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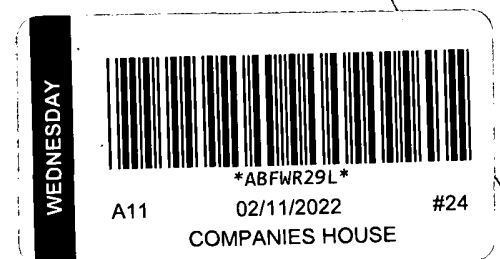
THE COMPANIES ACT 2006

(A)
M. McKinnon

Articles of Association

(As adopted by special resolution passed 25th October 2022)

R. & M. Electrical Wholesalers Limited



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PART 1 INTERPRETATION AND LIMITATION OF LIABILITY

1 DEFINED TERMS

In the Articles, unless the context requires otherwise:-

"Act" means the Companies Act 2006;

"Acting in Concert" shall have the meaning given to it in the City Code on Takeovers and Mergers from time to time;

"Adoption Date" the date of adoption of these articles;

"Articles" means the Company's Articles of association as set out herein and the relevant model Articles are excluded;

"Auditors" means the Auditors of the Company from time to time; unless auditors are not required pursuant to the Act and have not been appointed, in which case such reference shall instead mean the accountants of the Company from time to time;

"bankruptcy" includes individual insolvency proceedings in a jurisdiction other than Scotland which have an effect similar to that of bankruptcy;

"the Board" means the board of directors of the Company;

"Chairman" has the meaning given in Article 12;

"Chairman of the meeting" has the meaning given in Article 47;

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

"Control Percentage" means 50% of more of the issued share capital;

"Controlling Interest" means an interest in the Control Percentage or more of the total voting rights conferred by all shares in the capital of the Company for the time being in issue and conferring the right to attend and vote at all general meetings;

"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 38.2;

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

"Electronic form" has the meaning given in section 1168 of the Act;

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

"Eligible Shareholders" means each Shareholder who is a Shareholder at the Transfer Notice Date (excluding the relevant Proposing Transferor, any other Shareholder who at any time before that date has given (or is deemed to have given) a current Transfer Notice in respect of any Share or who is bound under these articles to give a Transfer Notice in respect of any Share and the Trustee);

"Employee" means a person for the time being who is a bona fide employee of the Company or any Group Member of the Company;

"EOT" means the R & M Electrical Wholesalers Limited Employee Ownership Trust or such other trust whose beneficiaries are bona fide employees of any Group Member from time to time;

"EOT Shareholding Threshold" means at least 100% shares of the issued share capital of the Company;

"EOT Trust Deed" means the trust deed establishing an EOT;

"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 Member" means any holding Company, subsidiary Company, wholly-owned subsidiary Company or a parent Company, in each case as defined in the Act;

"Hard copy form" has the meaning given in section 1168 of the Act;

"Holder" in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

"Instrument" means a document in hard copy form;

"Listing" means the listing or admission to trading of any of the Company's securities on the Official List or the Alternative Investment Market of the London Stock Exchange plc or any recognised investment exchange (as defined by section 285 Financial Services and Markets Act 2000);

"Member" means a person registered as a member in the register of members of the Company;

"Ordinary resolution" has the meaning given in section 282 of the Act;

"Ordinary Shares" means the Ordinary Shares of £1.00 each in the capital of the Company;

"Paid" means paid or credited as paid;

"Participate", in relation to a directors' meeting, has the meaning given in Article 10;

"Proxy notice" has the meaning given in Article 53;

"Shareholder" means a person who is the holder of a share;

"Shares" means the Ordinary Shares in the capital of the Company and has the meaning of relevant securities or equity securities as defined in the Act where the context requires this;

"special resolution" has the meaning given in section 283 of the Act;

"Subscription Price" means in respect of each share, the price per share (including any premium) paid in cash or otherwise to the Company for the subscription of such share;

"Subsidiary" has the meaning given in section 1159 of the Act;

"Transfer Proportions" means in relation to the relevant Eligible Shareholders, in proportion (as nearly as possible without involving fractions) to the nominal value of the Shares held by them respectively at the Transfer Notice Date;

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

"Trustee" means the Trustee for the time being of the EOT;

"Valuer" means the Auditors unless they decline to act and in such an instance the valuer shall instead be appointed by the President for the time being of the Institute of Chartered Accountants of Scotland; and

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

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

These Articles of association apply to the Company and the relevant model Articles contained in the Companies (Model Articles) Regulations 2008 are excluded.

2 LIABILITY OF MEMBERS

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

PART 3 DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

3 DIRECTORS' GENERAL AUTHORITY

Subject to the Articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

4 SHAREHOLDERS' RESERVE POWER

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

5 DIRECTORS MAY DELEGATE

- 5.1 Subject to the Articles, the directors may delegate any of the powers which are conferred on them under the Articles:
 - 5.1.1 to such person or committee;
 - 5.1.2 by such means (including by power of attorney);
 - 5.1.3 to such an extent;
 - 5.1.4 in relation to such matters or territories; and
 - 5.1.5 on such terms and conditions;as they think fit.
- 5.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

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

6 COMMITTEES

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

DECISION MAKING BY DIRECTORS

7 DIRECTORS TO TAKE DECISIONS COLLECTIVELY

- 7.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with Article 8.

7.2 If:-

7.2.1 the Company only has one director, and

7.2.2 no provision of the Articles requires it to have more than one director,

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.

8 UNANIMOUS DECISIONS

- 8.1 A decision of the directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they agree with a decision or a proposed decision on a matter.
- 8.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each Eligible Director or to which each Eligible Director has otherwise indicated agreement in writing.
- 8.3 References in this Article to Eligible Directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

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

9 CALLING A DIRECTORS' MEETING

- 9.1 Any director may call a directors' meeting by giving seven days' notice of the meeting to the directors or by authorising the Company secretary (if any) to give such notice. Meetings may be called on shorter notice in the event that all of the directors agree.

- 9.2 Notice of any directors' meeting must indicate:-

9.2.1 its proposed date and time;

9.2.2 where it is to take place; and

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

- 9.3 Notice of a directors' meeting must be given to each director as nearly as practicable at the same time, but need not be in writing.

- 9.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

10 PARTICIPATION IN DIRECTORS' MEETINGS

- 10.1 Subject to the Articles, directors participate in a directors' meeting, or part of a directors' meeting, when:-

10.1.1 the meeting has been called and takes place in accordance with the Articles, and

10.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

- 10.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

- 10.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

11 QUORUM FOR DIRECTORS' MEETINGS

- 11.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

- 11.2 The quorum for directors' meetings is two (2) Directors.

- 11.3 If the necessary quorum is not present within 15 minutes for the time appointed for the meeting, the meeting shall stand adjourned for a maximum of 21 days to the same time and place on the date or to such other time and place as the directors may determine. If a quorum is not present at any such adjourned meeting within 15 minutes from the time appointed, the directors present shall form a quorum and the meeting shall proceed.

- 11.4 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:-

11.4.1 to appoint further directors; or

11.4.2 to call a general meeting or propose a resolution so as to enable the shareholders to alter the quorum required or appoint further directors.

12 CHAIRING OF DIRECTORS' MEETINGS

- 12.1 If there is more than one director in office the directors may appoint a director to chair meetings of the directors.

- 12.2 The person so appointed for the time being is known as the Chairman.

- 12.3 The directors may terminate the Chairman's appointment at any time.

- 12.4 If the Chairman is not participating in a directors' meeting within fifteen minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

13 CASTING VOTE

If there is more than one director and the numbers of votes for and against a proposal at a directors meeting are equal, the Chairman or other director chairing the meeting shall not have a casting vote.

14 CONFLICTS OF INTEREST AND INTERESTS IN PROPOSED OR ACTUAL TRANSACTIONS

- 14.1 Subject to Article 14.2 if a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes. If the director's interest is solely as a result of him or her being a trustee or beneficiary of the EOT then that director shall still be entitled to participate in the decision-making process for quorum or voting purposes.
- 14.2 If Article 14.3 applies, a director who is interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in the decision-making process for quorum and voting purposes.
- 14.3 This Article applies when:-
- 14.3.1 the director has declared the nature and extent of his interest to the directors; and
 - 14.3.2 the Company by ordinary resolution disapplies the provision of the Articles which would otherwise prevent a director from being counted as participating in the decision-making process; and
 - 14.3.3 the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - 14.3.4 conflict of interest arises from a permitted cause.
- 14.4 For the purposes of this Article, the following are permitted causes:-
- 14.4.1 a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries;
 - 14.4.2 subscription, or an agreement to subscribe, for shares or other securities of the Company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
 - 14.4.3 arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the Company or any of its subsidiaries which do not provide special benefits for directors or former directors.

14.5 For the purposes of this Article 14:-

14.5.1 a general notice to the directors that a director is a member of a specified firm or Company and is to be regarded as interested in any transaction or arrangement which is made with the Company or firm after the date of the notice shall be deemed to be a sufficient disclosure of the nature and extent of his interest in relation to the transaction or arrangement;

14.5.2 a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any transaction or arrangement with the persons specified in the notice; and

14.5.3 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

14.6 For the purposes of this Article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

14.7 Subject to Article 14.8, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any director other than the Chairman is to be final and conclusive.

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

14.9 Provided that he has disclosed to the directors the nature and extent of his interest, a director notwithstanding his office:-

14.9.1 may be a party to, or otherwise interested in, any existing or proposed transaction or arrangement with the Company or in which the Company is otherwise interested;

- 14.9.2 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise interested; and
 - 14.9.3 may act himself, or by a firm or Company in which he is interested (as a partner, member, director or otherwise) in a professional capacity for the Company as if he was not a director,
 - 14.9.4 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate or from acting in such a professional capacity and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- 14.10 Without prejudice to the other provisions of this Article 14, the directors shall be empowered for the purposes of section 175 of the Companies Act 2006 to authorise any director to be in a situation where that director has or can have a direct or indirect interest or duty that conflicts or may possibly conflict with the interests of the Company. The authorisation may be on such terms as are determined by the directors and may be subject to conditions. A director seeking such authorisation shall not be entitled to vote or be counted in the quorum in relation to any meeting of the directors at which the matter of the authorisation is considered.
- 14.11 Provided either the provisions of this Article 14 apply or the directors have authorised any conflict arising in relation to the matter in accordance with the Act a director shall be entitled to vote and to be counted in the quorum at a meeting of the directors or of any committee of directors on any resolution concerning a matter on which he has, directly or indirectly, an interest or duty which conflicts or may conflict with the interests of the Company.
- 14.12 For the purposes of section 175 and 180(4) of the Companies Act 2006, and for all other purposes, it is acknowledged that any director who is also: (i) a director of any corporate trustee of an EOT; or (ii) who is himself a trustee of an EOT; or (iii) who is a beneficiary of an EOT shall be treated as having had his duty to avoid conflicts of interest in accordance with that provision authorised to the fullest extent permitted by law, in so far as such conflict arises from his being a director, trustee, or in any other way commercially or economically involved with an EOT or any corporate trustee of an EOT.

- 14.13 Any director shall be entitled from time to time to disclose to an EOT or any corporate trustee of an EOT (as the case may be) such information concerning the business and affairs of the Company as he shall at his discretion see fit.

15 RECORDS OF DECISIONS TO BE KEPT

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

16 DIRECTORS' DISCRETION TO MAKE FURTHER RULES

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

CATEGORIES AND APPOINTMENT OF DIRECTORS

17 APPOINTMENT AND NUMBER OF DIRECTORS

- 17.1 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:-

17.1.1 by ordinary resolution, or

17.1.2 by a decision of the directors.

- 17.2 In any case where, as a result of death, the Company has no shareholders and no directors, the personal representatives of the last shareholder to have died has the right, by notice in writing, to appoint a person to be a director.

- 17.3 For the purposes of Article 17.2, where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

18 TERMINATION OF DIRECTOR'S APPOINTMENT.

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

18.1.1 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;

18.1.2 a bankruptcy order is made against that person;

- 18.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 18.1.4 a registered medical practitioner gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- 18.1.5 notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;

19 DIRECTORS' REMUNERATION

- 19.1 Directors may undertake any services for the Company that the directors decide.
- 19.2 Directors are entitled to such remuneration as the directors determine:-
 - 19.2.1 for their services to the Company as directors, and
 - 19.2.2 for any other service which they undertake for the Company.
- 19.3 Subject to the Articles, a director's remuneration may:-
 - 19.3.1 take any form, and
 - 19.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- 19.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 19.5 Unless the directors decide otherwise, directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

20 DIRECTORS' EXPENSES

- 20.1 The Company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:-
 - 20.1.1 meetings of directors or committees of directors,

20.1.2 general meetings, or

20.1.3 separate meetings of the holders of any class of shares or of debentures of the Company,

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

PART 4 SHARES AND DISTRIBUTIONS

21 ALL SHARES TO BE FULLY PAID UP

21.1 No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.

21.2 This does not apply to shares taken on the formation of the Company by the subscribers to the Company's memorandum.

22 POWERS TO ISSUE DIFFERENT CLASSES OF SHARE

22.1 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.

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

23 SHAREHOLDING LIMIT

23.1 The directors shall not register any transfer of shares which would cause the number of shares held by the EOT to fall below the EOT Shareholding Threshold.

23.2 The directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the Company which would cause the number of shares held by the EOT to fall below the EOT Shareholding Threshold.

24 ISSUE OF SHARES

24.1 Section 549(2) of the Act shall not apply to the Company.

- 24.2 Save to the extent authorised from time to time by special resolution of the members, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the Company. Section 550 of the Act shall not apply to the Company.
- 24.3 Any shares of the Company for the time being unissued and any new shares from time to time to be created shall be offered to existing members in strict proportion to the number of shares held by them at that time. The offer shall be made by notice to each member specifying the number of shares offered and stating a period (not being less than 21 days) within which the offer if not accepted by notice to the Company shall be deemed to be declined.
- 24.4 Article 24.3 shall not apply to any shares which the Company may, at any time by special resolution, declare shall not be subject to the provisions of Article 24.3.
- 24.5 Pursuant to the Act, all statutory rights of pre-emption shall be excluded from applying to the Company. In accordance with section 567(1) of the Act, sections 549, 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

25 COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS

- 25.1 The Company shall be bound to recognise the trustee or trustees of the EOT as holding shares upon trusts and shall enter, as it thinks fit, notice of such trusts in the register of members.
- 25.2 Subject to Article 25.1, the Company may at its sole discretion recognise and record the holding of a share by a person on trust, or in the names of trustees, but unless specifically recognised by the Company as such a holding, the Company shall not be bound by, or obliged to recognise, any interest in any share except for the absolute rights of the holder named in the register of members.

26 SHARE CERTIFICATES

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

- 26.2.3 that the shares are fully paid; and
 - 26.2.4 any distinguishing numbers assigned to them.
- 26.3 No certificate may be issued in respect of shares of more than one class.
- 26.4 If more than one person holds a share, only one certificate may be issued in respect of it.
- 26.5 Certificates must:-
 - 26.5.1 have affixed to them the Company's common seal, or
 - 26.5.2 be otherwise executed in accordance with the Companies Acts.

27 REPLACEMENT SHARE CERTIFICATES

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

28 PURCHASE OF OWN SHARES

- 28.1 Subject to the provisions of the Act, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to an aggregate purchase price of the lower of
 - 28.1.1 £15,000 or

28.1.2 the nominal value of 5% of its fully paid share capital as at the beginning of the financial year.

29 SHARE TRANSFERS – GENERAL

29.1 The directors shall refuse to register any transfer of shares made in contravention of the provisions of these Articles.

29.2 The directors shall register a transfer of shares complying with one or more of the following conditions (declaring for the avoidance of doubt that any transfers complying with the conditions set out in Articles 29.2.1 to **Error! Reference source not found.** may be made without restriction as to price or otherwise):-

29.2.1 a transfer of a share made pursuant to Article 30;

29.2.2 a transfer of Shares to the Company in accordance with the Act and these articles;

29.2.3 a transfer of a share made with the prior written consent of the holders of 75% by nominal share value of the shares in the share capital of the Company for the time being, other than the transferor;

29.2.4 any transfer of shares by the trustees of the EOT for the time being to new trustees of the EOT;

29.2.5 any transfer of shares between the trustees of the EOT;

29.2.6 any transfer by the trustees of the EOT to the trustees of any one or more employee benefit trusts established by the Company for the benefit of Employees on terms similar to those of the EOT including the transfer of any shares by the trustees of the EOT to one or more trustees or a corporate trustee of such employee benefit trusts;

29.2.7 any transfer by the trustees of the EOT to a beneficiary of the EOT in accordance with the EOT Trust Deed and applicable rules;

29.2.8 any transfer by Employees or former Employees to the trustees of the EOT (including a transfer of shares in accordance with Article 30);

29.2.9 any transfer by the trustees of the EOT in connection with any employees' share scheme (as defined by section 1166 of the Act) which the Company or any Group Member of the Company operates;

29.3 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

29.4 In these Articles, reference to the transfer of a share includes the transfer, assignation or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.

30 TRANSFERS

30.1 Subject to Article 31 (transfers to Immediate Family) below, Ordinary Shares may only be transferred to in accordance with the provisions of this Article 30.

30.2 The directors shall, subject to paragraph 30.3 of this Article, register the transfer or, as the case may be, transmission of any Ordinary Shares made in accordance with the following provisions of this Article but not otherwise.

30.3 Notwithstanding the provisions of this Article, the directors may decline to register any transfer or transmission which would otherwise be permitted hereunder if it is a transfer of a share on which the Company has a lien.

30.4 Any person (hereinafter called the "**Proposing Transferor**") proposing to transfer any Ordinary Shares (the "**Sale Shares**") other than pursuant to Article 29 or 31 shall give notice in writing (the "**Transfer Notice**"). Once given the Transfer Notice shall be irrevocable.

30.5 The Transfer Notice shall specify:

30.5.1 the number Ordinary Shares the Proposing Transferor wishes to Transfer (the "**Sale Shares**");

30.5.2 whether the Proposing Transferor has received an offer from a third party for the Sale Shares and if so the identify of that third party and the price offered by that third party for the Sale Shares;

30.5.3 the price at which the Proposing Transferor wishes to sell the Sale Shares; and

30.5.4 whether the Proposing Transferor wishes to impose a condition that unless all the Sale Shares are sold none shall be sold (a "**Total Sale Condition**").

30.6 By giving the Transfer Notice, the Proposing Transferor appoints the Company (acting by the Directors) as his agent with the power to sell the Sale

Shares (with all rights attaching to them) in accordance with the provisions of these articles.

30.7 The Sale Price shall be the Fair Price. If the Fair Price is to be determined by an Expert:

30.7.1 the Company shall immediately instruct the Expert to determine the Fair Price on the basis which, in the Expert's opinion, represents a fair price for the Sale Shares at the Transfer Notice Date as between a willing seller and a willing buyer and, in making that determination, the Expert shall ignore the fact that the Sale Shares represent (if that is the case) a minority or majority interest in the share capital of the Company and can be subject to the compulsory transfer requirements of Article 32);

30.7.2 the Expert shall certify the Fair Price as soon as possible after being instructed by the Company and in so certifying the Expert shall be deemed to be acting as expert and not as arbitrator and the Arbitration Act 1996 shall not apply;

30.7.3 the certificate of the Expert shall, in the absence of manifest error, be final and binding; and

30.7.4 the Company shall procure that any certificate required pursuant to this Article 30.7 is obtained as soon as possible and the cost of obtaining that certificate shall be borne equally by the Company and the Proposing Transferor unless the Expert directs otherwise.

30.8 Within ten days of the Sale Price being agreed or determined in accordance with these articles the Company may apply for some or all of Sale Shares to be allocated to itself at the Sale Price (and it shall, subject to the Act, be entitled to acquire them). If all of the Sale Shares are so allocated, the provisions of Articles 30.8 to 30.10 (inclusive) shall not apply. If none or some only of the Sale Shares are so allocated, all the remaining provisions of this Article 30 shall have effect.

30.9 The Company shall give notice in Writing (the "Transfer Offer Notice") to the Trustee on the day following the expiry of the ten day period referred to in Article 30.8 above offering for sale the remaining Sale Shares (those not allocated to the Company pursuant to Article 30.8) at the Sale Price. The Transfer Offer Notice shall specify:

30.9.1 that the Trustee:

- (a) is entitled to apply for some or all of the remaining Sale Shares; and
- (b) shall, if the Trustee wishes to apply, have a period of 25 days from the date of the Transfer Offer Notice (the "Acceptance Period") within which to deliver its application for Sale Shares to the Company; and

30.9.2 whether the Transfer Notice contained a Total Sale Condition.

30.10 Subject to Article 30.11, on the expiry of the Acceptance Period:

30.10.1 if the total number of Sale Shares applied for is equal to or less than the total number of available Sale Shares:

- (a) the Company shall allocate to the Trustee the number of Sale Shares it applied for; and
- (b) after the application for Sale Shares from the Trustee has been satisfied in full any remaining Sale Shares shall, within ten days of the expiry of the Acceptance Period, be offered by notice in Writing ("Eligible Shareholder Notice") to all Eligible Shareholders pro rata. If an Eligible Shareholder applies for any of the Sale Shares offered to him within 25 days of the date of the Eligible Shareholder Offer Notice the Company shall allocate such number of Sale Shares to him; or

30.10.2 if the total number of Sale Shares applied for is greater than the total number of available Sale Shares, the Company shall allocate:

- (a) to the Eligible Shareholders, such number of the Sale Shares as such Holder(s) have applied for (and if there should be more than one Eligible Shareholder, such Sale Shares shall be allocated amongst them in the Transfer Proportions (but without allocating to any Eligible Shareholder more Sale Shares than he applied for)); and
- (b) any remaining Sale Shares, in the Transfer Proportions, among those Eligible Shareholders whose applications for Sale Shares have not yet been satisfied in full (but without allocating to any Eligible Shareholder more Sale Shares than he applied for) and any remaining Sale Shares shall be allocated by re-applying this Article (b).

- 30.11 If the Transfer Notice contained a Total Sale Condition the Company shall not allocate any of the Sale Shares pursuant to Articles 30.7.4 and 30.10 unless all of the Sale Shares can be so allocated.
- 30.12 If any of the Sale Shares are allocated by the Company pursuant to Article 30.8 and/or 30.10:
- 30.12.1 the persons to whom they are allocated (each an "Allocated Person") shall be bound to acquire the Sale Shares allocated to them on the terms on which they were offered for sale; and
- 30.12.2 the Company shall immediately on allocating any Sale Shares give notice in Writing (each a "Sale Notice") to the Proposing Transferor and to each Allocated Person specifying:
- (a) the number of Sale Shares allocated to that Allocated Person and the aggregate price payable for those Sale Shares; and
 - (b) the time, date and place of Completion (which shall be not less than seven and not more than 28 days after the date of the Sale Notices).
- 30.13 On Completion:
- 30.13.1 each Allocated Person (other than the Company) shall pay the Sale Price in respect of the relevant Sale Shares:
- (a) to the Proposing Transferor; or
 - (b) if the Proposing Transferor is not present at Completion, to the Company to be held on trust (without interest) for the Proposing Transferor (and the receipt of the Company for the Sale Price shall be a good discharge to that Allocated Person (who shall not be bound to see to the application of it));
- 30.13.2 if the Company is an Allocated Person, it shall:
- (a) pay the Sale Price for the relevant Sale Shares to the Proposing Transferor; or
 - (b) if the Proposing Transferor is not present at Completion, hold the Sale Price for the relevant Sale Shares on trust (without interest) for the Proposing Transferor; and

30.13.3 the Proposing Transferor shall transfer the relevant Sale Shares to the relevant Allocated Person and deliver the relevant share certificates.

30.14 If the Proposing Transferor defaults in transferring any Sale Shares to an Allocated Person pursuant to Article 30.13, the Company is unconditionally and irrevocably authorised to appoint any person as agent of the Proposing Transferor to execute a Transfer Form for those Sale Shares in the name, and on behalf, of the Proposing Transferor (and to do such other things as are necessary to transfer the relevant Sale Shares pursuant to this Article 30 and when that Transfer Form has been duly stamped:

30.14.1 where the Allocated Person is not the Company, the Company shall cause that Allocated Person to become the Holder of those Sale Shares; or

30.14.2 where the Allocated Person is the Company, the Company shall cause those Sale Shares to be cancelled in accordance with the Act;

and after that, the validity of the proceedings shall not be questioned by any person.

30.15 Any money held on trust by the Company for the Proposing Transferor in respect of any Sale Shares shall only be released to the Proposing Transferor on production of the relevant share certificates (or an appropriate indemnity for any lost share certificates) for the Sale Shares that have been transferred to Allocated Persons.

30.16 If the Company cannot allocate all of the Sale Shares pursuant to Article 30.8 and/or 30.10, the Company shall immediately notify the Proposing Transferor in Writing (the "Unsold Shares Notice"). The Proposing Transferor may within one month of the date of the Unsold Shares Notice:

30.16.1 if the Transfer Notice contained a Total Sale Condition, sell all (but not some only) of the Sale Shares; or

30.16.2 if the Transfer Notice did not contain a Total Sale Condition, sell all or any of the Sale Shares that have not been allocated pursuant to Articles 30.8 30.7.4 and/or 30.10 (the "Unsold Shares");

to any person at any price per Share which is not less than the Sale Price. The Directors may require the Proposing Transferor to satisfy them that any transfer of Shares pursuant to this Article 30.16 is in pursuance of a sale in

good faith for the consideration stated in the transfer and if they are not satisfied they may refuse to register any relevant Transfer Form.

31 FAMILY TRANSFERS

31.1 The foregoing provisions of this Article 31 shall not apply to any transfer of Ordinary Shares by a Member to:

31.1.1 any person who is a member of his Immediate Family; or

31.1.2 trustees who will hold Ordinary Shares under a Family Trust for such Member.

31.2 For the purposes of this Article 31:

31.2.1 **"Immediate Family"** means spouse, children and lineal descendants of the Member; and

31.2.2 **"Family trust"** means a trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) which only permits any of the settled property or the income from it to be applied for the benefit of that member or any of his family members and under which no power of control over the voting rights conferred by any shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such member, or any of his family members.

32 DRAG ALONG

32.1 In this Article 32.1 a **"Qualifying Agreement"** shall mean an agreement in writing between any person (the **"Offeror"**) and the holders of not less than 70% in the nominal value of the Ordinary Shares of the Company (the **"Selling Shareholders"**). In the event that a Qualifying Agreement shall be entered into, the Selling Shareholders shall have the option (the **"Drag Along Option"**) to require all the other holders of Shares (the **"Remaining Shareholders"**) to transfer all of their Shares (the **"Remaining Shares"**) to the Offeror or as the Offeror shall direct in accordance with this Article 32.

32.2 The Selling Shareholders shall give written notice to the Remaining Shareholders (a **"Drag Along Notice"**) of the Qualifying Agreement. A Drag Along Notice shall specify that the Remaining Shareholders are required to transfer all their Remaining Shares pursuant to this Article 32 to the Offeror,

the price at which the Remaining Shares are to be transferred (being not less than the price per share payable by the Offeror in respect of the Shares held by the Selling Shareholders) and the proposed date of transfer. A Drag Along Notice shall be irrevocable unless the Offeror refuses to acquire the Remaining Shares on the terms set out in this Article 32.

- 32.3 The Remaining Shareholders shall thereupon become bound to transfer their Shares to the Offeror (or his nominee) with full title guarantee on the date specified in the Drag Along Notice, unless all the Remaining Shareholders and the Selling Shareholders agree otherwise.
- 32.4 If any Remaining Shareholder shall not, within five Business Days of being required to do so, execute and deliver transfers in respect of the equity shares held by him and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then any Selling Shareholder shall be entitled to execute, and shall be entitled to authorise and instruct such person as he thinks fit to execute, the necessary transfer(s) and indemnities on the Remaining Shareholder's behalf and, against receipt by the Company (on trust for such Shareholder) of the consideration payable for the relevant Shares, deliver such transfer(s) and certificate(s) or indemnities to the Offeror (or his nominee) and register such Offeror (or his nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person.
- 32.5 Upon any person, following the issue of a notice pursuant to this Article 32, becoming a member of the Company pursuant to the exercise of a pre-existing option to acquire shares in the company (the "**New Member**"), a notice shall be deemed to have been served upon the New Member on the same terms as the previous notice who shall thereupon be bound to sell and transfer all such shares acquired by him to the Offeror or as the Offeror may direct and the provisions of this article shall apply mutatis mutandis to the New Member save that completion of the sale of such shares shall take place forthwith upon the notice being deemed served on the New Member.
- 32.6 The terms upon which the members shall sell pursuant to this Article 32 shall include a covenant to sell with full title guarantee and the Shareholders shall give normal commercial warranties as indemnities regarding the Company, and they shall be responsible for an appropriate proportion of any associated costs and expenses of such sale including but not limited to warranty and indemnity insurance.

33 LIMITATION ON CHANGE OF CONTROL – TAG ALONG RIGHTS

- 33.1 Notwithstanding any other article, no sale or transfer (other than a sale or transfer permitted by Articles 29.2.2 (*Consent by majority shareholder*), or 29.2.4 to 29.2.5 (*Permitted EOT Transfers*) of the legal or beneficial interest in any shares in the Company (the "**Specified Shares**") may be made or validly registered if as a result of a sale or transfer of the legal and or beneficial interest in any such shares in the Company, a Controlling Interest would be obtained in the Company by any person or group of persons Acting in Concert unless the proposed transferee or transferees or his or their nominees has or have offered to purchase all the shares for the time being in issue at the Specified Price (as defined below) (the "**Tag Along Offer**"), such offer to be made by notice in writing to all Recipients (as defined below) and such offer stipulated to be open for acceptance for at least 21 days.
- 33.2 A Tag Along Offer shall expire 21 days (or such longer period of acceptance stipulated within the Tag Along Offer) after the date of the Tag Along Offer. Any Recipient who wishes to accept the Tag Along Offer must notify the proposed transferee(s) in writing of its acceptance of such offer. Any Recipient who fails to accept the Tag Along Offer within the period limited for acceptance shall be deemed to have rejected it.
- 33.3 The Specified Price in respect of a particular share shall take into account any differences in class rights between it and any other share including, without limitation, any Specified Share.
- 33.4 If any part of the Specified Price is to be paid except by cash then each Recipient may, at its option, elect to take a price per share of such cash sum as may be agreed by it and the proposed transferee having regard to the transaction as a whole.
- 33.5 In the event of a disagreement, the calculation of the Specified Price shall be referred to an independent expert (acting as an expert and not as an arbiter and whose decision shall be final and binding) nominated by the President for the time being of the Institute of Chartered Accountants of Scotland and acting at the expense of the proposed transferee(s) or his or their nominees (as appropriate).
- 33.6 For the purposes of this Article 33:-

"Recipients" means all members of the Company (and "Recipient" means any one of them); and

"Specified Price" a price per Share being not less than the value of the consideration (in cash or otherwise) offered or paid or payable by the proposed transferee(s) or his or their nominees for the Specified Shares being acquired including without limitation (i) the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable per share and (ii) all arrears and accruals of the dividends on such shares calculated down to the date of the sale or transfer.

34 TRANSMISSION OF SHARES

34.1 If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.

34.2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:-

34.2.1 may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person, and

34.2.2 subject to the Articles, and pending any transfer of the shares to another person, has the same rights as the holder had, but, transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

35 EXERCISE OF TRANSMITTEES' RIGHTS

35.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.

35.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

35.3 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.

36 TRANSMITTEES BOUND BY PRIOR NOTICES

If a notice is given to a shareholder 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 shareholder before the transmittee's name has been entered in the register of members.

DIVIDENDS AND OTHER DISTRIBUTIONS

37 PROCEDURE FOR DECLARING DIVIDENDS

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

38 PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS

- 38.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:-

- 38.1.1 transfer to a bank or building society account specified by the distribution recipient either in writing or by such other means as the directors may otherwise permit;
 - 38.1.2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or by such other means as the directors may permit;
 - 38.1.3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
 - 38.1.4 any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- 38.2 In the Articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable:-
- 38.2.1 the holder of the share; or
 - 38.2.2 if the share has two or more joint holders, whichever of them is named first in the register of members; or
 - 38.2.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

39 NO INTEREST ON DISTRIBUTIONS

- 39.1 The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:-
- 39.1.1 the terms on which the share was issued, or
 - 39.1.2 the provisions of another agreement between the holder of that share and the Company.

40 UNCLAIMED DISTRIBUTIONS

- 40.1 All dividends or other sums which are:-
- 40.1.1 payable in respect of shares, and

40.1.2 unclaimed after having been declared or become payable,
may be invested or otherwise made use of by the directors for the benefit of
the Company until claimed.

40.2 The payment of any such dividend or other sum into a separate account does
not make the Company a trustee in respect of it.

40.3 If:-

40.3.1 ten years have passed from the date on which a dividend or other sum
became due for payment, and

40.3.2 the distribution recipient has not claimed it,

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

41 NON-CASH DISTRIBUTIONS

41.1 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).

41.2 For the purposes of paying a non-cash distribution, the directors may make
whatever arrangements they think fit, including:-

41.2.1 fixing the value of any assets;

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

41.2.3 vesting any assets in trustees.

42 WAIVER OF DISTRIBUTIONS

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

42.1.1 the share has more than one holder, or

42.1.2 more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

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

CAPITALISING OF PROFITS

43 AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS

43.1 Subject to the Articles, the directors may, if they are so authorised by an ordinary resolution:-

43.1.1 decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and

43.1.2 appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

43.2 Capitalised sums must be applied:

43.2.1 on behalf of the persons entitled, and

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

43.3 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.

43.4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.

43.5 Subject to the Articles the directors may:-

43.5.1 apply capitalised sums in accordance with Articles 43.3 and 43.4 partly in one way and partly in another;

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

PART 5 DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

44 ANNUAL GENERAL MEETINGS

- 44.1 The Company shall be under no obligation to hold an annual general meeting each year.

45 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

- 45.1 A shareholder 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.
- 45.2 A person is able to exercise the right to vote at a general meeting when—
 - 45.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - 45.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 45.3 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.
- 45.4 The directors may make whatever arrangements they consider appropriate to enable a person entitled to attend a general meeting to attend it in a place other than the place specified in the notice of meeting. 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. A person attends a general meeting when the arrangements allow him to exercise his right to speak and vote.

- 45.5 A person who attends a general meeting at a place other than the place specified in the notice of meeting shall be entitled to be counted in the quorum.

46 QUORUM FOR GENERAL MEETINGS

- 46.1 Subject to Article 46.2 below the quorum for a general meeting of the Company shall be such number of members as represents 50.1% of the total number of members.

- 46.2 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.

- 46.3 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 to the same day in the next week at the same time and place or to such later day and other time as the Board may determine. At the adjourned meeting, the quorum shall be two members (unless there is only one member, in which case the quorum shall be one).

47 CHAIRING GENERAL MEETINGS

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

- 47.2 If the directors have not appointed a chairman, or if the Chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:-

47.2.1 the directors present, or

47.2.2 (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the Chairman of the meeting must be the first business of the meeting.

- 47.3 The person chairing a meeting in accordance with this Article is referred to as "the Chairman of the meeting".

48 ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS

- 48.1 Directors may attend and speak at general meetings, whether or not they are shareholders.
- 48.2 The Chairman of the meeting may permit other persons who are not:-
 - 48.2.1 shareholders of the Company, or
 - 48.2.2 otherwise entitled to exercise the rights of shareholders in relation to general meetings,to attend and speak at a general meeting.

49 ADJOURNMENT

- 49.1 The Chairman of the meeting may adjourn a general meeting at which a quorum is present if:-
 - 49.1.1 the meeting consents to an adjournment, or
 - 49.1.2 it appears to the Chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 49.2 The Chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 49.3 When adjourning a general meeting, the Chairman of the meeting must:-
 - 49.3.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
 - 49.3.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 49.4 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):-
 - 49.4.1 to the same persons to whom notice of the Company's general meetings is required to be given, and

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

49.5 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

50 VOTING: GENERAL

50.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

50.2 At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy himself is a shareholder entitled to vote; on a poll every shareholder present in person or by proxy shall have one vote for each share of which he is the holder; and on a vote on a written resolution every shareholder has one vote for each share of which he is the holder.

50.3 The Chairman of the meeting shall not have a casting vote.

51 ERRORS AND DISPUTES

51.1 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.

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

52 POLL VOTES

52.1 A poll on a resolution may be demanded:-

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

52.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

52.2 A poll may be demanded by:-

52.2.1 the Chairman of the meeting;

- 52.2.2 any director;
 - 52.2.3 two or more persons having the right to vote on the resolution; or
 - 52.2.4 a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- 52.3 A demand for a poll may be withdrawn if:-
- 52.3.1 the poll has not yet been taken, and
 - 52.3.2 the Chairman of the meeting consents to the withdrawal.
- 52.4 Polls must be taken at a time decided by the Chairman but in any event before the end of the meeting at which they are demanded and in such manner as the Chairman of the meeting directs.

53 CONTEXT OF PROXY NOTICES

- 53.1 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:-
- 53.1.1 states the name and address of the shareholder appointing the proxy;
 - 53.1.2 if it is not in respect of all the shareholders' shares in the Company, identifies the shares to which the proxy notice relates;
 - 53.1.3 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
 - 53.1.4 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - 53.1.5 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.
- 53.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 53.3 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.
- 53.4 Unless a proxy notice indicates otherwise, it must be treated as:-

- 53.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
- 53.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.
- 53.5 To be a valid proxy, notice must be received not later than:-
 - 53.5.1 48 hours before the time for the holding of the meeting or adjourned meeting to which it relates; or
 - 53.5.2 in the case of a poll taken more than 48 hours after it was demanded, 24 hours before the time appointed for the taking of the poll; or
 - 53.5.3 in the case of a poll taken not more than 48 hours after it was demanded, the time at which it was demanded.
- 53.6 In calculating any period specified in this Article, no account shall be taken of any part of a day that is not a working day.

54 DELIVERY OF PROXY NOTICES

- 54.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person, and the vote of that person shall prevail over any vote tendered by the proxy.
- 54.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 54.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 54.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

55 AMENDMENTS TO RESOLUTIONS

- 55.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:-

- 55.1.1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chairman of the meeting may determine), and
 - 55.1.2 the proposed amendment does not, in the reasonable opinion of the Chairman of the meeting, materially alter the scope of the resolution.
- 55.2 A special resolution to be proposed at a general meeting may not be amended unless:-
 - 55.2.1 the Chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - 55.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution; and
 - 55.2.3 the amendment is approved by an ordinary resolution.
- 55.3 If the Chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairman's error does not invalidate the vote on that resolution.

PART 6 ADMINISTRATIVE ARRANGEMENTS

56 MEANS OF COMMUNICATION TO BE USED

- 56.1 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 Act 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.
- 56.2 Subject to the Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 56.3 A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

- 56.4 The Company is generally and unconditionally authorised to communicate in electronic form with its shareholders and directors. Accordingly, the Company may subject to the provisions of the Companies Acts give or send to any members or director any notice or other document (excluding a share certificate) in electronic form.
- 56.5 The Company, the members and the directors agree to communication in electronic form for sending copies of documents to the members or directors. Any communication will be sent in electronic form to such address (or to one of such addresses if more than one) as may for the time being be notified by the member or director to the Company or by the Company to the member or director, for that purpose.
- 56.6 Where a notice or other document is given or sent in electronic form, it shall be deemed to have been given or sent at the expiration of four hours from the time it was sent to an address supplied by the member or director or the Company.

57 COMPANY SEALS

- 57.1 Any common seal may only be used by the authority of the directors.
- 57.2 The directors may decide by what means and in what form any common seal is to be used.
- 57.3 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.
- 57.4 For the purposes of this Article, an authorised person is:-
- 57.4.1 any director of the Company;
 - 57.4.2 the Company secretary (if any); or
 - 57.4.3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

58 SECRETARY

- 58.1 Subject to the Act, the Board may appoint a Secretary on such terms and conditions as it thinks fit. The Board may remove a person appointed pursuant to this Article from office and appoint another or others in his or her place.

- 58.2 Any provision of the Act or of these articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in the place of, the Secretary.

59 NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS

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

60 PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS

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

DIRECTORS' INDEMNITY AND INSURANCE

61 INDEMNITY

- 61.1 A relevant director of the Company or an associated Company may be indemnified to the fullest extent permitted by law out of the Company's assets against:-

61.1.1 any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or an associated Company,

61.1.2 any liability incurred by that director in connection with the activities of the Company or an associated Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

61.1.3 any other liability incurred by that director as an officer of the Company or an associated Company.

- 61.2 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.

- 61.3 In this Article:-

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

61.3.2 a "relevant director" means any director or former director of the Company or an associated Company.

61.4 The provisions of this Article are intended to be for the benefit of and directly enforceable by any relevant director of the Company.

62 INSURANCE

62.1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect of any relevant loss.

62.2 In this Article:-

62.2.1 a "relevant director" means any director or former director of the Company or an associated Company,

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

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