



THE COMPANIES ACT 2006
ORDINARY AND SPECIAL RESOLUTIONS
OF
THE MILLER GROUP LIMITED
(Registered No. SC018135)
PRIVATE COMPANY LIMITED BY SHARES

NOTICE is hereby given that on Tuesday 4 November 2008 at 9 30 a m each of the following resolutions was passed by the shareholders at a General Meeting of The Miller Group Limited ("the Company") held at Miller House, 2 Lochside View, Edinburgh Park, Edinburgh EH12 9DH

ORDINARY RESOLUTION

"In substitution for any existing power under section 80 of the Companies Act 1985 (as amended) (the "Act"), but without prejudice to the exercise of any such authority prior to the date hereof, the Directors be and they are generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities (as defined in Section 80(2) of the Act) up to an aggregate nominal amount of £202,500 provided that this authority is for a period expiring five years from the date of this resolution, but so that such authority shall allow the Company to make offers or agreements before the expiry of such authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offers or agreements as if the power conferred hereby had not expired "

SPECIAL RESOLUTIONS

- 1 "THAT in substitution for any existing power under section 95 of the Act, the Directors be and are hereby generally and unconditionally empowered pursuant to section 95 of the Act, to allot equity securities (as defined in section 94(2) of the Act) for cash pursuant to the authority given on the date hereof in accordance with section 80 of the Act as if section 89(1) of the Act did not apply to the allotment, such power to expire on the fifth anniversary of the date of this resolution but so that such power shall allow the Company to make offers or agreements before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired "
- 2 "THAT the draft regulations produced to the Meeting, and initialled by the Chairman for the purposes of identification, be and are hereby approved and adopted as the new articles of association of the Company in substitution for and to the exclusion of all existing articles of association of the Company, and that the 4,047,975 ordinary shares of 10p each in the capital of the Company held by Uberior Investments PLC be and are hereby reclassified as A ordinary shares of 10p each having the rights set out in such new articles of association "
- 3 "THAT conditional only upon Special Resolution 2 above being passed, but without prejudice to the generality thereof, the provisions of Article 90 (Conflicts) of the Company's articles of association adopted pursuant to Special Resolution 2 above be and are hereby specifically approved "

Pamela J Smyth, Secretary
The Miller Group Limited

Date *4 November 2008*

THURSDAY



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SCT 06/11/2008 231
COMPANIES HOUSE



PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

THE MILLER GROUP LIMITED

(adopted by special resolution passed on **4 November** 2008)

Registered Number SC018135

Incorporated in Scotland the first day of November 1934



**Dickson Minto W.S.
Edinburgh**

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

THE MILLER GROUP LIMITED

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PART 1 PRELIMINARY

1. Exclusion of Table A

The regulations contained in Table A shall not apply to the company

2. Interpretation

(1) In the articles, unless the context requires otherwise:

"**A ordinary share**" means an A ordinary share of £0.10 in the capital of the company, having the rights and being subject to the restrictions set out in these articles,

"**alternate**" or "**alternate director**" has the meaning given in article 25 (*Appointment, removal and termination of alternates*);

"**appointor**" has the meaning given in article 25 (*Appointment, removal and termination of alternates*);

"**articles**" means the company's articles of association,

"**bankruptcy**" includes individual insolvency proceedings in any jurisdiction which have an effect similar to that of bankruptcy or sequestration in Scotland,

"**board reserved matters**" means those matters agreed in writing between the investors and the company in relation to which decisions are, subject to these articles, reserved exclusively to the board of directors,

"**business day**" means a day on which banks are open for commercial business in Edinburgh other than a Saturday, Sunday or public holiday,

"**call**" has the meaning given in article 50 (*Call notices*),

"**call notice**" has the meaning given in article 50 (*Call notices*),

"**certificate**" means a paper certificate evidencing a person's title to specified shares or other securities,

"**chairman**" has the meaning given in article 13 (*Chairing directors' meetings*),

"**chairman of the meeting**" has the meaning given in article 31 (*Chairing general meetings*),

"**connected person**" shall have the meaning given to it by the Income and Corporation Taxes Act 1988,

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

"**company's lien**" has the meaning given in article 48 (*Company's lien over partly paid shares*),

"**determined transfer price**" means such price per share as may be determined for the purposes of these articles by the valuers,

"**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 71 (*Payment of dividends and other distributions*);

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

"**EBT**" means any employee benefit trust established or to be established by the company or any member of the group,

"**EBT trustees**" means the trustees from time to time of any EBT acting as trustees thereof,

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

"**employees' share scheme**" means any employee share scheme (within the meaning of section 1166 of the Companies Act 2006) established or to be established by the company or any member of the group,

"**executive committee**" means a committee of the board consisting solely of executive directors constituted solely for the purpose of considering matters delegated in accordance with the policy of the company on delegated authority which has been approved by the investor director or, where there is no investor director, by the investors' agent,

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

"**group**" means the company and its subsidiary undertakings from time to time and references to a "**member of the group**" or a "**group member**" or "**group company**" shall be construed accordingly,

"**hard copy form**" has the meaning given in section 1168 of the Companies Act 2006,

"**HBoS group**" means (i) HBoS plc (registered in Scotland with number SC218813) (ii) any subsidiary undertaking of HBoS plc (iii)

any holding company of HBoS plc and (iv) any subsidiary undertaking of such holding company provided that any undertaking (other than any undertaking whose business it is to hold equity investments) which carries on house building, property development, construction or mining business which competes directly with the business carried on by the group from time to time and which would otherwise fall into categories (i) to (iv) above shall be excluded from the definition of HBOS group;

"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;

"investors" means, for so long as they remain the holders of any A ordinary shares, each of Uberior and any person who has become a holder of A ordinary shares pursuant to a permitted transfer made in accordance with article 67 (*Permitted Transfers*),

"investors' agent" means the person whom the investors shall have agreed shall act as agent for the investors from time to time;

"investor director" means the director appointed pursuant to article 21 (*Investor Director & Observer*) of these articles;

"lien enforcement notice" has the meaning given in article 49 (*Enforcement of the company's lien*);

"material subsidiaries" means such subsidiary companies of the company as the company and the investors may agree from time to time in writing and **"material subsidiary"** means any one of them;

"member" has the meaning given in section 112 of the Companies Act 2006,

"non-executive committee" means any committee of the board which is not an executive committee,

"offer notice" for the purposes of that article only shall have the meaning attributed to that term in article 64(3)(c) (*Transfer of Shares – Further Provisions*),

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

"ordinary share" means an ordinary share of £0.10 in the capital of the company, having the rights and being subject to the restrictions set out in these articles,

"paid" means paid or credited as paid;

"**participate**" in relation to a directors' meeting has the meaning given in article 11 (*Participation in directors' meetings*),

"**partly paid**" in relation to a share means that a part of that share's nominal value and/or or a part of any premium at which it was issued has not been paid to the company;

"**permitted fund**" means an investment fund or collective investment vehicle (including without limitation investment trusts, limited partnerships, unit trusts and co investment schemes wheresoever established) the structure of which, if any shares are transferred to it pursuant to article 67, means that a member (or members together) of the HBOS group controls, or manages on a discretionary basis, the exercise of the rights attaching to the shares,

"**permitted transfer**" means a transfer permitted under article 67 (*Permitted Transfers*),

"**proper address**" means a person's last known address (whether of his residence or of a place where he carries on business or is employed) and also

- (a) in the case of a body corporate or an officer of that body, the address of the registered office or principal office in the United Kingdom,
- (b) in the case of an unincorporated association other than a partnership or member of its governing body, its principal office in the United Kingdom,

"**proposed acquirer**" for the purposes of that article only shall have the meaning attributed to that term in article 64(3)(b) (*Transfer of Shares – Further Provisions*);

"**proxy notice**" has the meaning given in article 38 (*Content of proxy notices*),

"**purchaser**" for the purposes of that article only shall have the meaning attributed to that term in article 64(3)(c) (*Transfer of Shares – Further Provisions*),

"**qualifying offer**" shall mean an offer in writing offering to purchase all the ordinary shares and the A ordinary shares which

- (i) is stipulated to be open for acceptance in the United Kingdom for at least 20 business days from the date of the offer,
- (ii) offers the specified price, and
- (iii) is on terms that the sale and purchase of shares in respect of which the offer is accepted will be completed at the same time

"**sale shares**" for the purposes of that article only shall have the meaning attributed to that term in article 64(3)(b) (*Transfer of Shares – Further Provisions*);

"**shares**" means shares in the company,

"**special resolution**" has the meaning given in section 283 of the Companies Act 2006,

"**specified price**" shall mean the higher of

- (i) a price per share of not less than that offered or paid or agreed to be paid by the proposed transferee or any connected person with or any person acting in concert with such person for each share whose proposed transfer has led to the qualifying offer being made, or
- (ii) in circumstances where the proposed transferee or any connected person or any person acting in concert with such person has acquired any shares at a higher price during the preceding twelve months, the highest price per share paid or agreed to be paid in respect of all such shares so acquired during such preceding twelve months including the shares whose proposed transfer has led to the qualifying offer,

"**subsidiary**" has the meaning given in section 1159 of the Companies Act 2006,

"**transfer notice**" shall have the meaning attributed to that term in article 64(3)(a) (*Transfer of Shares – Further Provisions*),

"**Table A**" means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985/805) as amended by the Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007/2541) and the Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 (SI 2007/2826),

"**transfer price**" means the price at which the sale shares are proposed to be offered by the proposing transferor pursuant to article 64(3) or, if the board of directors resolves (in its absolute discretion) not to agree to such proposed price and subject to article 64(3)(c)(i), the determined transfer price,

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

"**Uberior**" means Uberior Investments PLC, Level 1, Citymark, 150 Fountainbridge, Edinburgh EH3 9PE;

"**valuers**" means the external valuation experts as are appointed by the board of directors (in its absolute discretion) for the purposes of determining the determined transfer price or the specified price;

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

- (2) Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 on the date when these articles become binding on the company
- (3) Where in these articles cross reference is made to words or expressions defined in or given meaning in particular sections of the Companies Act 2006 such words or expressions shall bear the meaning given to them in such sections as at the date when these articles become binding on the company notwithstanding that the relevant section may not be in force as at such date

PART 2 LIMITATION OF LIABILITY AND SHARE CAPITAL

3. Liability of members

The liability of the members is limited to the amount, if any, not paid on the shares held by them

4. Share Capital and Share Rights

- (1) The authorised share capital of the company at the date of adoption of these articles is £4,750,000 divided into 4,047,975 A ordinary shares and 43,452,025 ordinary shares

- (2) The rights and restrictions attaching to the shares shall be as follows:

(a) As regards income

The company shall pay any dividend or other distribution to the holders of ordinary shares and the holders of A ordinary shares (*pari passu*) in proportion to the number of shares held by them as if they constituted the same class.

(b) As regards capital

On a return of assets, whether in a winding up or reduction of capital or otherwise, the assets and retained profits of the company available for distribution shall be applied amongst the holders of ordinary shares and the holders of A ordinary shares (*pari passu*) in proportion to the number of shares held by them as if they constituted the same class

(c) **As regards voting**

On a show of hands every holder of ordinary shares or holder of A ordinary shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative not being himself a member, shall have one vote, and on a poll every holder of ordinary shares or holder of A ordinary shares who is present by person or by proxy or (being a corporation) is present by a representative shall have one vote for every ordinary share or A ordinary share in the capital of the company of which he is the holder.

5. Modification of Rights

- (1) Subject to the Companies Acts, all or any of the special rights attached to any class of shares in issue may, from time to time, be varied only with the prior written consent of the holders of more than 50% in nominal value of the issued shares of that class, or with the sanction of an ordinary resolution passed at a separate general meeting of the holders of that class
- (2) To any such separate general meeting, all the provisions of these articles as to general meetings of the company shall apply *mutatis mutandis*, except that
 - (a) the necessary quorum shall be two or more persons present in person or by proxy or (being a corporation) present by a representative and holding or representing not less than one third of the issued shares of the class (provided that where all the shares of a class are registered in the name of one holder, that holder, present in person or by proxy or (being a corporation) present by a representative, may constitute a meeting),
 - (b) on a poll, every holder of shares of a particular class shall be entitled to one vote for every such share held by him;
 - (c) any holder of shares of a particular class present in person or by proxy or (being a corporation) present by a representative may demand a poll, and
 - (d) at any adjourned meeting of such holders, one holder present in person or by proxy or (being a corporation) present by a representative (whatever the number of shares held by him), shall be a quorum
- (3) Without prejudice to the generality of article 5(1) the special rights attached to the A ordinary shares shall be deemed to be varied by
 - (a) any variation being made to the authorised or issued share capital of the company or any material subsidiary, or any variation being made to any of the rights attaching to any

shares in the capital of the company or any material subsidiary;

- (b) any shares or other securities in the company or any material subsidiary being created or issued;
- (c) any reduction being made to the company's or any material subsidiary's share capital, share premium account, capital redemption reserve or any other reserve of the company or such material subsidiary, or any reduction of any uncalled liability in respect of partly paid shares of the company or any material subsidiary;
- (d) any alteration being made to the memorandum of association or articles of the company or any material subsidiary,
- (e) any steps being taken to wind up or dissolve the company or any material subsidiary;
- (f) other than interim and final dividends on shares or distributions made wholly to other members of the group, any distribution by the company or any material subsidiary being declared, made or paid,
- (g) the company or any material subsidiary entering into any amalgamation, demerger, merger, consolidation or corporate reconstruction, whether by scheme of arrangement or otherwise;
- (h) the sale of the undertaking or a substantial part thereof of the company or any material subsidiary,
- (i) a fundamental change to the nature of the business of the company or any material subsidiary,
- (j) the granting of options, warrants or other rights to subscribe for, convert into or allot or issue any shares or other securities in the company or any material subsidiary; and/or
- (k) any acquisition of any shares in the company by the company

PART 3 DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

6. 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.

7. **Members' reserve power**

- (1) The members 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 or the company have done or contracted to do before the passing of the resolution

8. **Directors delegation and committees**

- (1) Subject to the articles (including, in particular, article 8(3)), the directors may delegate any of the powers which are conferred on them under the articles:
 - (a) to such committee of one or more of their body,
 - (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) If the directors propose to delegate any matter pursuant to article 8(1) which is a board reserved matter such delegation may only be made either (i) with the consent of the investor director (if any) or, where there is no investor director, with the consent of the investors' agent or (ii) if it is in accordance with the policy of the company on delegated authority which has been approved by either the investor director (if any) or, where there is no investor director, by the investors' agent
- (4) The directors may revoke any delegation in whole or part, or alter its terms and conditions.
- (5) 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. In particular, the quorum requirements set out in article 12 apply to any meeting of any such committee, provided that article 12(3) and article 12(4) shall only apply to committee meetings in the event that an investor director has been appointed to the relevant committee and the relevant committee meeting is due to consider a board reserved matter.

- (6) 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

9. Directors to take decisions collectively

Subject to the articles, decisions of the directors must be taken.

- (a) at a directors' meeting, or
- (b) in the form of a directors' written resolution

10. Calling a directors' meeting

- (1) Any director may call a directors' meeting
- (2) The company secretary must call a directors' meeting if a director so requests
- (3) A directors meeting is called by giving notice of the meeting to the directors. The directors' shall be given at least 7 days prior notice of any such meeting or such shorter notice as may be practicable in the event of a meeting being required in exceptional circumstances.
- (4) Notice of any directors' meeting must indicate
 - (a) its proposed date and time;
 - (b) where practicable, an agenda of the business to be considered at the meeting,
 - (c) where it is to take place; and
 - (d) 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
- (5) Notice of a directors' meeting must be given to each director, but need not be in writing.
- (6) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting or of any business conducted at it

11. Participation in directors' meetings

- (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

12. Quorum for directors' meetings

- (1) At a directors' meeting, unless a quorum is participating, no proposal shall 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 with the consent of the investor director (if any), but, subject to article 12(3), it must never be less than two directors, and unless otherwise fixed it is two directors
- (3) If there is an investor director appointed pursuant to article 21 such investor director shall, upon receipt of a notice calling a directors' meeting, be entitled to deliver a written notice to the company requiring that he must participate in such meeting in order for a quorum to be present and, if such a written notice is received, save as provided in article 12(1), no business other than a proposal to adjourn the meeting may be transacted at the relevant meeting without the participation of the investor director
- (4) In the event that an investor director serves a notice intimating that he must participate in a meeting in accordance with article 12(3), the investor director does not participate in the relevant meeting and the meeting is consequently adjourned (the "adjourned meeting") then the investor director shall not be entitled to serve a notice pursuant to article 12(3) requiring that he must participate in any subsequent reconvening of the adjourned meeting (the "continuation meeting") provided that the continuation meeting is properly convened in accordance with article 10

13. Chairing 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 appoint other directors as deputy or assistant chairmen to chair directors' meetings in the chairman's absence

- (4) The directors may terminate the chairman's appointment at any time
- (5) If neither the chairman nor any director appointed generally to chair directors' meetings in the chairman's absence is participating in a meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it

14. Voting at directors' meetings: general rules

- (1) Subject to the articles, a decision is taken at a directors' meeting by a majority of the votes of the participating directors.
- (2) Subject to the articles, each director participating in a directors' meeting has one vote.
- (3) Subject to the articles, if a director has an interest in an actual or proposed transaction or arrangement with the company:
 - (a) that director and that director's alternate may not vote on any proposal relating to it, but
 - (b) this does not preclude the alternate from voting in relation to that transaction or arrangement on behalf of another appointor who does not have such an interest

15. Alternate directors' votes

A director who is also an alternate director has an additional vote on behalf of each appointor who is

- (a) not participating in a directors' meeting, and
- (b) would have been entitled to vote if they were participating in it

16. Chairman's casting vote at directors' meetings

- (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, voting or agreement purposes

17. Proposing directors' written resolutions

- (1) Any director may propose a directors' written resolution
- (2) The company secretary must propose a directors' written resolution if a director so requests
- (3) A directors' written resolution is proposed by giving notice of the proposed resolution to the directors

- (4) Notice of a proposed directors' written resolution must indicate
 - (a) the proposed resolution, and
 - (b) the time by which it is proposed that the directors should adopt it
- (5) Notice of a proposed directors' written resolution must be given in writing to each director
- (6) Any decision which a person giving notice of a proposed directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith.

18. Adoption of directors' written resolutions

- (1) A proposed directors' written resolution is adopted when all the directors have signed one or more copies of it
- (2) It is immaterial whether any director signs the resolution before or after the time by which the notice proposed that it should be adopted
- (3) Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the articles
- (4) The company secretary must ensure that the company keeps a record, in writing, of all directors' written resolutions for at least ten years from the date of their adoption

19. 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

20. Appointment of directors and number of 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, or
 - (c) in accordance with article 21 (*Investor Director*)
- (2) The company shall have at least 2 directors, excluding any director who is an investor director.

- (3) All acts done by any meeting of the board of directors or of a committee of directors or by any person or persons acting as a director or directors shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director or directors, or person(s) so acting, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

21. Investor Director & Observer

- (1) So long as the investors hold shares in aggregate constituting not less than 5% of the issued share capital of the company from time to time, the investors shall have the right, at any time and from time to time, (acting by the investors' agent) to appoint one non executive director of the company and the following provisions shall have effect in relation to such appointment:
 - (a) the investors will consult with the board prior to any such appointment as to the identity of the proposed appointee;
 - (b) any such appointment shall be effected by notice in writing to the company by the investors' agent who may in like manner at any time and from time to time, remove from office the investor director appointed pursuant to this article and appoint any person in place of any investor director so removed or dying or otherwise vacating office as an investor director;
 - (c) on any resolution to remove the investor director, the A ordinary shares held by the investors shall together carry one vote in excess of fifty per cent of all the votes exercisable at the general meeting at which such resolution is to be proposed and if any such investor director is removed pursuant to section 168 of the Companies Act 2006 or otherwise the investors (acting by the investors' agent) may reappoint him or any other person as an investor director
- (2) Any investor director shall, unless he consents otherwise in writing, be appointed to any non executive committee to which any powers of the directors which relate to board reserved matters are delegated pursuant to article 8. If such director consents not to be appointed to any such non-executive committee, he shall nevertheless be entitled to attend and address any meeting of any non executive committee and shall be entitled at any time to serve a written notice on the company requiring that with effect from the delivery of such notice he shall be entitled to receive notice of all subsequent meetings of any specified non executive committee at the same time and on the same basis as the members of such committee
- (3) Where from time to time and for so long as there is no investor director appointed pursuant to this article 21, references in these

articles to matters requiring the consent, approval or presence of an investor director shall be deemed not to require the relevant consent, approval or presence, unless these Articles expressly contemplate that the consent or approval of the investors' agent shall alternatively be given

- (4) So long as the investors hold shares in aggregate constituting not less than 5% of the issued share capital of the company from time to time, the investors shall have the right, at any time and from time to time, (acting by the investors' agent) to appoint one observer who may attend, observe and speak, but not vote, at meetings of the board. Any such appointment shall be effected by notice in writing to the company by the investors' agent who may in like manner at any time and from time to time, remove the observer so appointed and appoint any person in place of the observer so removed or dying or otherwise vacating his position as an observer

22. Retirement of directors/Termination of director's appointment

- (1) At every annual general meeting any directors (other than an investor director).
 - (a) who have been appointed since the last annual general meeting, or
 - (b) who were not appointed or reappointed at one of the preceding two annual general meetings,
 must retire from office and may offer themselves for reappointment by the members
- (2) A person ceases to be a director as soon as
 - (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law,
 - (b) a bankruptcy order is made against that person;
 - (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
 - (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
 - (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,

- (f) notification is received by the company from the director that the director is resigning or retiring from office as director, and such resignation or retirement has taken effect in accordance with its terms,
- (g) that person is convicted of an indictable offence (not being an offence which, in the opinion of the directors, does not affect the character of that person or the position of that person as a director of the company);
- (h) that person, not being an investor director, is removed from office by resolution of all of his co-directors,
- (i) an ordinary resolution is passed at a general meeting of the company directing his removal,
- (j) unless otherwise resolved by a majority of the directors, that person, having been an employee of the company or another member of the group, ceases to be an employee of the company or member of the group and does not continue to be an employee of any other member of the group

23. Directors' remuneration and pensions

- (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
- (6) Without prejudice to the generality of article 5, the board of directors may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any

time been employed by or in the service of the company (including directors who have held any executive office under the company or a member of the group) and to wives, widows, children and other relatives and dependants of such persons, and may set up, establish, join with other companies (being subsidiary undertakings of the company or companies with which it is associated in business), support and maintain pension, superannuation or other funds or schemes (whether contributory or non-contributory) for the benefit of such persons as are hereinbefore referred to or any of them or any class of them. Any director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit given or awarded to him. Any such pension, funds, or schemes may, as the directors consider desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

24. 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

ALTERNATE DIRECTORS

25. Appointment, removal and termination of alternates

- (1) Any director (the "appointor") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to.

- (a) exercise that director's powers, and
- (b) carry out that director's responsibilities,

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

- (2) Any appointment or removal of an alternate must be effected by notice to the company signed by the appointor, or in any other manner approved by the directors
- (3) The notice must

- (a) identify the proposed alternate, and
 - (b) 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.
- (4) 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, except that an alternate's appointment as an alternate does not terminate when the appointor retires by rotation at a general meeting and is then re appointed as a director at the same general meeting.

26. Rights and responsibilities of alternate directors

- (1) An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor
- (2) Except as the articles specify otherwise, alternate directors
 - (a) are deemed for all purposes to be directors,
 - (b) are liable for their own acts and omissions,
 - (c) are subject to the same restrictions as their appointors; and
 - (d) are not deemed to be agents of or for their appointors
- (3) A person who is an alternate director but not a director
 - (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and
 - (b) may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).

No alternate may be counted as more than one director for such purposes.

- (4) 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.

COMPANY SECRETARY

27. Appointment of Company Secretary

The board of directors shall appoint, and may remove at their discretion, a company secretary and shall fix the remuneration and terms and conditions of the person so appointed

PART 4 DECISION-MAKING BY MEMBERS

ORGANISATION OF GENERAL MEETINGS

28. Annual general meeting and general meeting if not enough directors

- (1) In each year the company shall hold a general meeting as its annual general meeting in addition to any other general meetings in that year. The annual general meeting shall be held at such time and place as the directors shall agree
- (2) If
 - (a) the company has fewer than two directors, and
 - (b) the director (if any) is unable or unwilling to appoint sufficient directors to make up a quorum or to call a general meeting to do so,

then two or more members may call a general meeting (or instruct the company secretary to do so) for the purpose of appointing one or more directors

29. 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

30. Quorum for general meetings

- (1) No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum
- (2) Subject to article 30(4), the quorum for a general meeting shall be two. Two or more qualifying persons present at a meeting are a quorum unless.
 - (a) each is a qualifying person only because he is authorised under section 323 of the Companies Act 2006 to act as the representative of a corporation in relation to the meeting, and they are representatives of the same corporation; or
 - (b) each is a qualifying person only because he is appointed as proxy of a member in relation to the meeting, and they are proxies of the same member
- (3) For the purposes of this article, a "qualifying person" means.
 - (a) an individual who is a member of the company,
 - (b) a person authorised under section 323 of the Companies Act 2006 to act as the representative of a corporation in relation to the meeting; or
 - (c) a person appointed as proxy of a member in relation to the meeting
- (4) Notwithstanding the terms of article 30(2) where all the shares comprised in the issued ordinary share capital of the company are registered in the name of one holder, that holder, present in person or by proxy or (being a corporation) present by a representative, may constitute a meeting

31. Chairing general meetings

- (1) The chairman (if any) of the board of directors shall chair general meetings if present and willing to do so
- (2) 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 member 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".

32. Attendance and speaking by directors and non-members

- (1) Directors may attend and speak at general meetings, whether or not they are members
- (2) The chairman of the meeting may permit other persons who are not:
 - (a) members of the company, or
 - (b) otherwise entitled to exercise the rights of members in relation to general meetings,
 to attend and speak at a general meeting
- (3) The company's auditors shall be entitled to attend any general meeting and to receive all notices of, and other communications relating to, any general meeting which any member is entitled to receive, and to speak at any general meeting on any part of the business of the meeting which concerns them as auditors

33. 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

34. 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

35. 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 who must act reasonably in considering the relevant objection. The decision of the chairman in relation to such matter is final

36. Demanding a poll

- (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,
 - (d) a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution; or
 - (e) any investor or investor's proxy or investor's representative
- (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

37. Procedure on a poll

- (1) Subject to the articles, polls at general meetings must be taken as and when the chairman of the meeting directs
- (2) The chairman of the meeting may appoint scrutineers (who need not be members) and decide how and when the result of the poll is to be declared
- (3) The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.
- (4) A poll on
 - (a) the election of the chairman of the meeting, or
 - (b) a question of adjournment,
 must be taken immediately.
- (5) Other polls must be taken within 30 days of their being demanded.
- (6) A demand for a poll does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded

- (7) No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded
- (8) In any other case, at least 7 days' notice must be given specifying the time and place at which the poll is to be taken.

38. 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 member appointing the proxy;
 - (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the member 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.

39. Delivery of proxy notices

- (1) Any notice of a general meeting must specify the address or addresses ("proxy notification address") at which the company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.

- (2) 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.
- (3) Subject to paragraphs (4) and (5), a proxy notice must be delivered to a proxy notification address not less than 48 hours before the general meeting or adjourned meeting to which it relates
- (4) In the case of a poll taken more than 48 hours after it is demanded, the notice must be delivered to a proxy notification address not less than 24 hours before the time appointed for the taking of the poll
- (5) In the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded, the proxy notice must be delivered at the meeting at which the poll was demanded to the chairman, secretary or any director
- (6) An appointment under a proxy notice may be revoked by delivering a notice given by or on behalf of the person by whom or on whose behalf the proxy notice was given to a proxy notification address
- (7) A notice revoking a proxy appointment only takes effect if it is delivered before
 - (a) the start of the meeting or adjourned meeting to which it relates, or
 - (b) (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll to which it relates
- (8) If a proxy notice is not signed 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

40. 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 secretary 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

RESTRICTIONS ON MEMBERS' RIGHTS

41. No voting of 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.

PART 5 SHARES AND DISTRIBUTIONS

ISSUE OF SHARES

42. Powers to issue different classes of share

- (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
- (3) Any unissued shares shall be under the control of the board of directors, who may allot and dispose of or grant options over the same to such persons, on such terms, and in such manner, as they think fit but subject always to these articles.

INTERESTS IN SHARES

43. Company not bound by less than absolute interests

Except as required by law the company is not in any way to be bound by or required to recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it, always provided that the board of directors may resolve to recognise the interest of a trust in a share and to record such interest alongside the holder's ownership of such share in the register of members of the company.

SHARE CERTIFICATES

44. Certificates to be issued except in certain cases

- (1) The company must issue each member with one or more certificates in respect of the shares which that member holds
- (2) No certificate may be issued in respect of shares of more than one class.
- (3) If more than one person holds a share, only one certificate may be issued in respect of it

45. Contents and execution of share certificates

- (1) 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) the amount paid up on them; and
 - (d) any distinguishing numbers assigned to them
- (2) Certificates must be executed in accordance with the Companies Acts

46. Consolidated share certificates

- (1) When a member's holding of shares of a particular class increases, the company shall issue that member with either
 - (a) a single, consolidated certificate in respect of all the shares of a particular class which that member holds, or
 - (b) a separate certificate in respect of only those shares by which that member's holding has increased
- (2) When a member's holding of shares of a particular class is reduced, the company must ensure that the member is issued with one or more certificates in respect of the number of shares held by the member after that reduction. But the company need not (in the absence of a request from the member) issue any new certificate if
 - (a) all the shares which the member no longer holds as a result of the reduction, and
 - (b) none of the shares which the member retains following the reduction,

were, immediately before the reduction, represented by the same certificate

- (3) A member may request the company, in writing, to replace
 - (a) the member's separate certificates with a consolidated certificate, or
 - (b) the member's consolidated certificate with two or more separate certificates representing such proportion of the shares as the member may specify
- (4) When the company complies with such a request it may charge such reasonable fee as the directors may decide for doing so
- (5) A consolidated certificate must not be issued unless any certificates which it is to replace have first been returned to the company for cancellation

47. Replacement share certificates

- (1) If a certificate issued in respect of a member's shares is
 - (a) damaged or defaced, or
 - (b) said to be lost, stolen or destroyed,
 that member is entitled to be issued with a replacement certificate in respect of the same shares
- (2) A member 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

PARTLY PAID SHARES

48. Company's lien over partly paid shares

- (1) The company has a lien ("the company's lien") over every share which is partly paid for any part of
 - (a) that share's nominal value, and
 - (b) any premium at which it was issued,
 which has not been paid to the company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it

- (2) The company's lien over a share
 - (a) takes priority over any third party's interest in that share, and
 - (b) 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
- (3) The directors may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part

49. Enforcement of the company's lien

- (1) Subject to the provisions of this article, if
 - (a) a lien enforcement notice has been given in respect of a share, and
 - (b) 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
- (2) A lien enforcement notice.
 - (a) 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,
 - (b) must specify the share concerned,
 - (c) must require payment of the sum payable within fourteen days of the notice,
 - (d) must be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death or bankruptcy, and
 - (e) must state the company's intention to sell the share if the notice is not complied with
- (3) Where shares are sold under this article:
 - (a) the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and
 - (b) 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.

- (4) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
 - (a) 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,
 - (b) 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 a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice
- (5) A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been sold to satisfy the company's lien on a specified date.
 - (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
 - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

50. Call notices

- (1) Subject to the articles and the terms on which shares are allotted, the directors may send a notice (a "call notice") to a member requiring the member to pay the company a specified sum of money (a "call") which is payable in respect of shares which that member holds at the date when the directors decide to send the call notice
- (2) A call notice
 - (a) may not require a member to pay a call which exceeds the total sum unpaid on that member's shares (whether as to the share's nominal value or any amount payable to the company by way of premium),
 - (b) must state when and how any call to which it relates it is to be paid; and
 - (c) may permit or require the call to be paid by instalments.
- (3) A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 14 days have passed since the notice was sent
- (4) Before the company has received any call due under a call notice the directors may.

- (a) revoke it wholly or in part, or
 - (b) specify a later time for payment than is specified in the notice,
- by a further notice in writing to the member in respect of whose shares the call is made.

51. Liability to pay calls

- (1) Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.
- (2) Joint holders of a share are jointly and severally liable to pay all calls in respect of that share
- (3) Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them
 - (a) to pay calls which are not the same, or
 - (b) to pay calls at different times.

52. When call notice need not be issued

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 (whether in respect of nominal value or premium)

- (a) on allotment,
- (b) on the occurrence of a particular event, or
- (c) on a date fixed by or in accordance with the terms of issue

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

53. Failure to comply with call notice: automatic consequences

- (1) If a person is liable to pay a call and fails to do so by the call payment date
 - (a) the directors may issue a notice of intended forfeiture to that person, and
 - (b) until the call is paid, that person must pay the company interest on the call from the call payment date at the relevant rate
- (2) For the purposes of this article

- (a) 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,
- (b) the "relevant rate" is:
 - (i) the rate fixed by the terms on which the share in respect of which the call is due was allotted;
 - (ii) 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
 - (iii) if no rate is fixed in either of these ways, 5 per cent per annum
- (3) The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.
- (4) The directors may waive any obligation to pay interest on a call wholly or in part

54. Notice of intended forfeiture

A notice of intended forfeiture

- (a) may be sent in respect of any share in respect of which a call has not been paid as required by a call notice,
- (b) must be sent to the holder of that share,
- (c) must require payment of the call and any accrued interest by a date which is not less than fourteen days after the date of the notice,
- (d) must state how the payment is to be made, and
- (e) 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

55. 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

56. Effect of forfeiture

- (1) Subject to the articles, the forfeiture of a share extinguishes

- (a) all interests in that share, and all claims and demands against the company in respect of it, and
 - (b) all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company
- (2) Any share which is forfeited in accordance with the articles
- (a) is deemed to have been forfeited when the directors decide that it is forfeited,
 - (b) is deemed to be the property of the company, and
 - (c) may be sold, re allotted or otherwise disposed of as the directors think fit
- (3) If a person's shares have been forfeited
- (a) the company must send that person notice that forfeiture has occurred and record it in the register of members,
 - (b) that person ceases to be a member in respect of those shares;
 - (c) that person must surrender the certificate for the shares forfeited to the company for cancellation,
 - (d) 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
 - (e) 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
- (4) At any time before the company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit

57. Procedure following forfeiture

- (1) If a forfeited share is to be disposed of by being transferred, the company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer
- (2) A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
 - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share
- (3) A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.
- (4) If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the company the proceeds of such sale, net of any commission, and excluding any amount which
- (a) was, or would have become, payable, and
 - (b) 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

58. Surrender of shares

- (1) A member may surrender any share.
 - (a) in respect of which the directors may issue a notice of intended forfeiture,
 - (b) which the directors may forfeit, or
 - (c) which has been forfeited
- (2) The directors may accept the surrender of any such share
- (3) The effect of surrender on a share is the same as the effect of forfeiture on that share
- (4) A share which has been surrendered may be dealt with in the same way as a share which has been forfeited

TRANSMISSION AND TRANSFER OF SHARES

59. 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) Nothing in these articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member

60. Transmittees' rights

- (1) Subject to the terms of these articles 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.
- (2) But transmittees do not have the right to attend or vote at a general meeting in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy, unless they become the holders of those shares

61. Exercise of transmittees' rights

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

62. Transmittees bound by prior notices

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

63. Transfers of shares

- (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
 - (a) the transferor, and
 - (b) (if any of the shares is partly paid) the transferee

- (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 if
 - (a) the share is not fully paid,
 - (b) the transfer is not lodged at the company's registered office or such other place as the directors have appointed;
 - (c) the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf, together with an indemnity in such form as the board of directors may reasonably require in the case of a lost share certificate,
 - (d) the transfer is in respect of more than one class of share,
 - (e) the transfer is in favour of more than four transferees, or
 - (f) the transfer is not duly stamped where required to be stamped
- (6) If the directors refuse to register the transfer of a share, the instrument of transfer must be returned to the transferee with the notice of refusal unless they reasonably suspect that the proposed transfer may be fraudulent
- (7) The company's register of members may be closed at such times and for such periods as the board of directors may from time to time determine, provided that it shall not be closed for more than 30 days in any calendar year

64. Transfer of Shares – Further Provisions

(1) Right to Decline Registration of Shares

Notwithstanding the provisions of article 64(3), the board of directors may, in its absolute discretion, decline to register any transfer of any share or any interest in any share, whether or not it is a fully paid share, except where the transfer is a permitted transfer.

(2) Notice of Refusal

If the board of directors declines to register a transfer of a share or any interest in any share the company shall, as soon as practicable and in any event within 30 days after the date on which the board determines that it will refuse to register the transfer, send to the transferee notice of the refusal

(3) **Transfer Notices and Restrictions on Transfer**

Subject always to article 64(1) and save in respect of any permitted transfer or transfers made in accordance with article 65 (Tag Along Rights) or article 66 (Drag Along Rights), no share or interest in any share shall be transferred otherwise than in accordance with this article 64(3), as follows

- (a) no member or person entitled by transmission shall transfer or dispose of, or agree to transfer or dispose of, or grant any interest or right in, any share or any interest therein to any person (hereinafter a "transferee") without first offering the same for transfer on the terms set out in this article 64(3). Such offer may be in respect of all or part only of the shares held by the proposing transferor and shall be made by the proposing transferor by giving notice thereof in writing to the company (such notice being a "transfer notice"). The board of directors may require a transfer notice to be in a particular form, but in the absence of any such requirement the board of directors shall be entitled to treat any written communication or notice from a member or a person entitled to shares by transmission as a transfer notice for the purposes of these articles. A transfer notice shall not be revocable except with the consent of the board of directors, and shall (together with the proposed transfer to which it relates) be unconditional but provided that a condition falling within paragraph (e) below shall be permitted.
- (b) Each transfer notice shall specify the shares or interest in shares offered (the "sale shares") and the price at which they are proposed to be offered and the identity(ies) of the proposed transferee(s) and it shall constitute the board of directors as the agent of the proposing transferor for the sale of the sale shares to such person, firm, company, trust or other entity (whether or not a body corporate, and whether or not an existing holder of shares in the company) as the board of directors shall in its sole discretion resolve (the "proposed acquirer") at a price not less than the transfer price. For the avoidance of doubt.
 - (i) the board of directors may offer the sale shares to more than one proposed acquirer;
 - (ii) the board of directors may, if they so resolve, not offer the sale shares to any proposed acquirer, and

- (iii) a proposed acquirer may be the company itself, provided that the provisions of this article 64(3) shall apply with such modifications as are necessary to take account of a sale being a purchase of own shares by the company
- (c) Following receipt by the company of the transfer notice the board of directors shall
- (i) within 30 days notify the proposing transferor in writing whether the board of directors agrees the price at which the sale shares are proposed to be offered by the proposing transferor and, if the board of directors resolves (in its absolute discretion) not to agree to such proposed price, at the same time notify the proposing transferor of the determined transfer price, and in the latter case the proposing transferor shall then have a further 15 days to notify the company in writing as to whether the proposing transferor accepts or rejects the determined transfer price. If the proposing transferor accepts the determined transfer price or does not object to it within such 15 day period, then the determined transfer price shall constitute the transfer price but if the proposing transferor rejects the determined transfer price within such 15 day period then the transfer notice shall be deemed to have been withdrawn and never to have had effect,
 - (ii) within 60 days (but, if applicable, not before the expiry of the 15 day period referred to in paragraph (c)(i) above), unless it has resolved prior to the expiry of such 60 day period not to offer the sale shares to any proposed acquirer or the transfer notice has been deemed to be withdrawn under paragraph (c)(i) above, give written notice (an "offer notice") to the proposed acquirer(s) of the number of the sale shares and the transfer price inviting the proposed acquirer(s) to state by notice in writing to the company within 30 days of the date of the offer notice whether he is willing to purchase any and, if so, what maximum number of the sale shares he is willing to purchase, and shall also forthwith give a copy of such notice to the proposing transferor. A proposed acquirer who, pursuant to such a notice, expresses a willingness within such 30 day period to purchase any sale shares is referred to below as a "purchaser"
- (d) Within 60 days of the date of the offer notice the board of directors shall, subject to article 64(3)(e) below, allocate the sale shares to the purchaser and such allocation shall in the case of competition between purchasers (if more than one) be made

pro rata to the number of sale shares applied for by them but individual allocations shall not exceed the maximum number of sale shares which the relevant purchaser shall have expressed a willingness to purchase.

- (e) If the transfer notice shall state that the intending transferor is not willing to transfer part only of the sale shares, no allocation shall be made by the board of directors unless all the sale shares are allocated
- (f) Forthwith upon such allocation being made, each purchaser to whom such allocation has been made shall be bound to pay to the company (as agent for the proposing transferor) the transfer price for, and to accept a transfer of, the sale shares so allocated to him and the proposing transferor shall be bound forthwith upon payment of the specified price as aforesaid to deliver to the company (as agent for the respective purchasers) such documents as are required to transfer such shares to the respective purchasers and to confirm to such purchasers (i) that the proposing transferor is the owner of the sale shares, (ii) that the sale shares are free of any encumbrance, and (iii) that the proposing transferor has the capacity required to enter into the relevant documents and transfer the sale shares.
- (g) If in any case the proposing transferor, after having become bound to transfer any sale shares as aforesaid, makes default in so doing the company may receive the specified price and the board of directors may appoint some person to execute instruments of transfer of such sale shares in favour of the purchasers and shall thereupon (subject to such transfers being properly stamped) cause the name of each of the purchasers to be entered in the company's register of members as the holder of those sale shares allocated to him as aforesaid and shall hold the specified price in trust for the proposing transferor. The receipt of the company therefor shall be a good discharge to the purchasers and after their names shall have been entered in the register in exercise of the aforesaid power the validity of the transactions shall not be questioned by any person
- (h) If
 - (i) at the expiry of the period of 60 days referred to in article 64(3)(d) above, any of the sale shares have not been allocated in accordance with the provisions of this article 64(3), or
 - (ii) the board of directors shall have resolved prior to the expiry of the period of 60 days referred to in article 64(3)(c) above not to offer the sale shares to any proposed acquirer,

the proposing transferor may at any time within a period of 90 days after the expiration of the said period of 60 days referred to above transfer the sale shares not so sold to any transferee (which may include the proposed transferee(s) specified in the transfer notice) approved by the board of directors at any price not being less than the transfer price, provided that if the transfer notice shall contain the statement referred to in article 64(3)(e) he shall not be entitled hereunder to transfer any of such sale shares unless in aggregate all of such shares are so transferred

- (i) The restrictions on transfer contained in this article 64(3) shall apply to all transfers and transmissions by operation of law or otherwise of shares other than permitted transfers and transfers made in accordance with article 65 (*Tag Along Rights*) or article 66 (*Drag Along Rights*)

65. Tag Along Rights

- (1) Save as provided in article 65(3), no transfer of any shares which would result if made and registered in any person or persons who are not holders of shares (a) as at the date of adoption of these articles or (b) after the date of adoption of these articles as a result of a permitted transfer made in accordance with article 67(a) or article 67(b)(i) to (v) inclusive, acting in concert (as defined by the City Code on Take Overs and Mergers) acquiring control of more than 50% in nominal value of the issued share capital of the company shall be made or registered unless
 - (a) before the transfer is lodged for approval by the directors for registration, the proposed transferee (or the company as the agent of the proposed transferee) has made a qualifying offer, and
 - (b) before or at the same time as the transfer of the shares giving rise to the obligation to make the qualifying offer is approved by the directors (subject to stamping), each such accepted qualifying offer is completed and the consideration thereunder paid, except insofar as failure to complete is due to the fault of the recipient of the offer.
- (2) In default of acceptance in writing by a recipient of the offer of the qualifying offer, it shall be deemed to have been rejected by such recipient.
- (3) The provisions of article 65(1) shall not apply to
 - (a) any permitted transfer made in accordance with article 67(a) or article 67(b)(i) to (v) inclusive;
 - (b) any transfer of shares pursuant to article 66 (*Drag Along Rights*)

- (4) For the purposes of articles 65 and 66
 - (a) "transfer" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment and the renounee under any such letter of allotment, and
 - (b) in determining the price paid or agreed to be paid for a share for the purposes of calculating the specified price, there shall be included in each case an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the seller of the relevant shares (or any connected person or person acting in concert with him) which (having regard to the substance of the transaction as a whole) can reasonably be regarded as forming part of the consideration for the relevant shares.
- (5) In the event of any failure to agree the calculation of the specified price within 10 business days of the proposed transferee first intimating a proposed specified price to the board
 - (a) such calculation shall be referred within 5 business days of the expiry of such 10 business day period to the valuers;
 - (b) the decision of the valuers so appointed as to the calculation of the specified price shall be final and binding on all parties,
 - (c) in the absence of fraud, the valuers shall be under no liability to any person by reason of their calculation or anything done or omitted to be done by them for the purposes thereof or in connection therewith;
 - (d) the proposing transferor and transferee and any other holder of shares shall provide the valuers with whatever information the valuers reasonably requests for the purposes of the calculation,
 - (e) on completion of their determination of the specified price the valuers shall allocate the costs they have incurred in relation to such calculation between the proposed transferee and/or the company as they consider appropriate

66. Drag Along Rights

In the event that transfers pursuant to acceptances of any bona fide offer (whether or not a qualifying offer) made for the whole of the issued share capital of the company (other than any shares already held by the offeror or any persons acting in concert with the offeror or connected persons of such offeror) would result in the offeror (together with persons acting in concert with such offeror and connected persons of such offeror) acquiring control of more than 75% in nominal value of the issued shares then

- (a) each of the other holders of shares shall within 5 business days of a notice being given by such offeror be required to accept the relevant offer in respect of all the shares held or to be held by him/it and to comply with the obligations assumed by virtue of such acceptance,
- (b) if any such member shall refuse or fail to transfer any of the shares held by him/it in accordance with the provisions of this article or otherwise fails to take any action required of it under the terms of the relevant offer, the directors may authorise a person to execute and deliver on behalf of such member a transfer or transfers of such shares to the person or persons making the relevant offer or undertake any action required under the terms of the relevant offer on the part of that member;
- (c) the company shall give a good receipt for the purchase price for such shares which shall be a good discharge to the offeror and subject to compliance by the offeror with the terms of the relevant offer and payment of any required stamp duty, shall register the offeror as holder thereof and issue to it certificates for the same whereupon the offer shall become indefeasibly entitled thereto; and
- (d) the transferor shall, in each case, be bound to deliver up his certificate for all of his shares (or an indemnity satisfactory to the board) to the company, whereupon the transferor shall be entitled to receive the purchase price which shall, in the meantime, be held by the company on trust for the transferor.

67. Permitted Transfers

Notwithstanding any other provision of these articles

- (a) each investor shall be entitled at any time to transfer all or any of the shares of which it is the holder to any member of the HBOS group or any permitted fund provided that in the event that any transferee pursuant to this article 67 ceases after the date of such transfer to be a member of the HBOS group or a permitted fund then such transferee shall, on or before such cessation, transfer the relevant shares to a member of the HBOS group or a permitted fund ;
- (b) any share may at any time be freely transferred
 - (i) by any EBT or EBT trustee to a new trustee or trustees of any EBT upon any change of trustees of such trusts, or
 - (ii) to any EBT, or to any person in accordance with the rules of an employees' share scheme; or
 - (iii) between the trustees of any EBT; or
 - (iv) by a member or the executor of a deceased member to a lineal descendant of such member or to his brothers or sisters, or to a trust whose beneficiaries (other than residual beneficiaries in

respect of a discretionary trust) comprise only some or all of the foregoing persons or to the company, or

- (v) with prior board approval, by any employee or ex-employee to any EBT; or
- (vi) by any holder of A ordinary shares provided that the transfer is approved or agreed in advance by the company and/or the board of directors.

68. Conversion of A ordinary shares

- (1) Unless resolved otherwise by the board with the consent of the investors' agent, without any further notice being given by or to the company or any of the members
 - (a) any A ordinary share acquired by any person other than a member of the HBOS group or a permitted fund or otherwise pursuant to a permitted transfer shall immediately upon such acquisition be converted into an ordinary share and shall thereafter rank *pari passu* in all respects alongside the ordinary shares then in issue, and
 - (b) any ordinary share acquired whether on transfer or issue by any member of the HBOS group or a permitted fund shall immediately upon such acquisition be converted into an A ordinary share and shall thereafter rank *pari passu* in all respects alongside the A ordinary shares then in issue
- (2) In the event that the A ordinary shares in issue at any time comprise less than 5% of the issued ordinary share capital of the company at such time, each of the A ordinary shares remaining in issue at such time shall thereupon be converted into an ordinary share and shall thereafter rank *pari passu* in all respects alongside the ordinary shares then in issue

DISTRIBUTIONS

69. Procedure for declaring dividends

- (1) The company may by ordinary resolution declare final dividends, and the directors may decide to pay interim dividends
- (2) A final 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 members' respective rights
- (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

70. Calculation of dividends

- (1) Except as otherwise provided by the articles or the rights attached to shares, all dividends must be
 - (a) declared and paid according to the amount of nominal value paid up on the shares on which the dividend is paid, and
 - (b) 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.
- (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.
- (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

71. 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 (the "senior holder"), 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 transmitttee

72. Deductions from distributions in respect of sums owed to the company

- (1) If
 - (a) a share is subject to the company's lien, and
 - (b) 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
- (2) Money so deducted must be used to pay any of the sums payable in respect of that share.
- (3) The company must notify the distribution recipient in writing of
 - (a) the fact and amount of any such deduction;
 - (b) any non payment of a dividend or other sum payable in respect of a share resulting from any such deduction, and
 - (c) how the money deducted has been applied

73. 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.

74. 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.

75. Non-cash distributions and scrip dividends

- (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

- (3) Subject to approval by the company by an ordinary resolution, on the recommendation of the directors, to the directors having the requisite authorities to allot shares and subject as hereinafter provided, the directors may at their discretion resolve (at the same time as they resolve to recommend or to pay any dividend on any shares in the capital of the company) that the holders of fully paid shares (or any class thereof) will have the option to elect to receive in lieu of such dividend (or part thereof) an allotment of additional shares of the same class credited as fully paid provided that :-

- (a) an adequate number of unissued shares is available for this purpose;

- (b) the approval by the company by ordinary resolution may only be given in respect of a specified dividend or of any dividends

declared or to be declared or paid in respect of a specified financial year;

- (c) the number of shares to be allotted in lieu of any amount of dividend as aforesaid shall be determined by the directors so that the value of such shares shall equal (as nearly as may be without exceeding) such amount and for this purpose the value of a share shall be the determined transfer price at the day immediately preceding the day on which the directors resolved to recommend or pay the relevant dividend,
- (d) the directors after determining the number of shares to be allotted as aforesaid shall give notice in writing to the shareholders of the option to elect accorded to them and shall send with such notice forms of election which specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective,
- (e) following the receipt of a notice or notices of election pursuant to paragraph (d) of this article, the directors shall allot to the holders of those shares in respect of which the share election has been or is duly exercised, in lieu of the dividend (or that part of the dividend in respect of which the right of election has been accorded), such number of additional shares of the relevant class determined as aforesaid and for such purposes the directors shall appropriate and capitalise out of any reserve or fund which is available for distribution (including any share premium account, capital redemption reserve fund or profit and loss account) as they shall determine, an amount equal to the aggregate nominal amount of the additional shares so to be allotted and apply the same in paying up in full the appropriate number of unissued shares for allotment and distribution to and amongst those holders of shares who have given notices of election as aforesaid, such additional shares to rank *pari passu* in all respects with the fully paid shares of the same class then in issue save only as regards participation in the relevant dividend, and
- (f) the directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the directors to make such provisions as they think fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or the benefit of fractional entitlements accrues to the company rather than to the members concerned) The directors may authorise any person to enter, on behalf of all the members interested, into an agreement with the company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned

76. 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**77. 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) 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
 - (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
- (5) Subject to the articles the directors may

- (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another,
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments), and
- (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article

PART 6 MISCELLANEOUS PROVISIONS

COMMUNICATIONS

78. 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 (including but not limited to section 1258) 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) Without prejudice to the generality of article 78(1), any notice, document or information may be sent or supplied by or to the company
 - (a) by delivering to the recipient;
 - (b) by leaving it at the recipient's proper address, or
 - (c) by sending it by post to the recipient at his proper address.
- (3) In the case of a notice, document or information which is delivered to or left at a member's or the company's proper address, such notice, document or information shall be deemed to have been delivered or served at the time at which it is so delivered or served
- (4) In the case of a notice, document or information which is sent by post to a member's or the company's proper address, such notice shall be sent first or second class and prepaid and shall be deemed to have been delivered or served (in the case of first class post) on the day after the same shall have been posted or (in the case of second class post) three days after the same shall have been posted, and in proving such service it shall be sufficient to prove that the envelope containing the same was properly stamped, addressed and posted
- (5) Any notice, document or information may

- (a) in the case of a body corporate, be given to or served on an officer of that body,
 - (b) in the case of a partnership, be given to or served on any partner,
 - (c) in the case of an unincorporated association other than a partnership, be given to or served on any member of the governing body of that association;
 - (d) in the case of a trust, be given to or served on any trustee
- (6) A notice may be given by the company to the person entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to him by name, or by the title of the representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, within the United Kingdom supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving notice in any manner in which the same might have been given if the death or bankruptcy had not occurred
- (7) If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by notice advertised on the same date in at least two leading daily newspapers with appropriate circulation one of which shall be a leading London daily newspaper and the other of which shall be a leading Scottish daily newspaper and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.
- (8) 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
- (9) 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.

79. Failure to notify contact details

- (1) If

- (a) the company sends two consecutive documents to a member over a period of at least 12 months, and
- (b) each of those documents is returned undelivered, or the company receives notification that it has not been delivered,

that member ceases to be entitled to receive notices from the company

- (2) A member who has ceased to be entitled to receive notices from the company becomes entitled to receive such notices again by sending the company
 - (a) a new address to be recorded in the register of members, or
 - (b) if the member has agreed that the company should use a means of communication other than sending things to such an address, the information that the company needs to use that means of communication effectively

ADMINISTRATIVE ARRANGEMENTS

80. 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 or securities 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, or
 - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied
- (5) If the company has an official seal for use abroad, it may only be affixed to a document if its use on that document, or documents of a class to which it belongs, has been authorised by a decision of the directors

81. Destruction of documents

- (1) The company is entitled to destroy
 - (a) all instruments of transfer of shares which have been registered, and all other documents on the basis of which any

entries are made in the register of members, from six or more years after the date of registration,

- (b) all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address, from two years after they have been recorded,
 - (c) all share certificates which have been cancelled from one year after the date of the cancellation,
 - (d) all paid dividend warrants and cheques from one year after the date of actual payment, and
 - (e) all proxy appointments from one year after the end of the meeting to which the proxy appointment relates.
- (2) If the company destroys a document in good faith, in accordance with the articles, and without notice of any claim to which that document may be relevant, it is conclusively presumed in favour of the company that:
- (a) entries in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed were duly and properly made,
 - (b) any instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
 - (c) any share certificate so destroyed was a valid and effective certificate duly and properly cancelled, and
 - (d) any other document so destroyed was a valid and effective document in accordance with its recorded particulars in the books or records of the company.
- (3) This article does not impose on the company any liability which it would not otherwise have if it destroys any document before the time at which this article permits it to do so
- (4) In this article, references to the destruction of any document include a reference to its being disposed of in any manner

82. 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

83. Provision for employees on cessation of business

The power conferred upon the company to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary shall only be exercised by the company with the prior sanction of a special resolution.

84. Attorneys

Without prejudice to the generality of article 7 the directors may from time to time and at any time by power of attorney under the company's seal or executed by such other method as may be permitted by the Companies Acts, appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the directors, to be the attorney or attorneys of the company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney with any such attorney as the directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him, always provided that where the power of attorney gives to the attorney powers, authorities and/or discretions over any matter which is a board reserved matter such attorney shall be granted only (i) with the consent of the investor director (if any) or, where there is no investor director, with the consent of the investors' agent or (ii) if it is in accordance with the policy of the company on delegated authority which has been approved by the investor director or, where there is no investor director, by the investors' agent

85. Authorisation of signatures and acceptances

All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments, and all receipts for moneys paid to the company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the directors shall from time to time by resolution determine

86. Borrowing Powers

Without prejudice to the generality of article 5, the directors may exercise all powers of the company to raise or borrow money and to mortgage or charge its undertaking, property and assets both present and future (including uncalled capital) and, subject to the Companies Acts, to issue debentures, debenture stock or other securities whether outright or as collateral security for any debt, liability or obligation of the company or any third party

87. Subsidiary Undertakings

Without prejudice to the generality of article 5, the directors may arrange that any branch of the business carried on by the company or any other business

in which the company may be interested shall be carried on as or through one or more subsidiary undertakings, and they may, on behalf of the company, make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing, assisting or subsidising any such subsidiary undertaking or guaranteeing its contracts, obligations or liabilities, and they may appoint, remove and re-appoint any persons (whether members of their own body or not) to act as directors or managers of any such subsidiary undertakings or any other company in which the company may be interested and may determine the remuneration (whether by way of salary, commission on profits or otherwise) of any persons so appointed, and any directors of the company may retain any remuneration so payable to them.

DIRECTORS' INDEMNITY AND INSURANCE

88. Indemnity

- (1) Subject to paragraph (2), a relevant officer of the company or an associated company shall be indemnified out of the company's assets 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 an associated company,
 - (b) any liability incurred by that officer 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 officer 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 officer" means any director, former director, company secretary or former company secretary or other officer of the company or an associated company (but not its auditor)

89. Insurance

- (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

(2) In this article.

- (a) a "relevant officer" means any director or former director, company secretary or former company secretary of the company or an associated company, any other officer or employee or former officer or employee of the company (but not its auditor) or any trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act) for the purposes of an employees' share scheme of the company or an associated company, and
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company (within the meaning of article 88(3)(a)) or any pension fund or employees' share scheme of the company or associated company

CONFLICTS

90. Conflicts

- (1) Save as otherwise specified in these articles, a director may vote on, and be counted in the quorum in relation to any resolution relating to a matter in which he has, or can have.
 - (a) a direct or indirect interest or duty which conflicts, or possibly may conflict, with the interests of the company, and
 - (b) a conflict of interest arising in relation to an existing or a proposed transaction or arrangement with the company
- (2) This article 90(2) shall apply on and after (but not before) the coming into force of Sections 175 to 177 and 182 to 185 of the Companies Act 2006

In respect of any situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company, the board may authorise the matter (including, if appropriate, providing that the relevant director is not required to, and will not be in breach of duty if he does not, disclose confidential information relating to the conflict matter) provided that

- (i) the director has declared the full nature and extent of the situation to the board,
- (ii) it is proposed (either by the director in question or another) that the board authorise the matter and upon the resolution to do so the requirement for the quorum is met without counting the director in question and the resolution was agreed to without such director voting or would be agreed if their votes had not been counted, and

- (iii) the board may attach such limitations, conditions or terms as it considers appropriate to any such authorisations