

**No. 2955502**

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**WRITTEN RESOLUTION**

**OF**  
**BABCOCK HOLDINGS LIMITED**  
**(the "Company")**

**19 March 2018**  
**(the "Circulation Date")**

We, the undersigned, being the sole member of the Company (as defined in section 289 of the Companies Act 2006), irrevocably agree to the following special resolution of the Company, in accordance with Chapter 2 Part 13 of the Companies Act 2006.

**SPECIAL RESOLUTION**


THAT new articles of association in the form contained in the schedule be adopted as the articles of association of the Company in substitution for and to the exclusion of all previous articles of association.

**ORDINARY RESOLUTION**

THAT the directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot B ordinary shares and grant rights to subscribe for, or convert any securities into, shares up to an aggregate nominal amount of £150,000,000. This authorisation shall expire on the fifth anniversary of the passing of this resolution (save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted, or rights to be granted, after such expiry and the directors may allot shares or grant rights to subscribe for or to convert any security into shares, in pursuance of such offer or agreement as if the authorisations conferred hereby had not expired).

Please read the notes at the end of this document before signifying your agreement.

Signed by:

  
.....  
**for and on behalf of**  
**Babcock (UK) Holdings Limited**

Dated: 19 March 2018

**NOTES**

SATURDAY



A05 \*A7WIO5IA\* 05/01/2019 #293  
COMPANIES HOUSE

1. If you agree to the resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods:

- By Hand: delivering the signed copy to the company secretary at the registered office of the Company.
- Post: returning the signed copy by post to the company secretary at the registered office of the Company.
- Email: by attaching a scanned copy of the signed document to an email and sending it to *jacob.gold@ashurst.com*. Please enter "Written resolution" in the email subject box.

If you do not agree to the resolution, you do not need to do anything: you will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the resolution, you may not revoke your agreement.
3. Unless, by the end of period of 28 days beginning with the Circulation Date, sufficient agreement has been received for the resolution to pass, it will lapse.
4. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.



The Companies Act 2006

# Articles of Association of Babcock Holdings Limited

Private company having a share capital  
(Incorporated on 04 August 1994, as amended by a special resolution  
passed on 19 MARCH 2018)

The Companies Act 2006

# Articles of Association of Babcock Holdings Limited

Private company having a share capital  
(Adopted by written resolution passed on 19 March 2018)

## PRELIMINARY

1.1 In these articles:

**"Act"** means the Companies Act 2006 including any modification or re-enactment thereof for the time being in force;

**"Article"** means the appropriate section of these articles;

**"B Ordinary Shares"** means B ordinary shares of £0.10 each in the capital of the Company;

**"B Preference Shares"** means the 5.64 per cent cumulative B preference shares of \$1.00 each in the capital of the Company;

**"Business Day"** means a day (excluding Saturdays) on which banks are open in London for the transaction of normal business;

**"C Preference Shares"** means the Euro Interest Rate cumulative C preference shares of €1.00 each in the capital of the Company;

**"Default Rate"** means

(a) in relation to the B Preference Shares that rate of interest that is the greater of:

(i) 2 per cent per annum above 5.64 per cent per annum; and

(ii) 2 per cent over the rate of interest publicly announced by Bank of America N.A. in New York as its "base" or "prime" rate;

- (b) in relation to the C Preference Shares, two per cent per annum above the Euro Interest Rate;

**"EURIBOR"** means the euro interbank offered rate in euro being the offered rate for the specified term administered by the Banking Federation of the European Union in euro for the period for which such rate is to be determined on the date of issue of the C Preference Shares and for the purpose of this definition **"specified term"** means a period of six months;

**"Euro Interest Rate"** means EURIBOR plus four per cent per annum;

**"Group"** means the Company and its group undertakings from time to time and all of them and each of them as the context admits and **"Group Company"** means any one of them; and

**"group undertaking"** shall be construed in accordance with section 1161 of the Companies Act 2006;

**"Model Articles"** means the model articles for private companies limited by shares contained in schedule 1 of The Companies (Model Articles) Regulations 2008 (SI 2008 No 3229) as amended prior to the date of incorporation of the Company (or, if later, of adoption of these articles);

**"Note Purchase Agreement"** means the note purchase agreement relating to the issue and sale of the Series B Notes entered into by Babcock International Group plc and the Purchasers (as defined therein) dated 17 March 2011;

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

**"Preference Shares"** means the B Preference Shares and the C Preference Shares;

**"Series B Loan Note Maturity Date"** means 17 March 2021; and

**"Series B Notes"** means the 5.64 per cent Series B Senior Notes due 17 March 2021 issued and sold by Babcock International Group plc in accordance with the terms of the Note Purchase Agreement.

- 1.2 The Model Articles shall apply to the Company save in so far as they are excluded or varied by these articles and such Model Articles (save as so excluded or varied) and these articles shall be the articles of association of the Company. The regulations contained in any Table A applicable to the Company pursuant to the Companies Act 1985 or any former enactment relating to companies, shall not apply to the Company.
- 1.3 Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles are adopted.

## **SHARE CAPITAL**

- 2.1 At the date of the adoption of these articles the share capital of the Company is divided into Ordinary Shares, B Ordinary Shares, B Preference Shares and C Preference Shares.

## **RIGHTS ATTACHING TO SHARES**

- 3.1 The special rights and restrictions attached to and imposed on the Preference Shares are set out below:
- (a) As Regards Income:

The B Preference Shares shall entitle the holders thereof, *pari passu* with the C Preference Shares and any further preference shares created to rank *pari passu* therewith as regards priority in respect of income, and in priority to any dividend or return of capital on any other class of shares, to a fixed cumulative preferential dividend on the capital for the time being paid up thereon at the rate of 5.64 per cent per annum (calculated on the basis of a 360 day year of twelve 30 day months) ("**B Preferred Dividend**") until 17 March 2021 ("**B Preference Redemption Date**"), such dividend to be payable by equal half-yearly instalments on 17 September and 17 March in each year (save that where such payment date is not a Business Day the payment will be made on the following Business Day) in respect of the half-yearly period ending on those respective dates, the first payment to be made on 19 September 2011.

The C Preference Shares shall entitle the holders thereof, *pari passu* with the B Preference Shares and any further preference shares created to rank *pari passu* therewith as regards priority in respect of income, and in priority to any dividend or return of capital on any other class of shares, to a cumulative preferential dividend on the amount for the time being paid up thereon at the Euro Interest Rate (calculated on the basis of a 360 day year of twelve 30 day months) ("**C Preferred Dividend**") until 27 March 2015 ("**C Preference Redemption Date**") such dividend to be payable by equal half-yearly instalments on 17 September and 17 March in each year (save that where such payment date is not a Business Day the payment will be made on the following Business Day) in respect of the half-yearly period ending on those respective dates, the first payment to be made on a pro-rata basis on 17 September 2014.

The Preference Shares shall not confer any further right of participation in the profits of the Company.

(b) As Regards Capital:

The Preference Shares shall entitle the holders thereof on a winding-up or on a reduction of capital involving a return of capital, *pari passu* with any further preference shares created to rank *pari passu* therewith as regards priority in respect of capital, and in priority to any return of capital on any other class of shares, to repayment of the amount paid up or credited as paid up thereon together with a sum equal to any arrears or accruals of the cumulative preferential dividend thereon calculated down to the date of repayment whether or not such dividend shall have been declared or earned.

(c) As Regards Voting:

The Preference Shares shall not entitle the holders to receive notice of or to attend or vote at any general meeting of the Company unless either (i) at the date of the notice convening the meeting the dividend on the Preference Shares is six months in arrears (whether or not there were sufficient profits available out of which the dividend could have been paid) and for this purpose such dividend shall be deemed to be payable on 17 September and 17 March in each year (except where such payment date is not a Business Day in which case payment will be made on the following Business Day) the first of such dividends being payable on 19 September 2011 (or in the case of the C Preference Shares, 17 September 2014) or (ii) the business of the meeting includes the consideration of a resolution for winding up the Company or for the appointment of an administrator or the approval of a voluntary arrangement or for a reduction in the capital or any resolution directly or adversely modifying or abrogating any of the special rights and privileges attached to the Preference Shares in which case the holders thereof shall only be entitled to receive notice of, attend and vote at the relevant meeting in respect of such resolution or resolutions.

(d) Other Rights:

The Preference Shares shall not confer on the holders thereof any further rights to participate in the profits or assets of the company or to vote.

- 3.2 Subject as provided in this Article 3.2, the Company may, without any consent or sanction of the holders of Preference Shares, create and issue further preference shares either ranking pari passu and identically in all respects and so as to form one class with the Preference Shares or ranking pari passu therewith as regards priority in respect of income and/or capital but carrying a different rate of dividend (if any) or otherwise differing from the Preference Shares, provided that no such shares shall be issued as redeemable preference shares.
- 3.3 No further shares ranking as to dividend or repayment of capital in priority to or (except as provided in Article 3.2 above) pari passu with the Preference Shares shall be created or issued except with the consent or sanction of the Preference Shareholders given in accordance with this Article 3. In these Articles the expression the "**Preference Shareholders**" means the holders of the B Preference Shares and C Preference Shares and any further preference shares ranking pari passu and identically in all respects and so as to form one class with either the B Preference Shares or C Preference Shares.
- 3.4 If the Company shall have issued and there shall be outstanding any further preference shares ranking pari passu, but not identically in all respects and so as to form one class with either the B Preference Shares or the C Preference Shares then such further preference shares shall be deemed to constitute a separate class of shares for the purposes of the Articles of the Company.
- 3.5 On any winding-up of the Company the surplus assets shall be applied to the following purposes and in the following order of priority:
- (a) to the repayment of the amount paid up or credited as paid up on the Preference Shares (and on any further preference shares ranking pari passu therewith as regards priority in respect of capital) together also with any arrears or accruals of dividend in accordance with the rights of all such shares;
  - (b) to the repayment of the capital paid up or credited as paid up on the Ordinary Shares and B Ordinary Shares (Ordinary Shares and B Ordinary Shares ranking pari passu therewith as regards priority in respect of capital) and any surplus assets shall be divided amongst the holders of the Ordinary Shares and B Ordinary Shares in proportion to the number of Ordinary Shares held by them respectively.
- 3.6 In the event that, by reason of any principle of law, the Company is unable to pay in full on the due date for payment under Article 3.1(a) (each of which dates is a "**Dividend Date**") any instalment of the B Preferred Dividend or C Preferred Dividend which would otherwise be required to be paid pursuant to Article 3.1(a) on that Dividend Date (a "**Relevant Dividend**"), then the following provisions shall apply:
- (a) on the Dividend Date the Company shall pay to the relevant holders (on account of the Relevant Dividend) the maximum sum (if any) which can then consistently with any such principle of law properly be paid by the Company. Such sum shall be divided pro rata among the relevant holders according to the proportion of the Calculated Share Capital which they hold. For the purpose of these articles, "Calculated Share Capital" means the aggregate amount in sterling paid for each Preference Share (including nominal and share capital), calculated using the Bank of England daily spot rate on such date;
  - (b) the Company shall pay the balance of the Relevant Dividend (whether in one or more instalments) as soon after the relevant Dividend Date as may then be

*consistent with any principle of law and such payment shall be made in priority to any dividend which shall have accrued on the same class of share in respect of a period subsequent to the relevant Dividend Date; and*

- (c) *subject only to any such principle of law, every sum which shall become payable by the Company on any date determined in accordance with Article 3.1(a) shall, on that date, ipso facto and without any resolution of the Board or of the Company in general meeting (and notwithstanding anything contained in Model Articles 30 to 36 (inclusive) of the Model Articles) become a debt due from and immediately payable by the Company to the Preference Shareholders pro rata according to the proportion of the Calculated Share Capital which they hold.*
- 3.7 In the event that the Company may lawfully pay a Relevant Dividend in full on the due date for payment under Article 3.1(a) but fails, in whole or in part, to do so then the following provisions shall apply:
- (a) *interest at a rate per annum from time to time equal to the Default Rate shall be payable half-yearly on the 17 September and 17 March in each year (save that where such date is not a Business Day the payment will be made on the following Business Day) on any overdue balance of a Relevant Dividend until such overdue balance is repaid in full;*
  - (b) *subject only to any principle of law, every sum which shall become payable by the Company on any date determined in accordance with Article 3.1(a) shall, on that date, ipso facto and without any resolution of the Board or of the Company in general meeting (and notwithstanding anything contained in Model Articles 30 to 36 (inclusive) of the Model Articles) become a debt due from and immediately payable by the Company to the Preference Shareholders pro rata according to the proportion of the Calculated Share Capital which they hold; and*
  - (c) *the Company shall pay any overdue balance of the Relevant Dividend (whether in one or more instalments) together with any accrued interest calculated in accordance with Article 3.7(a) above as soon after the relevant Dividend Date as may then be consistent with any principle of law and such payment shall be made in priority to any dividend which shall have accrued on the same class of share in respect of a period subsequent to the relevant Dividend Date.*
- 3.8 The B Preference Shares shall, subject to any restrictions set out in the Act, be redeemed as follows:
- (a) *in their entirety on the B Preference Redemption Date; or*
  - (b) *on, or immediately prior to, any prepayment or repayment of all, or a proportion of, the Series B Notes by Babcock International Group plc in accordance with the terms of the Note Purchase Agreement, in which case all, or the relevant proportion, of the B Preference Shares shall be redeemed.*
- 3.9 The C Preference Shares shall, subject to any restrictions set out in the Act, be redeemed as follows:
- (a) *in their entirety on the C Preference Redemption Date; or*
  - (b) *immediately at the option of either the Company or the holder of the C Preference Shares.*
- 3.10 Where Preference Shares are to be redeemed in accordance with Article 3.8(b) or 3.9(b) the Company shall give to the holders of the relevant Preference Shares falling to be redeemed prior notice in writing of the redemption (a **"Company Redemption Notice"**). The Company Redemption Notice shall specify the particular Preference Shares to be



redeemed and the date fixed for redemption. The Company may withdraw the Company Redemption Notice only if they serve written notice of such withdrawal on the holders of the Preference Shares before the redemption takes place.

3.11 The total amount payable on a redemption of the B Preference Shares ("**B Preference Share Redemption Amount**") shall be:

- (a) in the event of a redemption pursuant to Article 3.8(a) above an amount equal to the total amount payable to the holders of the Series B Loan Notes on the Series B Loan Note Maturity Date in accordance with the terms of the Note Purchase Agreement; or
- (b) in the event of a redemption of all, or a proportion of, the B Preference Shares pursuant to Article 3.8(b), an amount equal to the total amount payable to the holders of the Series B Loan Notes on such prepayment or repayment in accordance with the terms of the Note Purchase Agreement,

and such amount shall, subject to the Company having sufficient profits available for distribution within the meaning of the Act or other monies which may be lawfully applied for such redemption, at that time become a debt due from and immediately payable by the Company to the holders of such Preference Shares.

3.12 The total amount payable on a redemption of the C Preference Shares ("**C Preference Share Redemption Amount**") shall be an amount equal to all accrued and unpaid C Preferred Dividend plus the amount paid up for the C Preference Shares (both nominal and capital) and such amount shall, subject to the Company having sufficient profits available for distribution within the meaning of the Act or other monies which may be lawfully applied for such redemption, at that time become a debt due from and immediately payable by the Company to the holders of such C Preference Shares.

3.13 In the event that, by reason of any principle of law, the Company is unable to pay the B Preference Share Redemption Amount and the C Preference Share Redemption Amount in accordance with Articles 3.11 or 3.12 above in full on the date fixed for redemption the following provisions shall apply:

- (a) the Company shall pay to the relevant holders (on account of the B Preference Share Redemption Amount or the C Preference Share Redemption Amount as applicable) the maximum sum (if any) which can then consistently with any such principle of law properly be paid by the Company. Such sum shall be divided among the relevant holders pro rata according to the proportion of the Calculated Share Capital which they hold;
- (b) the Company shall pay the balance of the B Preference Share Redemption Amount or the C Preference Share Redemption Amount as applicable (whether in one or more instalments) as soon after the date fixed for redemption as may then be consistent with any principle of law; and
- (c) subject only to any such principle of law, every sum which shall become payable by the Company on any date determined in accordance with Articles 3.8 and 3.9 shall, on that date, ipso facto and without any resolution of the Board or of the Company in general meeting (and notwithstanding anything contained in Model Articles 30 to 36 (inclusive) of the Model Articles) become a debt due from and immediately payable by the Company to the Preference Shareholders pro rata according to the proportion of the Calculated Share Capital which they hold.

3.14 In the event that the Company may lawfully pay the B Preference Share Amount or the C Preference Share Redemption Amount (as applicable) in full on the date fixed for

redemption but fails, in whole or in part, to do so, then the following provisions shall apply:

- (a) interest at a rate per annum from time to time equal to the Default Rate shall be payable half-yearly on the 17 September and 17 March in each year (save that where such date is not a Business Day the payment will be made on the following Business Day) on any overdue redemption payment until such overdue balance is repaid in full;
  - (b) the Company shall pay the balance of the B Preference Share Redemption Amount or the C Preference Share Redemption Amount as applicable (whether in one or more instalments) together with any accrued interest calculated in accordance with Article 3.14(a) above, as soon after the date fixed for redemption as may then be consistent with any principle of law; and
  - (c) subject only to any principle of law, every sum which shall become payable by the Company on any date determined in accordance with Articles 3.8 and 3.9 shall, on that date, ipso facto and without any resolution of the Board or of the Company in general meeting (and notwithstanding anything contained in Model Articles 30 to 36 (inclusive) of the Model Articles) become a debt due from and immediately payable by the Company to the Preference Shareholders pro rata according to the proportion of the Calculated Share Capital which they hold.
- 3.15 On the date fixed for redemption, each of the holders of the Preference Shares falling to be redeemed shall be bound to deliver to the Company, at the Company's registered office, the certificate(s) for such Preference Shares (or an indemnity, in a form reasonably satisfactory to the Company, in respect of any lost certificate) in order that the same may be cancelled. Upon such delivery, the Company shall pay to the holder (or in the case of any joint holders, to the holder whose name stands first in the Company's register of members in respect of such Preference Shares) the amount due to it in respect of such redemption against delivery of a proper receipt for the redemption monies.
- 3.16 If any certificate delivered to the Company pursuant to Article 3.15 includes any Preference Shares not falling to be redeemed on the date fixed for redemption, a new certificate in respect of those Preference Shares shall be issued to the holder(s) thereof as soon as practicable thereafter (and in any event within 20 Business Days thereafter).
- 3.17 The B Ordinary Shares shall not entitle the holders to receive notice of or to attend or vote at any general meeting of the Company.

#### **DECISION-MAKING BY DIRECTORS**

- 4.1 In Model Article 8(2) (copies of unanimous decisions in writing) the words "copies of which have been signed by each eligible director" shall be replaced by the words "where each eligible director has signed one or more copies of it".
- 4.2 In Model Article 8(3) (unanimous decisions) the words "and whose vote would have been counted" shall be added after the words "who would have been entitled to vote on the matter".
- 4.3 Model Article 9(2) (content of notices of directors' meeting) shall not apply to the Company.
- 4.4 In Model Article 9(4) (waiver of notice entitlement) the words "not more than 7 days" shall be replaced by the words "either before, on or".
- 4.5 The chairman shall not have a casting vote and Model Article 13 shall not apply to the Company.

4.6 A director may vote, at any meeting of the directors or of any committee of the directors, on any resolution, and may otherwise take, or take part in, any decision, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest or duty whatsoever (whether or not it may conflict with the interests of the Company), and if he shall vote on any such resolution (or take, or take part in, any such decision) his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting. This is subject to section 175 of the Act and to the other provisions of these articles.

4.7 Model Article 14 (conflicts of interests) shall not apply to the Company.

#### **DIRECTORS' INTERESTS**

5.1 Provided that he has disclosed to the directors the nature and extent of any interest of his in accordance with and to the extent required by the Act or the interest is deemed disclosed by article 5.2, a director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) 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 interested or any Group Company or any body corporate in which any Group Company is interested;
- (c) may act, by himself or through a firm in which he is interested, in a professional capacity for the Company or any Group Company or any body corporate in which any Group Company is interested (otherwise than as auditor); and
- (d) may hold any other place of profit with the Company (otherwise than as auditor) in conjunction with his office as the directors may determine;

and (i) he shall not, by reason of his office or the fiduciary relationship thereby established, be accountable to the Company for any remuneration or other benefit which he or any other person derives from any such office or employment or from any such transaction or arrangement or from acting in a professional capacity or from any interest in any such undertaking or body corporate; and (ii) no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or remuneration or other benefit; and (iii) receipt of any such remuneration or other benefit shall not constitute a breach of his duty under section 176 of the Act.

5.2 For the purposes of this article a director shall be deemed to have disclosed the nature and extent of an interest which consists of him being a director, officer or employee of any Group Company in relation to the Company.

#### **DIRECTORS' CONFLICTS**

6.1 For the purposes of section 175 of the Act, the directors may authorise any matter proposed to them which would, if not so authorised, constitute or give rise to an infringement of duty by a director under that section.

6.2 Any authorisation of a matter pursuant to article 6.1 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

6.3 Any authorisation of a matter under article 6.1 shall be subject to such conditions or limitations as the directors may specify, whether at the time such authorisation is given or subsequently, and may be terminated or varied by the directors at any time. A director

shall comply with any obligations imposed on him by the directors pursuant to any such authorisation.

- 6.4 A director shall not, by reason of his office or the fiduciary relationship thereby established, be accountable to the Company for any remuneration or other benefit which derives from any matter authorised by the directors under article 6.1 and any transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such remuneration or other benefit or on the ground of the director having any interest as referred to in the said section 175.
- 6.5 A director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a director or officer or employee of the Company and in respect of which he owes a duty of confidentiality to another person. However, to the extent that his connection with that other person conflicts, or possibly may conflict, with the interests of the Company, this article 6.5 applies only if the existence of that connection has been authorised by the directors under article 6.1 above. In particular, the director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 of the Act because he fails:
- (a) to disclose any such information to the directors or to any director or other officer or employee of the Company; and/or
  - (b) to use any such information in performing his duties as a director or officer or employee of the Company.
- 6.6 Where the existence of a director's connection with another person has been authorised by the directors under article 6.1 and his connection with that person conflicts, or possibly may conflict, with the interests of the Company, the director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 of the Act because he:
- (a) absents himself from meetings of the director or any committee thereof at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed or from the discussion of any such matter at a meeting or otherwise; and/or
  - (b) makes arrangements not to receive documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by the Company and/or for such documents and information to be received and read by a professional adviser,
- for so long as he reasonably believes such conflict of interest (or possible conflict of interest) subsists.
- 6.7 The provisions of articles 6.5 and 6.6 are without prejudice to any equitable principle or rule of law which may excuse the director from:
- (a) disclosing information, in circumstances where disclosure would otherwise be required under these articles or otherwise;
  - (b) attending meetings or discussions or receiving documents and information as referred to in article 6.6 in circumstances where such attendance or receiving such documents and information would otherwise be required under these articles.
- 6.8 For the purposes of this article 6 a conflict of interest includes a conflict of interest and duty and a conflict of duties.

## **APPOINTMENT AND REMOVAL OF DIRECTORS**

7. The holder or holders for the time being of more than one-half of the issued ordinary shares of the Company shall have the power from time to time and at any time to appoint any person or persons as a director or directors either as additional directors or to fill any vacancy and to remove from office any director howsoever appointed. Any such appointment or removal shall be effected by a notice in writing signed by or on behalf of the member or members exercising the power and shall take effect upon lodgement at the registered office of the Company or upon presentation at a board meeting or general meeting of the Company, or upon such later date as may be specified in the notice. Model Article 18 (termination of directors' appointment) shall be construed accordingly.

## **ALTERNATE DIRECTORS**

- 8.1 Any director (the "**appointor**") may appoint as an alternate any other director, or any other person approved by a resolution or other decision 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.
- 8.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.
- 8.3 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.
- 8.4 An alternate director has the same rights, in relation to any directors' meeting, and all meetings of committees of directors of which the appointor is a member, or directors' written resolution, or other decision of the directors reached in accordance with Model Article 8, as the alternate's appointor. For the purposes of Model Article 8(1) and 8(2) (Unanimous decisions) if an alternate director indicates that he shares the common view, his appointor need not also indicate that he shares the common view and if a resolution is signed by an alternate director (or to which an alternate director has indicated his agreement in writing), it need not also be signed or so agreed to by his appointor.
- 8.5 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.
- 8.6 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 (or otherwise indicate his agreement in writing to) a written resolution (but only if that person's appointor has not signed or otherwise indicated his agreement in writing to such written resolution).

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

- 8.7 A director who is 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.
- 8.8 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.
- 8.9 Model Article 20 (Directors' expenses) is modified by the addition of the words "(including alternate directors)" before the words "properly incur".
- 8.10 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.

#### **SECRETARY**

9. It shall not be necessary for the Company to have a secretary.

#### **ALLOTMENT OF SHARES**

- 10.1 The directors may exercise any power of the Company to allot shares or grant rights to subscribe for or convert any security into shares pursuant to section 551 of the Act if they are authorised to do so by resolution of the Company in accordance with that section.
- 10.2 In accordance with section 567 of the Act, the requirements of sections 561 and 562 of the Act are excluded in relation to allotments of equity securities by the Company.

#### **PAYMENT OF COMMISSIONS ON SUBSCRIPTION FOR SHARES**

- 11.1 The Company may pay any person a commission in consideration for that person:
- (a) subscribing, or agreeing to subscribe, for shares; or
  - (b) procuring, or agreeing to procure, subscriptions for shares.
- 11.2 Any such commission may be paid:
- (a) in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other; and
  - (b) in respect of a conditional or an absolute subscription.

## **TRANSFER OF SHARES**

12. The directors shall only have discretion to refuse to register a transfer of shares in the Company if any of the following conditions are not met:
- (a) it is lodged at the registered office of the Company or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
  - (b) it is in respect of only one class of shares; or
  - (c) it is in favour of not more than four transferees.

Model Article 26(5) (share transfers) shall not apply to the Company.

## **DIVIDENDS**

- 13.1 Model Article 30(2) (dividend not to exceed the amount recommended by the directors) shall not apply.
- 13.2 In Model Article 34 (non-cash distributions) the words "on the recommendation" shall be replaced by the words "or by a resolution or other decision of".

## **DEEMED DELIVERY OF DOCUMENTS AND INFORMATION**

- 14.1 Any notice, document or other information sent or supplied by the Company:
- (a) sent by post (whether in hard copy or electronic form) to an address in the United Kingdom (provided that the company is able to show that it (or the envelope) was properly addressed, prepaid and posted) shall be deemed to have been received by the intended recipient on the day following that on which it (or an envelope containing it) was put in the post if first class post was used or 48 hours after it was posted if first class post was not used;
  - (b) sent or supplied by electronic means, (provided that the company is able to show that it was properly addressed) shall be deemed to have been received by the intended recipient on the day on which it was sent or supplied;
  - (c) sent or supplied by means of a website, shall be deemed to have been received by the intended recipient:
    - (i) when the material was first made available on the website; or
    - (ii) if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website;
  - (d) left at a shareholder's registered address or such other postal address as notified by the shareholder to the Company for the purpose of receiving company communications, shall be deemed to have been received on the day it was left.
- 14.2 For the purposes of this Article, no account shall be taken of any part of a day that is not a working day.
- 14.3 A shareholder whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notice may be given to him, or an address to which notices may be sent by electronic means, shall be entitled to have notices, documents or other information sent to him at that address, but otherwise

no such shareholder shall be entitled to receive any notice, document or other information from the Company.

## INDEMNITY AND BENEFITS

- 15.1 Subject to the provisions of the Companies Acts (but so that this article does not extend to any matter insofar as it would cause this article or any part of it to be void under the Companies Acts) but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every person who is or was at any time a director of the Company or any Group Company may be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities (together "**Liabilities**") which he may sustain or incur in or about the actual or purported execution and/or discharge of his duties (including those duties, powers and discretions in relation to any Group Company or any company that is a trustee of an occupational pension scheme (as defined in section 235(6) of the Act)) and/or the actual or purported exercise of his powers or discretions and/or otherwise in relation thereto or in connection therewith, including (without prejudice to the generality of the foregoing) any Liability suffered or incurred by him in disputing, defending, investigating or providing evidence in connection with any actual or threatened or alleged claims, demands, investigations, or proceedings, whether civil, criminal, or regulatory or in connection with any application under section 661(3), section 661(4) or section 1157 of the Act.
- 15.2 The Company may also provide funds to any director of the Company or of any Group Company to meet, or do anything to enable a director of the Company or any Group Company to avoid incurring, expenditure to the extent permitted by the Companies Acts.
- 15.3 Without prejudice to any other provisions of these articles, the directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors of the Company, or of any other Group Company or any other body which is or was otherwise associated with the Company or any Group Company or any other body in which the Company or any such Group Company has or had any interest, whether direct or indirect, or of any predecessor in business of any of the foregoing, (together with Group Companies, "**Associated Companies**") or who are or were at any time trustees of (or directors of trustees of) any pension, superannuation or similar fund, trust or scheme or any employees' share scheme or other scheme or arrangement in which any employees of the Company or of any such other body are interested, including (without prejudice to the generality of the foregoing) insurance against any costs, charges, expenses, losses or liabilities suffered or incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the actual or purported exercise of their powers and discretions and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such other body, fund, trust, scheme or arrangement.
- 15.4 The directors may exercise all the powers of the Company to give or award pensions, annuities, gratuities or other retirement, superannuation, death or disability allowances or benefits (whether or not similar to the foregoing) to (or to any person in respect of) any persons who are or have at any time been directors of the Company or of any Associated Company, and to the spouses, civil partners, former spouses and former civil partners, children and other relatives and dependants of any such persons and may establish, maintain, support, subscribe to and contribute to all kinds of schemes, trusts and funds (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, and so that any director or former director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such trust, fund or scheme or otherwise).



- 15.5 Without prejudice to any other provisions of these articles, the directors may exercise all the powers of the Company to establish, maintain, and contribute to any scheme for encouraging or facilitating the holding of shares in the Company or in any Associated Company by or for the benefit of current or former directors of the Company or any such body corporate or the spouses, civil partners, former spouses, former partners, families, connections or dependants of any such persons and, in connection with any such scheme, to establish, maintain and contribute to a trust for the purpose of acquiring and holding shares in the Company or any such body corporate and to lend money to the trustees of any such trust or to any individual referred to above.
- 15.6 Model Articles 52 (indemnity) and 53 (insurance) shall not apply to the Company.