2.2 must return the certificate which is to be replaced to the company if it is damaged or defaced; and
 - 32.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

33 COMPANY'S LIEN OVER PARTLY OR NIL PAID SHARES

- 33.1 The company has a lien (the "**company's lien**") over every share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person(s)) to the company, whether payable immediately or at some time in the future.
- 33.2 The company's lien over a share:
 - 33.2.1 takes priority over any third party's interest in that share; and
 - 33.2.2 extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.
- 33.3 The directors may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part.

34 ENFORCEMENT OF THE COMPANY'S LIEN

- 34.1 Subject to the provisions of this article 34, if:

- 34.1.1 a lien enforcement notice has been given in respect of a share; and
- 34.1.2 the person to whom the notice was given has failed to comply with it, the company may sell that share in such manner as the directors decide.

- 34.2 A lien enforcement notice:
 - 34.2.1 may only be given in respect of a share which is subject to the company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
 - 34.2.2 must specify the share concerned;
 - 34.2.3 must require payment of the sum payable within 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) of the notice;
 - 34.2.4 must be addressed either to the holder of the share or to a transmittee of that holder; and
 - 34.2.5 must state the company's intention to sell the share if the notice is not complied with.

- 34.3 Where shares are sold under this article 34:
 - 34.3.1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
 - 34.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

- 34.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
 - 34.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice;
 - 34.4.2 second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation, or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the company's lien for any money payable (whether payable immediately or at some time in the future) as existed upon the shares before the sale in respect of all shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the lien enforcement notice.

- 34.5 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been sold to satisfy the company's lien on a specified date:
- 34.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
- 34.5.2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

35 CALL NOTICES

- 35.1 Subject to the articles and the terms on which shares are allotted, the directors may send a notice (a "**call notice**") to a shareholder requiring the shareholder to pay the company a specified sum of money (a "**call**") which is payable to the company at the date when the directors decide to send the call notice.
- 35.2 A call notice:
- 35.2.1 may not require a shareholder to pay a call which exceeds the total amount of his indebtedness or liability to the company;
- 35.2.2 must state when and how any call to which it relates it is to be paid; and
- 35.2.3 may permit or require the call to be paid by instalments.
- 35.3 A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent.
- 35.4 Before the company has received any call due under a call notice the directors may:
- 35.4.1 revoke it wholly or in part; or
- 35.4.2 specify a later time for payment than is specified in the notice,
by a further notice in writing to the shareholder in respect of whose shares the call is made.

36 LIABILITY TO PAY CALLS

- 36.1 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.
- 36.2 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.

- 36.3 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them:
- 36.3.1 to pay calls which are not the same; or
- 36.3.2 to pay calls at different times.

37 WHEN CALL NOTICE NEED NOT BE ISSUED

- 37.1 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the company in respect of that share:
- 37.1.1 on allotment;
- 37.1.2 on the occurrence of a particular event; or
- 37.1.3 on a date fixed by or in accordance with the terms of issue.
- 37.2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

38 FAILURE TO COMPLY WITH CALL NOTICE: AUTOMATIC CONSEQUENCES

- 38.1 If a person is liable to pay a call and fails to do so by the call payment date:
- 38.1.1 the directors may issue a notice of intended forfeiture to that person; and
- 38.1.2 until the call is paid, that person must pay the company interest on the call from the call payment date at the relevant rate.
- 38.2 For the purposes of this article 38:
- 38.2.1 the "**call payment date**" is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "**call payment date**" is that later date;
- 38.2.2 the "**relevant rate**" is:
- 38.2.2.1 the rate fixed by the terms on which the share in respect of which the call is due was allotted;
- 38.2.2.2 such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
- 38.2.2.3 if no rate is fixed in either of these ways, 5 per cent per annum.

38.3 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

38.4 The directors may waive any obligation to pay interest on a call wholly or in part.

39 NOTICE OF INTENDED FORFEITURE

39.1 A notice of intended forfeiture:

39.1.1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;

39.1.2 must be sent to the holder of that share or to a transmittee of that holder;

39.1.3 must require payment of the call and any accrued interest by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);

39.1.4 must state how the payment is to be made; and

39.1.5 must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

40 DIRECTORS' POWER TO FORFEIT SHARES

40.1 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

41 EFFECT OF FORFEITURE

41.1 Subject to the articles, the forfeiture of a share extinguishes:

41.1.1 all interests in that share, and all claims and demands against the company in respect of it; and

41.1.2 all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company.

41.2 Any share which is forfeited in accordance with the articles:

41.2.1 is deemed to have been forfeited when the directors decide that it is forfeited;

41.2.2 is deemed to be the property of the company; and

41.2.3 may be sold, re-allotted or otherwise disposed of as the directors think fit.

- 41.3 If a person's shares have been forfeited:
- 41.3.1 the company must send that person notice that forfeiture has occurred and record it in the register of members;
 - 41.3.2 that person ceases to be a shareholder in respect of those shares;
 - 41.3.3 that person must surrender the certificate for the shares forfeited to the company for cancellation;
 - 41.3.4 that person remains liable to the company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and
 - 41.3.5 the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
- 41.4 At any time before the company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.

42 PROCEDURE FOLLOWING FORFEITURE

- 42.1 If a forfeited share is to be disposed of by being transferred, the company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.
- 42.2 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date:
- 42.2.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
 - 42.2.2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.
- 42.3 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.

- 42.4 If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the company the proceeds of such sale, net of any commission, and excluding any amount which:
- 42.4.1 was, or would have become, payable; and
- 42.4.2 had not, when that share was forfeited, been paid by that person in respect of that share, but no interest is payable to such a person in respect of such proceeds and the company is not required to account for any money earned on them.

43 SURRENDER OF SHARES

- 43.1 A shareholder may surrender any share:
- 43.1.1 in respect of which the directors may issue a notice of intended forfeiture;
- 43.1.2 which the directors may forfeit; or
- 43.1.3 which has been forfeited.
- 43.2 The directors may accept the surrender of any such share.
- 43.3 The effect of surrender on a share is the same as the effect of forfeiture on that share.
- 43.4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

44 SHARE TRANSFERS

- 44.1 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.
- 44.2 No share shall be transferred without the prior written consent of all shareholders unless it is transferred pursuant to and in accordance with article 45 and the directors shall refuse to register any transfer of a share not made pursuant to and in accordance with article 45 unless it is a transfer to which all shareholders have consented in writing. Subject to article 44.3, the directors shall register any transfer made pursuant to and in accordance with article 45 or to which all shareholders have consented in writing.
- 44.3 The directors may, in their absolute discretion, decline to register any transfer of a share on which the company has a lien.

- 44.4 If the directors refuse to register a transfer of a share they shall within two months after the date on which the transfer was lodged with the company send to the transferee notice of the refusal, together with the reasons for such refusal.
- 44.5 No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
- 44.6 The company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

45 TRANSFER PROCEDURE

- 45.1 Any shareholder (a "Proposing Transferor") who desires to transfer any share shall give notice in writing (a "Transfer Notice") to the company that he desires to transfer the same, such notice specifying the sum which he fixes as the fair value price for each share and the number of shares which he wishes to transfer. A Transfer Notice (which expression shall include a Transfer Notice deemed to have been given pursuant to article 47.1) shall constitute the company as the Proposing Transferor's agent for the sale of the shares specified in the Transfer Notice to the other shareholders of the company. A Transfer Notice shall not be revocable except with the sanction of the directors.
- 45.2 Forthwith following the giving (or deemed giving pursuant to article 47.1) of a Transfer Notice, the shares the subject of the Transfer Notice (the "Sale Shares") shall be offered for sale by the company as agent for the Proposing Transferor (which expression includes a person deemed to have given a Transfer Notice pursuant to article 47.1) to the shareholders (other than the Proposing Transferor) pro rata as nearly as may be (and so that any shares not capable of being offered to shareholders in proportion to their existing holding without fractions shall be offered to such shareholders as the directors shall decide) in proportion to the respective numbers of shares held by them on the date (or deemed date) of service of the Transfer Notice. Such offer shall be made by notice in writing ("Offer Notice") specifying the number of Sale Shares offered to each shareholder ("Allocation"), the price per Sale Share as fixed as fair value by the Proposing Transferor (or, in the case of a deemed Transfer Notice pursuant to article 47.1, determined by the directors) and stating that an offeree may accept none, some or all of his Allocation and that if he accepts all of his Allocation he may also apply in writing no later than the Offer Lapse Date for any

number of the Sale Shares offered to other offerees but not accepted by them ("Unaccepted Shares") and that in the event of competition for them, any Unaccepted Shares shall be allocated among those offerees applying for them in proportion (as nearly as may be without involving fractions or increasing the number to be sold to any acceptor beyond that applied for by him) to the number of shares held by them respectively. The Offer Notice shall also specify that the offer is subject to the provisions of this article 45 including the right for any shareholder (other than the Proposing Transferor) to have the price per Sale Share fixed as provided for in article 45.3 and that the offer shall lapse 28 days after the date of service by the company of the Offer Notice or, if any shareholder exercises the right contained in article 45.3, 28 days after the date on which the company serves notice pursuant to article 45.7 (the "Offer Lapse Date").

- 45.3 Any shareholder (other than the Proposing Transferor) has the right, exercisable by notice in writing to the company served no later than fourteen days after service of the Offer Notice, to have the fair value price per Sale Share fixed by the auditors of the company (or, in the event of the auditors being unwilling or unable to so fix the price or there being no auditors, an independent firm of chartered accountants agreed upon by the Proposing Transferor and the directors or, in the absence of agreement, nominated for such purpose by the President of the Institute of Chartered Accountants of England and Wales (or his equivalent from time to time) on the request of either the Proposing Transferor or the directors) (the auditors or the independent firm of chartered accountants (as the case may be) being referred to in this article 45 as the "Valuer") in substitution for the price fixed as fair value by the Proposing Transferor (or, in the case of a deemed Transfer Notice pursuant to article 47.1, determined by the directors). In so fixing the price, the Valuer shall act as an expert and not as an arbitrator and shall fix the price per Sale Share at the figure which in their opinion represents fair value on a going concern basis as between a willing buyer and a willing seller contracting on arm's length terms and on the assumption that the Sale Shares are capable of transfer without restriction and in determining the Fair Value of each Sale Share the Valuer shall:
- 45.3.1 determine the sum which a willing purchaser would offer to a willing seller for the whole of the issued share capital of the company; and then
- 45.3.2 divide the resultant figure by the total number of issued shares in the capital of the company (assuming all options or other rights to call for the issue of or convert into shares (if any) have been exercised in full),

so that there shall be no addition or subtraction of any premium or discount arising in relation to the size of the holding the subject of the relevant transfer, or in relation to any restrictions on the transferability of the Sale Shares arising out of the provisions of the articles and provided further that the Valuer shall take into account in determining the appropriate figure for article 45.3.1 above any bona fide offer from any third party to purchase any shares in the capital of the company.

- 45.4 Forthwith upon any shareholder exercising the right contained in article 45.3 to have the price per Sale Share fixed by the Valuer, the company shall notify in writing the Proposing Transferor and each shareholder that such right has been exercised and that any acceptance of Sale Shares by a shareholder made prior to his being notified as provided below of the price per Sale Share as fixed by the Valuer shall be of no effect.
- 45.5 The fees and expenses of the Valuer in determining the price per Sale Share shall be borne by the company, unless it is unlawful for the company to bear such fees and expenses in which case they shall be borne as the Valuer shall direct or, in the absence of such direction, as to half by the Proposing Transferor and as to half (pro rata between them in proportion to the number of shares held by them) by those shareholders who exercised the right contained in article 45.3.
- 45.6 Should the price per Sale Share fixed by the Valuer be different from that fixed by the Proposing Transferor in the Transfer Notice (or, in the case of a deemed Transfer Notice pursuant to article 47.1, determined by the directors), then the price fixed by the Valuer shall be substituted for that fixed by the Proposing Transferor (or, in the case of a deemed Transfer Notice pursuant to article 47.1, determined by the directors) and shall apply to all Offer Notices dispatched by the company.
- 45.7 Forthwith following the Valuer so fixing the price, the company shall serve written notice on the Proposing Transferor and each shareholder stating the price so fixed by the Valuer, stating that such price so fixed is substituted for that specified by the Proposing Transferor in the Transfer Notice (or, in the case of a deemed Transfer Notice pursuant to article 47.1, determined by the directors), stating that the offer contained in the Offer Notice is now at that substituted price, stating that any acceptance of the offer contained in the Offer Notice made prior to such notification is of no effect, stating the day which is the Offer Lapse Date and stating that the shareholders have until the Offer Lapse Date to notify the company in writing of their

acceptance of some or all of the offer contained in the Offer Notice at the substituted price.

- 45.8 If, prior to the expiry of the Offer Lapse Date, offeree(s) agree in writing to purchase all (but not some only) of the Sale Shares, the company shall forthwith following the Offer Lapse Date give notice in writing to the Proposing Transferor and each accepting offeree (each such accepting offeree being a "Purchaser"), notifying such acceptances and specifying the number of Sale Shares allocated to each Purchaser and specifying the time and place (being not earlier than 28 days after the Offer Lapse Date) at which the sale and purchase of the Sale Shares is to be completed ("Completion"). If the total number of Sale Shares applied for is equal to the total number of Sale Shares each Purchaser shall be allocated the number of Sale Shares he applied for. If the total number of Sale Shares applied for is greater than the number of Sale Shares, each Purchaser shall be allocated his Allocation (or such lesser number of Sale Shares for which he has applied) and applications for Unaccepted Shares shall be allocated in accordance with the applications for them or, in the event of competition for them, among those Purchasers applying for Unaccepted Shares in such proportions as equal (as nearly as may be without involving fractions or increasing the number to be sold to any acceptor beyond that applied for by him) the proportions of all shares held by such Purchasers. At Completion each Purchaser shall be bound to purchase and to pay the sale price for each Sale Share allocated to him and the Proposing Transferor shall be bound upon payment of the sale price for the total number of Sale Shares to be sold to transfer the Sale Shares to the respective Purchasers with full title guarantee. If the Proposing Transferor shall fail or refuse to so transfer any Sale Share to be so sold, the company if so required by the relevant Purchaser(s) shall receive the purchase money on trust for the Proposing Transferor, such receipt by the company being a good discharge to the Purchaser(s) (who shall not be required to see to the application of such purchase money) and the directors may authorise some person to execute and deliver the transfer on behalf of the Proposing Transferor and enter the names of the Purchaser(s) in the register of members as the holders of such of the Sale Shares as shall have been transferred to them, following which the validity of such entry shall not be questioned by any person.
- 45.9 If the company does not find purchasers for all of the Sale Shares prior to the Offer Lapse Date or if the company does find purchasers for all of the Sale Shares but through no fault of the Proposing Transferor the purchase of all of the Sale Shares is not duly completed, then the Proposing Transferor shall at any time within six months

after the Offer Lapse Date be free to sell and transfer all (but not some only) of the Sale Shares to any person at a price which is no less than the price fixed in the Transfer Notice (or, if different, fixed by the Valuer), provided that such Sale Shares are transferred pursuant to a bona fide sale for the consideration stated in the transfer(s) without any deduction, rebate or allowance of any kind to the purchaser.

46 TRANSMISSION OF SHARES

- 46.1 If a shareholder dies the survivor or survivors where he was a joint holder and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the company as having any title to his interest; but nothing herein contained shall release the estate of a deceased shareholder from any liability in respect of any share which had been jointly held by him.

47 TRANSFER ON BANKRUPTCY OR LIQUIDATION

- 47.1 A person entitled to any shares in consequence of the bankruptcy or liquidation of a shareholder shall be bound at any time, if and when required in writing by the directors so to do, to give a Transfer Notice in respect of such shares provided that in any case where the directors have duly required such a Transfer Notice to be given in respect of any shares and such transfer notice is not duly served within such period (being not less than 30 days) as the directors have specified therein such Transfer Notice shall be deemed to have been given on such date after the expiration of the said period as the directors shall determine and the directors shall determine a price per share and that price shall be deemed to be the price fixed by the person entitled to the shares in consequence of the bankruptcy or liquidation for the purpose of the deemed Transfer Notice.

DIVIDENDS AND OTHER DISTRIBUTIONS

48 PROCEDURE FOR DECLARING DIVIDENDS

- 48.1 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 48.2 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.
- 48.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

- 48.4 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.
- 48.5 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.
- 48.6 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.
- 48.7 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.

49 CALCULATION OF DIVIDENDS

- 49.1 Except as otherwise provided by the articles or the rights attached to shares, all dividends must be:
- 49.1.1 declared and paid accordingly to the amounts paid up on the shares on which the dividend is paid; and
- 49.1.2 apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
- 49.2 If any share is issued on terms that it ranks for a dividend as from a particular date, that share ranks for dividend accordingly.
- 49.3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

50 PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS

- 50.1 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:
- 50.1.1 transfer to a bank or building society account specified by the distribution recipient in writing;
- 50.1.2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is

- a holder of the share), or (in any other case) to an address specified by the distribution recipient in writing;
- 50.1.3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified in writing; or
- 50.1.4 any other means of payment as the directors agree with the distribution recipient in writing.

- 50.2 In the articles, the "**distribution recipient**" means, in respect of a share in respect of which a dividend or other sum is payable:
- 50.2.1 the holder of the share; or
- 50.2.2 if the share has two or more joint holders, whichever of them is named first in the register of members; or
- 50.2.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

51 DEDUCTIONS FROM DISTRIBUTIONS IN RESPECT OF SUMS OWED TO THE COMPANY

- 51.1 If:
- 51.1.1 a share is subject to the company's lien; and
- 51.1.2 the directors are entitled to issue a lien enforcement notice in respect of it the directors may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the company in respect of that share to the extent that they are entitled to require payment under a lien enforcement notice.
- 51.2 Money deducted under article 51.1 must be used to pay any of the sums payable in respect of the share. The company must notify the distribution recipient in writing of:
- 51.2.1 the fact and amount of any such deduction;
- 51.2.2 any non-payment of a dividend or other sum payable in respect of a share resulting in any such deductions; and
- 51.2.3 how the money deducted has been applied.

52 NO INTEREST ON DISTRIBUTIONS

- 52.1 The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:
- 52.1.1 the terms on which the share was issued; or

- 52.1.2 the provisions of another agreement between the holder of that share and the company.

53 UNCLAIMED DISTRIBUTIONS

- 53.1 All dividends or other sums which are:
- 53.1.1 payable in respect of shares; and
- 53.1.2 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.
- 53.2 The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.
- 53.3 If:
- 53.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment; and
- 53.3.2 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.

54 NON-CASH DISTRIBUTIONS

- 54.1 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).
- 54.2 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:
- 54.2.1 fixing the value of any assets;
- 54.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- 54.2.3 vesting any assets in trustees.

55 WAIVER OF DISTRIBUTIONS

- 55.1 Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if:
- 55.1.1 the share has more than one holder; or

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

CAPITALISATION OF PROFITS

56 AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS

- 56.1 Subject to the articles, the directors may, if they are so authorised by an ordinary resolution:
- 56.1.1 decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
- 56.1.2 appropriate any sum which they so decide to capitalise (a "**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (the "**persons entitled**") and in the same proportions.
- 56.2 Capitalised sums must be applied:
- 56.2.1 on behalf of the persons entitled; and
- 56.2.2 in the same proportions as a dividend would have been distributed to them.
- 56.3 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.
- 56.4 A capitalised sum which was appropriated from profits available for distribution may be applied:
- 56.4.1 in or towards paying up any amounts unpaid on existing shares held by the persons entitled to them; or
- 56.4.2 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.
- 56.5 Subject to the articles the directors may:
- 56.5.1 apply capitalised sums in accordance with articles 56.3 and 56.4 partly in one way and partly in another;

- 56.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article 56 (including the issuing of fractional certificates or the making of cash payments); and
- 56.5.3 authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article 56.

PART 4 - DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

57 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

- 57.1 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.
- 57.2 A person is able to exercise the right to vote at a general meeting when:
- 57.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- 57.2.2 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.
- 57.3 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.
- 57.4 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.
- 57.5 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.

58 QUORUM FOR GENERAL MEETINGS

- 58.1 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.

58.2 If the company only has one member, one qualifying person present at a meeting is a quorum.

58.3 In any other case, two qualifying persons entitled to vote upon the business and together holding at least fifty per cent in nominal value of the shares of the company in issue are a quorum, unless:

58.3.1 each is a qualifying person only because he is authorised under section 323 of the Companies Act 2006 to act as the representative of a corporation in relation to the meeting, and they are representatives of the same corporation; or

58.3.2 each is a qualifying person only because he is appointed as proxy of a member in relation to the meeting, and they are proxies of the same member.

59 CHAIRING GENERAL MEETINGS

59.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

59.2 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:

59.2.1 the directors present; or

59.2.2 (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.

59.3 The person chairing a meeting in accordance with this article 59 is referred to as the "**chairman of the meeting**".

60 ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS

60.1 Directors may attend and speak at general meetings, whether or not they are shareholders.

60.2 The chairman of the meeting may permit other persons who are not:

60.2.1 shareholders of the company; or

60.2.2 otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

61 ADJOURNMENT

- 61.1 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.
- 61.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:
- 61.2.1 the meeting consents to an adjournment; or
- 61.2.2 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.
- 61.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 61.4 When adjourning a general meeting, the chairman of the meeting must:
- 61.4.1 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
- 61.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 61.5 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):
- 61.5.1 to the same persons to whom notice of the company's general meetings is required to be given; and
- 61.5.2 containing the same information which such notice is required to contain.
- 61.6 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.
- 61.7 If at any adjourned meeting the persons attending it within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during the adjourned meeting a quorum ceases to be present, the adjourned meeting shall be dissolved.

VOTING AT GENERAL MEETINGS

62 VOTING: GENERAL

- 62.1 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.

63 ERRORS AND DISPUTES

- 63.1 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.
- 63.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

64 POLL VOTES

- 64.1 A poll on a resolution may be demanded:
- 64.1.1 in advance of the general meeting where it is to be put to the vote; or
 - 64.1.2 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.
- 64.2 A poll may be demanded by:
- 64.2.1 the chairman of the meeting;
 - 64.2.2 the directors;
 - 64.2.3 two or more persons having the right to vote on the resolution; or
 - 64.2.4 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.
- 64.3 A demand for a poll may be withdrawn if:
- 64.3.1 the poll has not yet been taken; and
 - 64.3.2 the chairman of the meeting consents to the withdrawal.
- 64.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

65 CONTENT OF PROXY NOTICES

- 65.1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:
- 65.1.1 states the name and address of the shareholder appointing the proxy;
 - 65.1.2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;

- 65.1.3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
- 65.1.4 is delivered to the company in accordance with the articles not less than 48 hours before the time appointed for holding the meeting (or adjourned meeting) at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate,
- 65.1.5 and a proxy notice which is not delivered in such a manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting.
- 65.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 65.3 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.
- 65.4 Unless a proxy notice indicates otherwise, it must be treated as:
- 65.4.1 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
- 65.4.2 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.
- 65.5 In calculating the period referred to in article 65.1.4 no account shall be taken of any part of a day that is not a working day.

66 DELIVERY OF PROXY NOTICES

- 66.1 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.
- 66.2 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.
- 66.3 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.

- 66.4 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.

67 AMENDMENTS TO RESOLUTIONS

- 67.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- 67.1.1 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
- 67.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 67.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
- 67.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
- 67.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 67.3 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.

68 NO VOTING OF SHARES ON WHICH MONEY OWED TO COMPANY

- 68.1 No voting rights attached to a share may be exercised at any general meeting (or any adjourned general meeting) unless all amounts payable to the company in respect of that share have been paid.

CLASS MEETINGS

69 CLASS MEETINGS

- 69.1 The provisions of the articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of share.

PART 5 - ADMINISTRATIVE ARRANGEMENTS

70 MEANS OF COMMUNICATION TO BE USED

- 70.1 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.
- 70.2 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.
- 70.3 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.

71 COMPANY SEAL AND EXECUTION OF DEEDS

- 71.1 If the company has a seal then it shall only be used on the authority of the directors or of a committee of directors authorised by the directors.
- 71.2 The directors may decide by what means and in what form any common seal is to be used and may determine who shall execute any instrument as a deed whether or not a seal is affixed to it and unless otherwise determined such an instrument shall be signed by at least one director in the presence of a witness who attests the signatures.

72 NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS

- 72.1 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.

73 PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS

- 73.1 The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of the company's 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

74 INDEMNITY

- 74.1 Subject to article 74.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 74.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:
- 74.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- 74.1.1.2 in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006), including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and
- 74.1.2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 74.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 74.2 This article 74 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.
- 74.3 In this article 74:
- 74.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- 74.3.2 a "**relevant officer**" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Companies Act 2006), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

75 INSURANCE

75.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

75.2 In this article 75:

75.2.1 a "**relevant officer**" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Companies Act 2006), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);

75.2.2 a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and

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