

New ~~Association~~
Articles

Articles of Association
of
Walworth Homes Limited
Private Company limited by Shares
Registered Company Number: 10044071
Incorporated on: 4 March 2016

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COMPANIES HOUSE

Private Company Limited by Shares

Articles of Association of Walworth Homes Limited (Company)

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

1 Defined terms and interpretation

1.1 In the Articles:

the Act	the Companies Act 2006;
address	has the meaning given in section 1148 of the Act;
the 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;
the Board	means the board of Directors of the Company;
Chair	has the meaning given in Article 11;
clear days	in respect of notice for a meeting, shall mean a period calculated excluding both the day on which any notice or communication is deemed to be received under these Articles and the date of the meeting;
Companies Acts	means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the Company;
Director	means a director of the Company, and includes any person occupying the position of director, by whatever name called and collectively known as the Directors ;
distribution recipient	has the meaning given in Article 33;
document	includes, unless otherwise specified, any document sent or supplied in electronic form;
electronic form	has the meaning given in section 1168 of the Act;
electronic means	has the meaning given in section 1168 of the Act;
eligible Director	has the meaning given in Article 7;
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;

general meeting	shall mean a general meeting of the Company's members called and held in accordance with these Articles;
group	means, in relation to a group company, the Company, the Parent, any subsidiary of the Company or of the Parent, any committee of the Parent, or any body of which the Parent is a subsidiary and any subsidiary of such body;
Group Board Member Remuneration Policy	means the policy on remuneration of directors and board members within the Group set or updated by the Group Parent (or an authorised committee of the Group Parent) from time to time;
Group Governance Framework	means the policies and procedures set by the Group Parent from time to time, including the Group Scheme of Delegations and the Group Financial Regulations;
Group Parent	means Notting Hill Genesis (or such other name as it may be known by from time to time), a registered society with registered number 7746, or any corporate body: (1) to whom the Parent transfers the whole of its engagements pursuant to the relevant provisions of the Co-operative and Community Benefit Societies Act 2014; or (2) formed as a result of an amalgamation, pursuant to the relevant provisions of the Co-operative and Community Benefit Societies Act 2014, of the Parent and one or more other corporate bodies;
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;
Ordinary Resolution	has the meaning given in section 282 of the Act;
members	means the holders of Shares;
paid	means paid or credited as paid;
Parent	means Notting Hill Commercial Properties Limited (or such other name as it may be known by from time to time), a company limited by shares registered in England Wales under the Companies Act 2006 with registered number 1523328;

participate	in relation to a Directors' meeting, has the meaning given in Article 9;
proxy notice	has the meaning given in Article 48.1;
relevant officer	means any person who is or was at any time a Director, secretary or other officer (except an auditor) of the Company or of any undertaking in the same group as the Company;
Shares	means 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 member or otherwise by operation of law; and
writing	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.2 The relevant model articles (within the meaning of section 20 of the Act) are excluded.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to a numbered **Article** is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless the context otherwise requires, other words or expressions contained in the Articles have the same meaning as in the Companies Acts as in force on the date when the Articles become binding on the Company.
- 1.6 Except where the contrary is stated or the context otherwise requires, any reference in the Articles to a statute or statutory provision includes any order, regulation, instrument or other subordinate legislation made under it for the time being in force, and any reference to a statute, statutory provision, order, regulation, instrument or other subordinate legislation includes any amendment, extension, consolidation, re-enactment or replacement of it for the time being in force.
- 1.7 Words importing the singular number only include the plural and vice versa. Words importing the masculine gender include the feminine and neuter gender. Words importing persons include corporations.

2 Liability of members

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

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

3 Directors' general authority

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.

4 Members' reserve power

4.1 Any or all powers of the Directors (or any of them) shall be restricted in such respects, to such extent and for such duration as the Parent [and/or the Group Parent] may from time to time by notice in writing to the Company prescribe.

4.2 No such restriction invalidates anything which the Directors have done before the date of the notice.

5 Directors may delegate

5.1 Where such delegation is in accordance with the Group Governance Framework and subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles:

5.1.1 to such person or committee (including committees of the Group Parent);

5.1.2 by such means (including by power of attorney);

5.1.3 to such an extent;

5.1.4 in relation to such matters; and

5.1.5 on such terms and conditions

as they think fit. The power to delegate shall be effective in relation to the powers, authorities and discretions of the Directors generally and shall not be limited by the fact that in certain Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the Directors or by a committee authorised by the Directors.

5.2 If the Directors so specify, and it is in accordance with the Group Governance Framework to do so, 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.

DECISION-MAKING BY DIRECTORS

6 Directors to take decisions collectively

6.1 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 7.

6.2 If—

6.2.1 the Company only has one Director for the time being, and

6.2.2 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.

7 Collective decisions

7.1 A decision of the Directors is taken in accordance with this Article when a simple majority of the eligible Directors indicate to each other by any means that they share a common view on a matter.

7.2 Such a decision may take the form of a resolution in writing signed by a simple majority of the eligible Directors (whether or not each signs the same document) or to which a simple majority of the eligible Directors have otherwise indicated agreement in writing (including by way of electronic means or electronic voting).

7.3 References in the Articles to **eligible Directors** are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting (but excluding any Director whose vote is not to be counted in respect of that particular matter).

7.4 A decision may not be taken in accordance with this Article if the eligible Directors would not have formed a quorum at such a meeting.

8 Calling a Directors' meeting

8.1 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.

8.2 Notice of any Directors' meeting must indicate:

8.2.1 its proposed date and time;

8.2.2 where it is to take place; and

8.2.3 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.

8.3 Notice of a Directors' meeting need not be in writing and must be given to each Director provided that, if a Director is absent (whether habitually or temporarily) from the United Kingdom, the Company has an address for sending or receiving documents or information by electronic means to or from that Director outside the United Kingdom.

8.4 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 seven 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.

9 Participation in Directors' meetings

- 9.1 Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when
- 9.1.1 the meeting has been called and takes place in accordance with the Articles, and
 - 9.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 9.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.
- 9.3 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.

10 Quorum for Directors' meetings

- 10.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 10.2 For the purposes of any meeting (or part of a meeting) held pursuant to Article 14 to authorise a Director's conflict, if there is only one eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one eligible Director.
- 10.3 The quorum for Directors' meetings is three.

11 Chairing of Directors' meetings

- 11.1 The Directors may appoint a Director to chair their meetings.
- 11.2 The person so appointed for the time being is known as the Chair.
- 11.3 The Directors may terminate the Chair's appointment at any time.
- 11.4 If no Director has been appointed Chair, or the Chair is unwilling to chair the meeting or 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.

12 Casting vote

- 12.1 If the numbers of votes for and against a proposal are equal, the Chair or other Director chairing the meeting shall have a casting vote.
- 12.2 But this does not apply if, in accordance with the Articles, the Chair or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes.

13 Directors' interests

Except to the extent that Article 14 applies or the terms of any authority given under that Article otherwise provide, and without prejudice to such disclosure as is required under the Act, a Director may be a party to, or otherwise interested in, any transaction or arrangement with the Company and shall be entitled to participate in the decision-making process for quorum and voting purposes on any resolution concerning a matter in which he has, directly

or indirectly, an interest or duty that conflicts or may conflict with the interests of the Company.

14 Directors' conflicts of interest

14.1 Subject to the provisions of the Act and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director may, notwithstanding his office or that, without the authorisation conferred by this Article 14.1, he would or might be in breach of his duty under the Act to avoid conflicts of interest,

14.1.1 be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any undertaking in the same group as the Company, or a party to any transaction or arrangement promoted by the Company or by any undertaking in the same group as the Company as it otherwise interested and no authorisation under Article 14.4, shall be required in respect of any such interest; and

14.1.2 notwithstanding any interest described in Article 14.1.1, vote and participate in any meeting of the Board or of any committee or sign any written resolution of the Board or committee or take any other action as a Board or committee member of the Company in relation to any contract or transaction with any entity described in Article 14.1.1.

14.2 No Director shall:

14.2.1 by reason of his office, be accountable to the Company for any benefit which he derives from any office or employment, or from any transaction or arrangement, or from any interest in any undertaking, that is authorised under Article 14.1 (and no such benefit shall constitute a breach of the duty under the Act not to accept benefits from third parties, and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit);

14.2.2 be in breach of his duties as a Director by reason only of his excluding himself from the receipt of information, or from participation in decision-making or discussion (whether at meetings of the Directors or otherwise), that will or may relate to any office, employment, transaction, arrangement or interest that is authorised under Article 14.1; or

14.2.3 be required to disclose to the Company, or use in relation to the Company's affairs, any confidential information obtained by him in connection with any office, employment, transaction, arrangement or interest that is authorised under Article 14.1 if his doing so would result in a breach of a duty or an obligation of confidence owed by him in that connection.

14.3 A general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

14.4 The Directors may, if the quorum and voting requirements set out below are satisfied, authorise any matter that would otherwise involve a Director breaching his duty under the Act to avoid conflicts of interest, and any Director (including the Director concerned) may propose that the Director concerned be authorised in relation to any matter the subject of such a conflict provided that:

14.4.1 such proposal and any authority given by the Directors shall be effected in the same way that any other matter may be proposed to and resolved upon by the Directors under the provisions of the Articles, except that the Director concerned and any other Director with a similar interest:

- (a) shall not be counted for quorum purposes as participating in the decision-making process while the conflict is under consideration;
- (b) may, if the other Directors so decide, be excluded from participating in the decision-making process while the conflict is under consideration; and
- (c) shall not vote on any resolution authorising the conflict except that, if any such Director does vote, the resolution will still be valid if it would have been agreed to if his votes had not been counted; and

14.4.2 where the Directors give authority in relation to such a conflict:

- (a) they may (whether at the time of giving the authority or at any time or times subsequently) impose such terms upon the Director concerned and any other Director with a similar interest as they may determine, including, without limitation, the exclusion of that Director and any other Director with a similar interest from the receipt of information, or participation in any decision-making or discussion (whether at meetings of the Directors or otherwise) related to the conflict;
- (b) the Director concerned and any other Director with a similar interest will be obliged to conduct himself in accordance with any terms imposed from time to time by the Directors in relation to the conflict but will not be in breach of his duties as a Director by reason of his doing so;
- (c) the authority may provide that, where the Director concerned and any other Director with a similar interest obtains information that is confidential to a third party, the Director will not be obliged to disclose that information to the Company, or to use the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;
- (d) the authority may also provide that the Director concerned or any other Director with a similar interest shall not be accountable to the Company for any benefit that he receives as a result of the conflict;
- (e) the receipt by the Director concerned or any other Director with a similar interest of any remuneration or benefit as a result of the conflict shall not constitute a breach of the duty under the Act not to accept benefits from third parties;
- (f) the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
- (g) the Directors may withdraw or vary such authority at any time.

14.5 Subject to Article 14.6, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chair, whose ruling in relation to any Director other than the Chair is to be final and conclusive.

- 14.6 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chair, the question is to be decided by a decision of the Directors at that meeting, for which purpose the Chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

15 Records of decisions to be kept

The Directors must ensure that the Company keeps a record for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors.

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.

APPOINTMENT OF DIRECTORS

17 Methods of appointing and removing Directors

- 17.1 The number of Directors may be fixed from time to time by a decision of the Group Parent and unless otherwise fixed shall not be subject to any maximum and shall not be less than one.
- 17.2 The Group Parent may at any time appoint, or remove, any person to be a Director.
- 17.3 Any such appointment or removal shall be effected by notice in writing to the Company by the relevant member or members. Any such appointment or removal shall take effect when it is delivered to the registered office of the Company or, if it is produced at a meeting of the Directors, when it is so produced or, if sent by electronic means to an address generally used by the Company, when it is sent. Any such removal shall be without prejudice to any claim that a Director may have under any contract between him and the Company.

18 Termination of Director's appointment

- 18.1 A person ceases to be a Director as soon as:
- 18.1.1 that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law;
 - 18.1.2 a bankruptcy order is made against that person;
 - 18.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 18.1.4 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;
 - 18.1.5 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;
 - 18.1.6 any contract under which the person serves as a Director terminates for any reason;

18.1.7 notification of the Director's removal is received by the Company from the Group Parent pursuant to Article 17.3; or

18.1.8 being an employee of the Company or any group member, their employment terminates; or

18.1.9 they are otherwise duly removed from office.

19 Directors' remuneration

19.1 Directors may undertake any services for the Company that the Directors decide.

19.2 Directors are entitled to such remuneration as the Group Parent determines through its Group Board Member Remuneration Policy in respect of:

19.2.1 their services to the Company as Directors, and

19.2.2 any other service which they undertake for the Company

20 Directors' expenses

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

20.1.1 meetings of Directors or committees of Directors, or

20.1.2 general meetings

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company. Allowable expenses are set out in the Group Board Member Remuneration Policy or Board Member Expenses Policy in place.

PART 3

SHARES AND DISTRIBUTIONS

SHARES

21 Further issues of Shares: authority

21.1 Subject to the remaining provisions of this Article 21 the Directors are generally and unconditionally authorised, for the purpose of section 551 of the Act, to exercise any power of the Company to:

21.1.1 offer or allot;

21.1.2 grant rights to subscribe for or to convert any security into; or

21.1.3 otherwise deal in, or dispose of,

any Shares to any undertaking in the same group as the Company, at any time and subject to any terms and conditions as the Directors think proper.

- 21.2 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.

22 All Shares to be fully paid up

- 22.1 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.
- 22.2 This does not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum.

23 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.

24 Exclusion of statutory pre-emption provisions

Sections 561 and 562 of the Act shall not apply to an allotment of equity securities made by the Company.

25 Fractional entitlements

- 25.1 Where there has been a consolidation or division of Shares and, as a result, members are entitled to fractions of Shares, the Directors may:
- 25.1.1 sell the Shares representing the fractions to any person including the Company for the best price reasonably obtainable;
 - 25.1.2 authorise any person to execute an instrument of transfer of the Shares to the purchaser or a person nominated by the purchaser; and
 - 25.1.3 distribute the net proceeds of sale in due proportion among the holders of the Shares.
- 25.2 Where any holder's entitlement to a portion of the proceeds of sale under Article 25.1 amounts to less than a minimum figure determined by the Directors, that member's portion may be retained for the benefit of the Company.
- 25.3 The person to whom the Shares are transferred pursuant to Article 25.1 is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions. The transferee's title to the Shares is not affected by any irregularity in or invalidity of the process leading to their sale.

26 Share certificates

- 26.1 The Company must issue each member, free of charge, with one or more certificates in respect of the Shares which that member holds.
- 26.2 Every certificate must specify:
- 26.2.1 in respect of how many Shares, of what class, it is issued;

- 26.2.2 the nominal value of those Shares;
- 26.2.3 the amount paid up on them; and
- 26.2.4 any distinguishing numbers assigned to them.
- 26.3 No certificate may be issued in respect of Shares of more than one class.
- 26.4 If more than one person holds a Share, only one certificate may be issued in respect of it.
- 26.5 Certificates must:
 - 26.5.1 have affixed to them the Company's common seal; or
 - 26.5.2 be otherwise executed in accordance with the Companies Acts.
- 26.6 The Directors may determine, either generally or in relation to any particular case, that any signature on any certificate need not be autographic but may be applied by some mechanical or other means, or printed on the certificate, or that certificates need not be signed.

27 Replacement Share certificates

- 27.1 If a certificate issued in respect of a member's Shares is:
 - 27.1.1 damaged or defaced, or
 - 27.1.2 said to be lost, stolen or destroyed,that member is entitled to be issued with a replacement certificate in respect of the same Shares.
- 27.2 A member exercising the right to be issued with such a replacement certificate:
 - 27.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - 27.2.2 must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
 - 27.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

28 Share transfers

- 28.1 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 the Shares are not fully paid, the transferee.
- 28.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share.
- 28.3 The Company may retain any instrument of transfer which is registered.
- 28.4 The transferor remains the holder of a Share until the transferee's name is entered in the register of members as holder of it.

- 28.5 The Directors, in their absolute discretion, may refuse to register the transfer of a Share, whether or not it is fully paid, and if they do so, they shall within two months after the date on which the transfer was lodged send the transferee the notice of refusal together with their reasons for refusal and, unless they suspect that the proposed transfer may be fraudulent, the instrument of transfer.

29 Exercise of Transmittees' rights

- 29.1 Transmittees who wish to become the holders of Shares to which they have become entitled must notify the Company in writing of that wish.
- 29.2 If the Transmitttee wishes to have a Share transferred to another person, the Transmitttee must execute an instrument of transfer in respect of it.
- 29.3 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 Transmitttee has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.

30 Transmitttees bound by prior notices

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

DIVIDENDS AND OTHER DISTRIBUTIONS

31 Procedure for declaring dividends

- 31.1 The Company may by Ordinary Resolution declare dividends, and the Directors may decide to pay interim dividends.
- 31.2 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.
- 31.3 No dividend may be declared or paid unless it is in accordance with members' respective rights.
- 31.4 Unless the members' 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 member's holding of Shares on the date of the resolution or decision to declare or pay it.
- 31.5 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.
- 31.6 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.
- 31.7 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.

32 Calculation of dividends

- 32.1 Except as otherwise provided by the Articles or the rights attached to Shares, all dividends must be:

- 32.1.1 declared and paid according to the amounts paid up on the Shares on which the dividend is paid; and
- 32.1.2 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.
- 32.2 If any Share is issued on terms providing that it ranks for dividend as from a particular date that Share ranks for dividend accordingly.
- 32.3 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.

33 Payment of dividends and other distributions

- 33.1 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:
 - 33.1.1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the Directors may otherwise decide;
 - 33.1.2 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 either in writing or as the Directors may otherwise decide;
 - 33.1.3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the Directors may otherwise decide; or
 - 33.1.4 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.
- 33.2 Dividends may be declared or paid in any currency and the Directors may agree with any distribution recipient that dividends which may at any time or from time to time be declared or become due on his Shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Company or any other person to bear the costs involved.
- 33.3 In the Articles, **the distribution recipient** means, in respect of a Share in respect of which a dividend or other sum is payable:
 - 33.3.1 the holder of the Share; or
 - 33.3.2 if the Share has two or more joint holders, whichever of them is named first in the register of members; or
 - 33.3.3 if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the Transmittree.

34 No interest on distributions

- 34.1 The Company may not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by:

34.1.1 the terms on which the Share was issued, or

34.1.2 the provisions of another agreement between the holder of that Share and the Company.

35 Non-cash distributions

35.1 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).

35.2 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:

35.2.1 fixing the value of any assets;

35.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

35.2.3 vesting any assets in trustees.

36 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.

CAPITALISATION OF PROFITS

37 Authority to capitalise and appropriation of capitalised sums

37.1 Subject to the Articles, the Directors may, if they are so authorised by an Ordinary Resolution:

37.1.1 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

37.1.2 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.

37.2 Capitalised sums must be applied:

37.2.1 on behalf of the persons entitled, and

37.2.2 in the same proportions as a dividend would have been distributed to them.

37.3 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.

37.4 A capitalised sum which was appropriated from profits available for distribution may be applied:

- 37.4.1 in or towards paying up any amounts unpaid on existing Shares held by the persons entitled; or
- 37.4.2 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.
- 37.5 Subject to the Articles the Directors may:
 - 37.5.1 apply capitalised sums in accordance with Articles 37.3 and 37.4 partly in one way and partly in another;
 - 37.5.2 make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments); and
 - 37.5.3 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.

PART 4

DECISION-MAKING BY MEMBERS

ORGANISATION OF GENERAL MEETINGS

38 Notice of general meetings

- 38.1 Subject to Article 38.2, all general meetings shall be held on at least fourteen clear days' written notice posted or delivered by hand or sent by electronic means to every member at the address given in the Share register. The notice shall state the time, date and place of the meeting, and the business for which it is convened.
- 38.2 Seventy-five per cent of the Company's members may agree, by consenting in writing or by confirming through electronic means, to a general meeting being held on shorter notice than required under Article 38.1
- 38.3 Every notice convening a general meeting shall notify members of their right to appoint proxies.
- 38.4 Notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the directors and to the auditors for the time being of the Company

39 Quorum for general meetings

- 39.1 No business other than the appointment of the Chair of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 39.2 The quorum shall be the Parent present in person, by proxy or by authorised representative.

40 Proceedings at general meetings where there is one member

- 40.1 If and for so long as the Company has only one member and that member takes any decision which is required to be taken in general meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in general meeting, subject as provided in Article 40.3 below.

40.2 Any decision taken by a sole member pursuant to Article 40.1 above shall be recorded in writing and delivered by that member to the Company for entry in the Company's minute book.

40.3 Resolutions under section 168 of the Act for the removal of a Director before the expiration of his/her period of office and under section 510 of the Act for the removal of an auditor before the expiration of his period of office shall only be considered by the Company in general meeting.

41 Attendance and speaking at general meetings

41.1 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.

41.2 A person is able to exercise the right to vote at a general meeting when—

41.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

41.2.2 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.

41.3 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.

41.4 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.

41.5 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.

42 Chairing general meetings

42.1 If the Directors have appointed a chair, the Chair shall chair general meetings if present and willing to do so.

42.2 If the Directors have not appointed a Chair, or if the Chair is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

42.2.1 the Directors present, or

42.2.2 (if no Directors are present), the meeting, must appoint a Director or member to chair the meeting, and the appointment of the Chair of the meeting must be the first business of the meeting.

42.3 The person chairing a meeting in accordance with this Article is referred to as "the Chair of the meeting".

43 Attendance and speaking by Directors and non-members

43.1 Directors may attend and speak at general meetings, whether or not they are members.

43.2 The Chair of the meeting may permit other persons who are not—

43.2.1 Members of the Company, or

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

44 Adjournment

44.1 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 Chair of the meeting must adjourn it.

44.2 The Chair of the meeting may adjourn a general meeting at which a quorum is present if—

44.2.1 the meeting consents to an adjournment, or

44.2.2 it appears to the Chair 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.

44.3 The Chair of the meeting must adjourn a general meeting if directed to do so by the meeting.

44.4 When adjourning a general meeting, the Chair of the meeting must—

44.4.1 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

44.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

44.5 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)—

44.5.1 to the same persons to whom notice of the Company's general meetings is required to be given, and

44.5.2 containing the same information which such notice is required to contain.

44.6 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

45 Voting: general

45.1 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. In any case where the same person is appointed proxy for more than one member he/she shall on a show of hands have as many votes as the number of members for whom he/she is proxy.

46 Errors and disputes

46.1 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.

46.2 Any such objection must be referred to the Chair of the meeting, whose decision is final.

47 Poll votes

47.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

47.2 A demand for a poll may be withdrawn if—

47.2.1 the poll has not yet been taken, and

47.2.2 the Chair of the meeting consents to the withdrawal;

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

47.4 Polls must be taken immediately and in such manner as the Chair of the meeting directs.

48 Content of proxy notices

48.1 Proxies may only validly be appointed by a notice in Writing (a "proxy notice") which—

48.1.1 states the name and address of the member appointing the proxy;

48.1.2 identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;

48.1.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the Directors may determine; and

48.1.4 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; and

48.1.5 a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting.

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

48.3 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.

48.4 Unless a proxy notice indicates otherwise, it must be treated as—

48.4.1 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

48.4.2 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.

49 Delivery of proxy notices

- 49.1 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.
- 49.2 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.
- 49.3 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.
- 49.4 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.

50 Amendments to resolutions

- 50.1 An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if—
 - 50.1.1 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 Chair of the meeting may determine), and
 - 50.1.2 the proposed amendment does not, in the reasonable opinion of the Chair of the meeting, materially alter the scope of the resolution.
- 50.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
 - 50.2.1 the Chair of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - 50.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
 - 50.2.3 If the Chair of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chair's error does not invalidate the vote on that resolution.

PART 5

ADMINISTRATIVE ARRANGEMENTS

51 Company seals

- 51.1 If a seal is in use, it may only be used by the authority of the Directors.
- 51.2 The Directors may decide by what means and in what form any common seal is to be used.

51.3 Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

51.4 For the purposes of this Article, an authorised person is:

51.4.1 any Director of the Company;

51.4.2 the Company secretary (if any); or

51.4.3 any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.

51.5 Any instrument signed:

51.5.1 by any one Director and the secretary or by two Directors; or

51.5.2 by one Director in the presence of a witness who attests his or her signature,

and expressed to be executed by the Company shall have the same effect as if executed under the seal.

52 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 member.

53 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 subsidiary (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.

54 Secretary

Subject to the Act, the company secretary of the Group Parent (or such alternative as is directed by the Group Parent) shall also be appointed as the company secretary of the Company.

PART 6 DIRECTORS' INDEMNITY AND INSURANCE

55 Indemnity

55.1 Subject to Article 55.2 (but without prejudice to any indemnity to which a relevant officer is otherwise entitled):

55.1.1 a relevant officer may be indemnified out of the Company's assets to whatever extent the Directors may determine against:

- (a) any liability incurred by that officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or any undertaking in the same group as the Company;

- (b) any liability incurred by that officer in connection with the activities of the Company, or any undertaking in the same group as the Company, in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act); and
- (c) any other liability incurred by that officer as an officer of the Company or of any undertaking in the same group as the Company; and

55.1.2 the Company may, to whatever extent the Directors may determine, provide funds to meet expenditure incurred or to be incurred by a relevant officer in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or any undertaking in the same group as the Company, or any investigation, or action proposed to be taken, by a regulatory authority in that connection, or for the purposes of an application for relief, or in order to enable the relevant officer to avoid incurring such expenditure.

55.2 This Article does not authorise any indemnity that would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

56 Insurance

56.1 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.

56.2 In this Article, a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that officer's duties or powers in relation to the Company, any undertaking in the same group as the Company or any pension fund or employees' share scheme of the Company or of any undertaking in the same group as the Company.