

THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

Of

GRYPHON GROUP HOLDINGS LIMITED

(10091788)

(Adopted by a special resolution passed on 31 August 2018)



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THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

GRYPHON GROUP HOLDINGS LIMITED (the "Company")

1. Preliminary

- 1.1 The articles constituting Schedule 1 to the Companies (Model Articles) Regulations 2008 (the "Model Articles") and attached hereto as an Annex apply to the Company except in so far as they are excluded or varied by these Articles. References herein to Model Articles are to articles in the said Model Articles unless otherwise stated.
- 1.2 Words and expressions defined in Part 1 of the Model Articles have the same meanings in these Articles where the context admits. References to the "Companies Act 2006" shall include any statutory modification or re-enactment thereof for the time being in force.
- 1.3 Model Articles 4, 8(2), 8(3), 10(3), 11(2), 14, 17(1)(a), 17(2), 21(1), 24(2)(c), 36(4), 45(1)(d), 52 and 53 do not apply to the Company.
- 1.4 The Company is a private company and no shares or debentures of the Company may be offered to the public.

2. Share Capital

- 2.1 Without prejudice to section 550 of the Companies Act 2006, any offer or agreement made by the directors in respect of any shares in the Company, which is made prior to the expiration of the directors' authority (to exercise any power of the Company to offer, allot or otherwise dispose of any shares in the Company (or grant any right to subscribe for shares or to convert any security into shares in the Company), to such persons, at such times and generally on such terms and conditions as they think proper (in so far as the Company by ordinary resolution has not varied, renewed or revoked the said authority)) and which is in all other respects within the terms of such authority, shall be authorised to be made, notwithstanding that such offer or agreement would or might require relevant shares to be allotted after the expiration of such authority and, accordingly, the directors may at any time allot any relevant shares in pursuance of such offer or agreement.

3. Further Issues of Shares: Pre-Emption Rights

- 3.1 If the Company proposes to issue or allot any equity securities (as defined in section 560(1) of the Companies Act 2006) at a certain price and on certain terms and those equity securities are accepted in their entirety by all existing shareholders of the Company on a pro rata basis to the number of shares held by those shareholders (as nearly as possible without involving fractions), the Company shall not be obliged to conduct any formal pre-emption offer in relation to those equity securities and accordingly pursuant to section 567(1) of the Companies Act 2006, sections 561 and 562 of the Companies Act 2006 shall not apply in such circumstances.

4. **Transfer of Shares**

4.1 Model Article 26 shall be amended by the insertion of:

- (a) the words "and, unless the share is fully paid, the transferee" at the end of Model Article 26(1); and
- (b) a new paragraph (6) which shall read as follows:

"(6) The Company must observe the applicable procedures in section 771 of the Companies Act 2006 in relation to any refusal to register the transfer of any share."

4.2 (a) Notwithstanding anything contained in these Articles the Directors (or Director if there is only one) of the Company may not decline to register any transfer of shares in the Company nor suspend registration of any shares in the Company in each case where such shares have been mortgaged or charged by way of security or subject to any other security interest (each a "Security") in favour of any individual, trust, fund, bank, financial institution or other entity (whether as lender, agent, trustee or otherwise) (any such entity or individual a "Secured Party") and where the transfer is or is to be:

- (i) to a Secured Party or its agent, trustee or nominee to whom such shares are transferred at the direction of a Secured Party and/or any administrative receiver, administrator, receiver or receiver and manager or similar entity (a "Receiver") pursuant to powers granted to it under the Security;
- (ii) executed by or in favour of a Secured Party, its agent, trustee or nominee or a Receiver pursuant to any power existing under such security; or
- (iii) is effected in order to enforce, perfect or protect any Security of a Secured Party,

and a certificate by any official of such Secured Party, its agent, trustee or nominee or a Receiver that the shares are or are to be subject to Security shall be conclusive evidence of such facts.

- (b) Model Article 26(5) shall be modified accordingly.

5. **Lien**

5.1 Company's lien over shares

- (a) 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) to the Company, whether payable immediately or at some time in the future.
- (b) The Company's Lien over a share:
 - (i) takes priority over any third party's interest in that share; and

- (ii) 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.
- (c) 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.

5.2 *Enforcement of the Company's Lien*

- (a) Subject to the provisions of this Article, if:
 - (i) a Lien Enforcement Notice (as defined in Article 5.2(b) below) has been given in respect of a share; and
 - (ii) 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.
- (b) A "Lien Enforcement Notice":
 - (i) 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;
 - (ii) must specify the share concerned;
 - (iii) must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
 - (iv) must be addressed either to the holder of the share or to a transmittee of that holder; and
 - (v) must state the Company's intention to sell the share if the notice is not complied with.
- (c) Where shares are sold under this Article:
 - (i) the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or to a person nominated by the purchaser; and
 - (ii) 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.
- (d) 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:
 - (i) 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; and
 - (ii) 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.

- (e) 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:
 - (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
 - (ii) subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the share.

5.3 *Call Notices*

- (a) Subject to these 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.
- (b) A Call Notice:
 - (i) may not require a shareholder to pay a Call which exceeds the total amount of his indebtedness or liability to the Company;
 - (ii) must state when and how any Call to which it relates is to be paid; and
 - (iii) may permit or require the Call to be made in instalments.
- (c) 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.
- (d) Before the Company has received any Call due under a Call Notice the directors may:
 - (i) revoke it wholly or in part; or
 - (ii) 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.

5.4 *Liability to pay Calls*

- (a) Liability to pay a Call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.

- (b) Joint holders of a share are jointly and severally liable to pay all Calls in respect of that share.
- (c) 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:
 - (i) to pay Calls which are not the same; or
 - (ii) to pay Calls at different times.

5.5 *When Call Notice need not be issued*

- (a) 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:
 - (i) on allotment;
 - (ii) on the occurrence of a particular event; or
 - (iii) on a date fixed by or in accordance with the terms of issue.
- (b) 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.

5.6 *Failure to comply with Call Notice: automatic consequences*

- (a) If a person is liable to pay a Call and fails to do so by the Call Payment Date:
 - (i) the directors may issue a notice of intended forfeiture to that person; and
 - (ii) until the Call is paid, that person must pay the Company interest on the Call from the Call Payment Date at the Relevant Rate.
- (b) For the purposes of this Article:
 - (i) 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; and
 - (ii) the "Relevant Rate" is:
 - (1) the rate fixed by the terms on which the share in respect of which the Call is due was allotted;
 - (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
 - (3) if no rate is fixed in either of these ways, 5 per cent per annum.
- (c) 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.

- (d) The directors may waive any obligation to pay interest on a Call wholly or in part.

5.7 *Notice of intended forfeiture*

- (a) A notice of intended forfeiture:
 - (i) may be sent in respect of any share in respect of which a Call has not been paid as required by a Call Notice;
 - (ii) must be sent to the holder of that share (or all the joint holders of that share) or to a transmittee of that holder;
 - (iii) must require payment of the Call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment 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);
 - (iv) must state how the payment is to be made; and
 - (v) 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.

5.8 *Directors' power to forfeit shares*

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.

5.9 *Effect of forfeiture*

- (a) Subject to the Articles, the forfeiture of a share extinguishes:
 - (i) all interests in that share, and all claims and demands against the Company in respect of it; and
 - (ii) all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company.
- (b) Any share which is forfeited in accordance with the Articles:
 - (i) is deemed to have been forfeited when the directors decide that it is forfeited;
 - (ii) is deemed to be the property of the Company; and
 - (iii) may be sold, re-allotted or otherwise disposed of as the directors think fit.
- (c) If a person's shares have been forfeited:
 - (i) the Company must send that person notice that forfeiture has occurred and record it in the register of members;

- (ii) that person ceases to be a shareholder in respect of those shares;
 - (iii) that person must surrender the certificate for the shares forfeited to the Company for cancellation;
 - (iv) 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
 - (v) 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.
- (d) At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all Calls, interest and expenses due in respect of it and on such other terms as they think fit.

5.10 *Procedure following forfeiture*

- (a) 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.
- (b) 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:
 - (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
 - (ii) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share.
- (c) 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.
- (d) 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:
 - (i) was, or would have become, payable; and
 - (ii) 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.

5.11 *Surrender of shares*

- (a) A shareholder may surrender any share:

- (i) in respect of which the directors may issue a notice of intended forfeiture;
 - (ii) which the directors may forfeit; or
 - (iii) which has been forfeited.
- (b) The directors may accept the surrender of any such share.
- (c) The effect of surrender on a share is the same as the effect of forfeiture on that share.

A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

5.12 Notwithstanding anything contained in these Articles any lien over shares (whether paid or unpaid shares), any pre-emption rights over shares and any other restrictions on the transfer of shares shall not apply to any shares subject to Security in favour of a Secured Party (whether as lender, agent, trustee or otherwise).

6. Dividends

6.1 *Calculation of dividends*

- (a) Except as otherwise provided by these Articles or the rights attached to shares, all dividends must be:
 - (i) declared and paid according to the amounts paid up on the shares on which the dividend is paid, and
 - (ii) 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.
- (b) If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.
- (c) 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.

6.2 *Deductions from distributions in respect of sums owed to the Company*

- (a) If—
 - (i) a share is subject to the Company's Lien, and
 - (ii) the directors are entitled to issue a Lien Enforcement Notice in respect of it,they 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.
- (b) Money so deducted must be used to pay any of the sums payable in respect of that share.

- (c) The Company must notify the distribution recipient (as defined in Model Article 31) in writing of—
 - (i) the fact and amount of any such deduction;
 - (ii) any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction; and
 - (iii) how the money deducted has been applied.

7. **Capitalisation of Profits**

7.1 Model Article 36(4) shall be deleted and replaced with the words:

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

- (a) in or towards paying up any amounts unpaid on existing shares held by the persons entitled; or
- (b) 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."

8. **Proceedings at General Meetings**

8.1 Model Article 41(1) shall be construed by the addition at the end thereof of the words "and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor such adjourned general meeting shall be dissolved."

8.2 Notwithstanding any provision of Model Article 37, the chairman of the meeting shall have the power to control the conduct of the meeting but such power shall be subject to any directions given to the chairman of the meeting by a majority of the holders of ordinary shares present at such meeting in person or by proxy or (being a corporation) by a duly authorised representative.

9. **Proxy Notices**

9.1 Model Article 45(1)(d) shall be deleted and replaced with the words:

"is delivered to the Company in accordance with the Articles and the following provisions:

- (i) The appointment of a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may:
 - (1) in the case of an instrument in writing be deposited at the registered office of the Company or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) before the time for the taking of the poll at which it is to be used, or be delivered to the Secretary (if any) or the chairman

of the meeting on the day and at the place of, but in any event before the time appointed for holding, the meeting or adjourned meeting or poll; or

- (2) in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications:

- (A) in the notice convening the meeting; or
- (B) in any instrument of proxy sent out by the Company in relation to the meeting; or
- (C) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting,

be received at such address before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote,

and an appointment of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid.

In this Article, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications."

- 9.2 There shall be deemed to be included in Model Article 45(1) a new paragraph (e) which shall read as follows: "may be in the form of a facsimile or other machine-made copy and shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates. An instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates."

10. **Poll Votes**

- 10.1 Model Article 44(2)(d) shall be deleted and replaced with the words "by a person or persons holding shares conferring a right to vote on a resolution being shares on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right".

- 10.2 Model Article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

11. **No Voting on Shares on which Money Owed to Company**

No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, unless all amounts payable to the Company in respect of that share have been paid.

12. **Number of Directors and Quorum**

- 12.1 The directors shall not be less than one in number.

- 12.2 Model Article 7 shall be amended by:
- (a) the insertion of the words "for the time being" at the end of Model Article 7(2)(a); and
 - (b) the insertion in Model Article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 12.3 The quorum for a directors' meeting shall be at least two eligible directors (as defined in Article 17.2 below). Notwithstanding the previous sentence, whenever there is only one director appointed, a sole director shall form a quorum. For the purposes of any meeting (or part of a meeting) held pursuant to Article 16 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.
13. **Borrowing Powers**
- 13.1 The directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, or any part thereof, and, subject to sections 549, 551 and 559 of the Companies Act 2006, to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
14. **Appointment and Removal of Directors**
- 14.1 Subject to the provisions of Model Article 17, a person may be appointed as a director either to fill a vacancy or as an additional director.
- 14.2 Model Article 17(2) shall be deleted and replaced with the words: "In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to 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."
- 14.3 Model Article 27(3) shall be amended by the insertion of the words ", subject to Article 14.2," after the word "But".
- 14.4 Notwithstanding any other provision of these Articles, at any time the holders of shares entitled to 75 per cent or more of the votes which may be cast at general meetings of the Company may appoint or remove any director by notice in writing to the Company.
15. **Alternate Directors**
- 15.1 Appointment and removal of alternate directors
- (a) Any director (appointor) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:
 - (i) exercise that director's powers; and
 - (ii) carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.

- (b) 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.
- (c) The notice must:
 - (i) identify the proposed alternate; and
 - (ii) 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.

15.2 *Rights and responsibilities of alternate directors*

- (a) 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.
- (b) Except as the Articles specify otherwise, alternate directors:
 - (i) are deemed for all purposes to be directors;
 - (ii) are liable for their own acts and omissions;
 - (iii) are subject to the same restrictions as their appointors; and
 - (iv) are not deemed to be agents of or for their appointors

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.

- (c) A person who is an alternate director but not a director:
 - (i) 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);
 - (ii) 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
 - (iii) shall not be counted as more than one director for the purposes of paragraphs (i) and (ii) above.
- (d) 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.

- (e) An alternate director is not 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.

15.3 *Termination of alternate directorship*

An alternate director's appointment as an alternate terminates:

- (a) when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) 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;
- (c) on the death of the alternate's appointor; or
- (d) when the alternate's appointor's appointment as a director terminates.

16. **Directors' Interests**

16.1 *Permitted Interests and Voting*

- (a) Subject to the provisions of the Companies Act 2006, a director may, notwithstanding his office, be a party to or otherwise directly or indirectly interested in any transaction or arrangement with the Company, any subsidiary of the Company or a company in which the Company is interested. Subject to the Companies Act 2006 and these Articles, a director may vote on and (whether or not he shall vote) be counted in the quorum in relation to any such transaction or arrangement.
- (b) Subject to the provisions of the Companies Act 2006, a director may hold any other office in conjunction with his office of director for such period and upon such other terms as the directors may decide, and may, if a director is not an employee and does not otherwise hold executive office, be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the directors or any committee authorised by the directors may decide, and either in addition to or in lieu of any remuneration provided for by or pursuant to any other Article.
- (c) Subject to the provisions of the Companies Act 2006, a director may be or become a director or other officer of, or otherwise directly or indirectly interested in, or contract with, any subsidiary of the Company or a company in which the Company is interested or as regards which the Company has any power of appointment. Subject to the Companies Act 2006 and these Articles, the directors may also cause any voting power conferred by the shares in any subsidiary of the Company or any power of appointment to be exercised in such manner in all respects as they think fit, including (i) the exercise of the voting power or power of appointment in favour of the appointment of the directors or any of them as directors or officers of the subsidiary or company to which the power of appointment relates, and (ii) in favour of the payment of remuneration to the directors or officers of the subsidiary or company to which the power of appointment relates. Subject to the Companies Act 2006 and these Articles,

a director may also vote on and (whether or not he shall vote) be counted in the quorum in relation to any of such matters.

- (d) A director may act by himself or his firm in a professional capacity for the Company or its subsidiaries (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director.
- (e) A director shall not vote on or be counted in the quorum in relation to any resolution of the directors or of a committee of the directors concerning his own appointment, or the settlement or variation of the terms or the termination of his own appointment, as the holder of any office or position of profit with the Company or any company in which the Company is interested but, where proposals are under consideration concerning the appointment, or the settlement or variation of the terms or the termination of the appointment, of two or more directors to an office or position of profit with the Company or any company in which the Company is interested, a separate resolution may be put in relation to each director and in that case each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution unless it concerns his own such appointment or the settlement or variation of the terms or the termination of his own such appointment.
- (f) A director must promptly disclose to the Board the nature and extent of any direct or indirect interest of his to which Article 16.1(a), (b) or (c) relates.
- (g) For the purposes of this Article 16, in relation to an alternate director, the interest of his appointor is treated as the interest of the alternate director in addition to any interest of the alternate director. This Article 16 applies to an alternate director as if he were a director otherwise appointed.

16.2 Directors' interests other than in relation to transactions or arrangements with the Company

- (a) If a situation (a "Relevant Situation") arises in which a director (a "Conflicted Director") has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it, but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest) the following provisions shall apply if the conflict of interest does not arise in relation to a transaction or arrangement with the Company:
 - (i) If a Relevant Situation arises from the appointment or proposed appointment of a person as a director of the Company, the directors (other than the Conflicted Director, and any other director with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) may resolve to authorise the appointment of the Conflicted Director and the Relevant Situation on such terms as they may determine; and
 - (ii) If the Relevant Situation arises in circumstances other than in Article 16.2(a)(i), the directors (other than the Conflicted Director, and any other director with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) may resolve to authorise the Relevant

Situation and the continuing performance by the Conflicted Director of his duties on such terms as they may determine.

- (b) Any reference in Article 16.2(a) to a conflict of interest includes a conflict of interest and duty and a conflict of duties.
- (c) Any terms determined by the directors under Article 16.2(a) may be imposed at the time of authorisation or may be imposed or varied subsequently and may include (without limitation):
 - (i) whether the Conflicted Director(s) may vote (or be counted in the quorum at a meeting) in relation to any resolution relating to the Relevant Situation;
 - (ii) the exclusion of the Conflicted Director(s) from all information and discussion by the Company of the Relevant Situation; and
 - (iii) (without prejudice to the general obligations of confidentiality) the application to the Conflicted Director(s) of a strict duty of confidentiality to the Company for any confidential information of the Company in relation to the Relevant Situation.
- (d) A Conflicted Director must act in accordance with any terms determined by the directors under Article 16.2(a).
- (e) Subject to the final sentence of Article 12.3, for the purposes of any meeting referred to in Article 16.2(a) (for the purposes only of the consideration of, and voting upon, any resolution referred to in Article 16.2(a)) a quorum necessary for the transaction of the business of the board shall require the presence of at least two directors.
- (f) Except as specified in Article 16.2(a) and in Article 16.2(e), any proposal made to the directors and any authorisation by the directors in relation to a Relevant Situation shall be dealt with in the same way as any other matter may be proposed to and resolved upon by the directors in accordance with the provisions of these Articles.
- (g) Any authorisation of a Relevant Situation given by the directors under Article 16.2(a) may provide that, where the Conflicted Director obtains (other than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence.
- (h) Subject to the Companies Act 2006 (including for the avoidance of doubt any provision relating to the consequences of breach of the Companies Act 2006), a director shall not, by reason of his holding an office as a director (or of the fiduciary relationship established by holding that office), be liable to account to the Company for any remuneration, profit or other benefit resulting from:
 - (i) any Relevant Situation authorised under Article 16.2(a) (subject, in any such case, to any terms upon which such authorisation was given); or
 - (ii) any interest permitted under Article 16,

and no contract shall be liable to be avoided on the grounds of any director having any type of interest authorised under Article 16.2(a) or permitted under Article 16.

17. Proceedings of Directors

17.1 Model Article 8(2) shall be deleted and replaced with the words: "A unanimous decision of eligible directors may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing."

17.2 Model Article 8(3) shall be deleted and replaced with the words: "In these Articles, the term "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 to be counted in respect of the particular matter)."

17.3 Model Article 9(3) shall be deleted and replaced with the following: "Subject to paragraph (5), notice of a directors' meeting must be given to each director, but need not be in writing."

17.4 Model Article 9(4) shall be amended as follows:

(a) In the first sentence, the words "not more than 7 days after the date on which the meeting is held" shall be replaced with the words "not more than 14 days before or after the date on which the meeting is held"; and

(b) The second sentence shall be deleted and replaced with the following: "Where such notice is given before or (as the case may be) after the meeting is held, the validity of the meeting, or of any business conducted at it shall not be affected."

17.5 A new paragraph (5) shall be added at the end of Model Article 9 which states that: "If notice of a directors' meeting is not received by any director due to no fault of the director giving such notice, the validity of the meeting shall not be affected, and the validity of any business conducted at such meeting shall not be affected provided that such matters were approved by a majority of directors who attended that meeting."

17.6 Model Article 10(3) shall be deleted and replaced with the words: "If all the directors participating in a meeting are not in the same place, such a meeting shall be deemed to take place where the largest group of directors is assembled or, if there is no such group, where the chairman of the meeting then is or determines."

18. Secretary

18.1 The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

19. Indemnity

19.1 Subject to the provisions of, and so far as may be permitted by and consistent with, any statute for the time being in force concerning companies and affecting the Company and subject as mentioned below, every director and officer of the Company shall be indemnified by the Company out of its own funds against (a) any liability incurred by or attaching to him

in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company to the extent permitted by any of sections 233, 234 or 235 of the Companies Act 2006 and (b) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office, whenever arising whether during office as a director or officer or after he ceased to be a director or officer in respect of acts or omissions while he was a director or officer. Such indemnity shall not, however, extend to any liability incurred by or attaching to a director or officer as a result of his own fraud or wilful default. Where a director or officer is indemnified against any liability in accordance with this Article 19, such indemnity shall extend to all costs, charges, losses, expenses and liabilities incurred by him in relation thereto.

20. Insurance

20.1 Without prejudice to Article 19, the directors shall have power to purchase and maintain insurance for or for the benefit of (i) any person who is or was at any time a director or officer of any Relevant Company (as defined in Article 20.2), or (ii) any person who is or was at any time a trustee of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by or attaching to him in respect of any act or omission in the actual or purported execution and/or discharge of his duties and/or in the exercise or purported exercise of his powers and/or otherwise in relation to his duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme (and all costs, charges, losses, expenses and liabilities incurred by him in relation thereto).

20.2 For the purpose of this Article 20, "Relevant Company" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of such other body.

21. Means of Communication to be Used

21.1 Model Article 48 shall be amended by:

(a) the insertion of the following words at the end of Model Article 48(1):

"save that:

(a) where the document or other information is delivered by hand, and the sender of the document or other information is able to show that it was properly addressed, it is deemed to have been received by the intended recipient when it was given or left at the appropriate address; and

(b) where the document or other information is sent or supplied by electronic means and the sender of the document or other information is able to show that it was properly addressed, it is deemed to have been received by the intended recipient one hour after it was sent or supplied,

provided that for the purposes of this Article 48, no account shall be taken of any part of a day that is not a working day."

- (b) the insertion of the following words at the beginning of Model Article 48(3):

"Subject to paragraph (1),".

ANNEX

UK Parliament SIs 2000-Present/2008/3201-3250/Companies (Model Articles) Regulations 2008 (SI 2008/3229)/SCHEDULE 1 Model Articles for Private Companies Limited by Shares

SCHEDULE 1

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

Regulation 2

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Part 1

Interpretation and Limitation of Liability

1. Defined Terms

In the articles, unless the context requires otherwise--

"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;

"chairman" has the meaning given in article 12;

"chairman of the meeting" has the meaning given in article 39;

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

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

"distribution recipient" has the meaning given in article 31;

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

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

"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;

"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 10;

"proxy notice" has the meaning given in article 45;

"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; and

"writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

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. Shareholders' Reserve Power

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

5. Directors may Delegate

- (1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles--
 - (a) to such person or committee;
 - (b) by such means (including by power of attorney);
 - (c) to such an extent;
 - (d) in relation to such matters or territories; and
 - (e) on such terms and conditions;as they think fit.
- (2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

- (3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

6. Committees

- (1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
- (2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

Decision-Making by Directors

7. Directors to take Decisions Collectively

- (1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.
- (2) If--
 - (a) the company only has one director, and
 - (b) no provision of the articles requires it to have more than one director,the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

8. Unanimous Decisions

- (1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- (2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- (3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- (4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

9. Calling a Directors' Meeting

- (1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
- (2) Notice of any directors' meeting must indicate--
 - (a) its proposed date and time;

- (b) where it is to take place; and
 - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- (3) Notice of a directors' meeting must be given to each director, but need not be in writing.
 - (4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

10. **Participation in Directors' Meetings**

- (1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when--
 - (a) the meeting has been called and takes place in accordance with the articles, and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- (3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

11. **Quorum for Directors' Meetings**

- (1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.
- (3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision--
 - (a) to appoint further directors, or
 - (b) to call a general meeting so as to enable the shareholders to appoint further directors.

12. **Chairing of Directors' Meetings**

- (1) The directors may appoint a director to chair their meetings.
- (2) The person so appointed for the time being is known as the chairman.
- (3) The directors may terminate the chairman's appointment at any time.

-
- (4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

13. Casting Vote

- (1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.
- (2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

14. Conflicts of Interest

- (1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.
- (2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.
- (3) This paragraph applies when--

the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
 - (a) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (b) the director's conflict of interest arises from a permitted cause.
- (4) For the purposes of this article, the following are permitted causes--
 - (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
 - (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
 - (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.
- (5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

- (6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.
- (7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

15. Records of Decisions to be Kept

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

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 Directors

- (1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director--
 - (a) by ordinary resolution, or
 - (b) by a decision of the directors.
- (2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.
- (3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

18. Termination Of Director's Appointment

A person ceases to be a director as soon as--

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;

- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) [paragraph omitted pursuant to The Mental Health (Discrimination) Act 2013];
- (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

19. Directors' Remuneration

- (1) Directors may undertake any services for the company that the directors decide.
- (2) Directors are entitled to such remuneration as the directors determine--
 - (a) for their services to the company as directors, and
 - (b) for any other service which they undertake for the company.
- (3) Subject to the articles, a director's remuneration may--
 - (a) take any form, and
 - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- (4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- (5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

20. Directors' Expenses

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

- (a) meetings of directors or committees of directors,
- (b) general meetings, or
- (c) separate meetings of the holders of any class of shares or of debentures of the company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

Part 3

Shares and Distributions

Shares

21. All Shares to be Fully Paid Up

- (1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.
- (2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

22. Powers to Issue Different Classes of Shares

- (1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- (2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

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. Share Certificates

- (1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- (2) Every certificate must specify--
 - (a) in respect of how many shares, of what class, it is issued;
 - (b) the nominal value of those shares;
 - (c) that the shares are fully paid; and
 - (d) any distinguishing numbers assigned to them.
- (3) No certificate may be issued in respect of shares of more than one class.
- (4) If more than one person holds a share, only one certificate may be issued in respect of it.
- (5) Certificates must—
 - (a) have affixed to them the company's common seal, or
 - (b) be otherwise executed in accordance with the Companies Acts.

25. Replacement Share Certificates

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

26. Share Transfers

- (1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.
- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The company may retain any instrument of transfer which is registered.
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- (5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

27. Transmission of Shares

- (1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- (2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require--
 - (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
 - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

- (3) But transmittes do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

28. Exercise Of Transmittes' Rights

- (1) Transmittes who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- (2) If the transmittes wishes to have a share transferred to another person, the transmittes must execute an instrument of transfer in respect of it.
- (3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittes has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

29. Transmittes Bound by Prior Notices

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

Dividends and Other Distributions

30. Procedure for Declaring Dividends

- (1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- (2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- (3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- (4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- (5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- (6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- (7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

31. Payment of Dividends and Other Distributions

- (1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means--
 - (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
 - (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- (2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable--
 - (a) the holder of the share; or
 - (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
 - (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

32. No Interest on Distributions

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

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the company.

33. Unclaimed Distributions

- (1) All dividends or other sums which are--
 - (a) payable in respect of shares, and
 - (b) unclaimed after having been declared or become payable,may be invested or otherwise made use of by the directors for the benefit of the company until claimed.
- (2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

(3) If--

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
- (b) the distribution recipient has not claimed it,

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

34. Non-Cash Distributions

- (1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).
- (2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution--
 - (a) fixing the value of any assets;
 - (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
 - (c) vesting any assets in trustees.

35. Waiver of Distributions

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

- (a) the share has more than one holder, or
- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

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

Capitalisation of Profits

36. Authority to Capitalise and Appropriation of Capitalised Sums

- (1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution--
 - (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and

- (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.
- (2) Capitalised sums must be applied--
 - (a) on behalf of the persons entitled, and
 - (b) in the same proportions as a dividend would have been distributed to them.
- (3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- (4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- (5) Subject to the articles the directors may--
 - (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;
 - (b) make such arrangements as they think fit to deal with shares debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
 - (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

Part 4

Decision-Making by Shareholders

Organisation of General Meetings

37. Attendance and Speaking at General Meetings

- (1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- (2) A person is able to exercise the right to vote at a general meeting when--
 - (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- (3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

- (4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

38. **Quorum for General Meetings**

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.

39. **Chairing General Meetings**

- (1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- (2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start--
 - (a) the directors present, or
 - (b) (if no directors are present), the meeting,must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- (3) The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

40. **Attendance And Speaking By Directors And Non-Shareholders**

- (1) Directors may attend and speak at general meetings, whether or not they are shareholders.
- (2) The chairman of the meeting may permit other persons who are not--
 - (a) shareholders of the company, or
 - (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting.

41. **Adjournment**

- (1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- (2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if--

- (a) the meeting consents to an adjournment, or
 - (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (4) When adjourning a general meeting, the chairman of the meeting must--
 - (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
 - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)-
 - (a) to the same persons to whom notice of the company's general meetings is required to be given, and
 - (b) containing the same information which such notice is required to contain.
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

Voting at General Meetings

42. Voting: General

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.

43. Errors And Disputes

- (1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- (2) Any such objection must be referred to the chairman of the meeting, whose decision is final.

44. Poll Votes

- (1) A poll on a resolution may be demanded--
 - (a) in advance of the general meeting where it is to be put to the vote, or
 - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

- (2) A poll may be demanded by--
 - (a) the chairman of the meeting;
 - (b) the directors;
 - (c) two or more persons having the right to vote on the resolution; or
 - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- (3) A demand for a poll may be withdrawn if--
 - (a) the poll has not yet been taken, and
 - (b) the chairman of the meeting consents to the withdrawal.
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

45. Content Of Proxy Notices

- (1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which--
 - (a) states the name and address of the shareholder appointing the proxy;
 - (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- (4) Unless a proxy notice indicates otherwise, it must be treated as--
 - (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

46. Delivery of Proxy Notices

- (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any

adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.

- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

47. Amendments to Resolutions

- (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if--
 - (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if--
 - (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

Part 5

Administrative Arrangements

48. Means of Communication to be Used

- (1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.
- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by

the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

- (3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

49. Company Seals

- (1) Any common seal may only be used by the authority of the directors.
- (2) The directors may decide by what means and in what form any common seal is to be used.
- (3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- (4) For the purposes of this article, an authorised person is--
 - (a) any director of the company;
 - (b) the company secretary (if any); or
 - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

50. No Right to Inspect Accounts and Other Records

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

51. Provision for Employees on Cessation of Business

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

Directors' Indemnity and Insurance

52. Indemnity

- (1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against--
 - (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
 - (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an

occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),

- (c) any other liability incurred by that director as an officer of the company or an associated company.
- (2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- (3) In this article--
 - (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
 - (b) a "relevant director" means any director or former director of the company or an associated company.

53. **Insurance**

- (1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.
- (2) In this article--
 - (a) a "relevant director" means any director or former director of the company or an associated company,
 - (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and

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