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**GENERAL MEETING RESOLUTION**  
**of**  
**ADVANCED INSULATION PLC (the "Company")**

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At a General Meeting of the Company duly convened and held on 12 April 2013 at 10.30 am/~~pm~~  
the following resolution was duly passed

**ORDINARY RESOLUTIONS**

- 1 **THAT**, subject to and in accordance with Article 52 of the Articles and section 551 of the Companies Act 2006 (the "**2006 Act**"), the Directors of the Company be and are generally and unconditionally authorised to allot D shares in the Company and to grant rights to subscribe for or to convert any security into ordinary shares in the Company up to an aggregate nominal amount of £6,650, provided that such authority shall expire on 12 October 2013, save that the Company may before such expiry make an offer or agreement which would or might require such D shares to be allotted or rights to subscribe for or convert securities into D shares to be granted after such expiry, and the board may allot D shares and grant rights to subscribe or convert securities into ordinary shares in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired

This authority is in substitution for all previous authorities conferred on the directors in accordance with section 80 of the Companies Act 1985 or section 551 of the 2006 Act

**SPECIAL RESOLUTION**

- 2 **THAT**, subject to the passing of Resolution 1 and in accordance with section 570 of the 2006 Act, the Directors be given the general power to allot equity securities (as defined by section 560 of the 2006 Act), pursuant to the authority conferred by Resolution 1, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £6,650, and such power shall expire on 12 October 2013 save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the Board may allot equity securities in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired
- 3 **THAT**, the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the current Articles immediately upon the passing of these Resolutions

  
.....  
For and on behalf of  
Advanced Insulation Plc

12 April

2013

TUESDAY



A19

"A27DT5CW"  
30/04/2013

#181

COMPANIES HOUSE

**PUBLIC COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**of**

**ADVANCED INSULATION PLC**

**(the "company")**

*Adopted by Special Resolution*

*on 12 April 2013*



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**ARTICLES FOR PUBLIC COMPANIES LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**of**

**ADVANCED INSULATION PLC**

**(the "company")**

**PART 1**

**INTERPRETATION AND LIMITATION OF LIABILITY**

**1 DEFINED TERMS**

1 1 In the articles, unless the context requires otherwise

<b>"A Shares"</b>	means ordinary shares of £1 each in the capital of the company designated as "A Shares" and having the rights attaching to them as set out in article 53 1,
<b>"alternate" or "alternate director"</b>	has the meaning given in article 28,
<b>"appointor"</b>	has the meaning given in article 28,
<b>"articles"</b>	means the company's articles of association,
<b>"associated company"</b>	has the meaning given in section 256 of the Companies Act 2006,
<b>"B Shares"</b>	means ordinary shares of £0 01 each in the capital of the company designated as "B Shares" and having the rights attaching to them as set out in article 53 1,
<b>"Bad Leaver"</b>	means a Minority Shareholder who ceases to be an employee and/or director of the company or any member of the company's Group and who is not a Good Leaver,
<b>"bankruptcy"</b>	includes individual insolvency proceedings in a jurisdiction other than England and Wales and Northern Ireland which have an effect similar to that of bankruptcy,
<b>"Board"</b>	means the board of directors of the company for the time being,
<b>"C Shares"</b>	means the ordinary shares of £0 01 each in the capital of the company which were issued pursuant to an EMI share option scheme and have the rights attaching to them as set out in article 53 1,
<b>"call"</b>	has the meaning given in article 62,
<b>"call notice"</b>	has the meaning given in article 62,
<b>"certificate"</b>	means a paper certificate evidencing a person's title to specified shares or other securities,

<b>"Chairman"</b>	means the director appointed as Chairman by the Majority Shareholder in accordance with article 27,
<b>"chairman of the meeting"</b>	has the meaning given in article 38 4,
<b>"Companies Acts"</b>	means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company,
<b>"company's lien "</b>	has the meaning given in article 60 1,
<b>"Conflict"</b>	has the meaning given in article 16,
<b>"D Shares"</b>	means ordinary shares of £1 00 each in the capital of the company designated as "D Shares" and having the rights attaching to them as set out in article 53 1,
<b>"director"</b>	means a director of the company, and includes any person occupying the position of director, by whatever name called,
<b>"Disposal"</b>	means the sale of the whole or substantially the whole of the undertaking or assets of the company,
<b>"distribution recipient"</b>	has the meaning given in article 85 2,
<b>"document"</b>	includes, unless otherwise specified, any document sent or supplied in electronic form,
<b>"EBITDA"</b>	means the corresponding entry in the audited accounts of the company or the entry referred to as Earnings before Interest, Tax, Depreciation and Amortisation. In the event that there is no such entry, EBITDA shall be calculated by reference to the entry for earnings before tax with appropriate adjustment to add back any interest, depreciation and amortisation. In all cases, EBITDA shall be adjusted to add back any entries which make reference to the value of any option to acquire shares in the capital of the company,
<b>"electronic form"</b>	has the meaning given in section 1168 of the Companies Act 2006,
<b>"eligible director"</b>	means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of that particular matter),
<b>"Exit"</b>	means the earlier to occur of <ul style="list-style-type: none"> <li>(a) the date and time at which an agreement for a Disposal is completed,</li> <li>(b) the date and time at which an agreement for a Sale is completed,, and</li> <li>(c) the date and time at which a Listing takes place,</li> </ul>
<b>"Family Trust"</b>	means as regards any particular individual member



or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than that individual and/or Privileged Relations of that individual, and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are or may become liable to be exercised by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of power or discretion conferred thereby on any person or persons,

**"Financial Year"**

means any financial period of 12 months of the company by reference to which it prepares or is obliged by law to prepare audited accounts,

**"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,

**"Good Leaver"**

means any Minority Shareholder

- (a) who ceases at any time to be an employee of any member of the company's Group as a result of
  - (i) death,
  - (ii) permanent incapacity due to ill-health (except where such ill-health arises as a result of an abuse of drinks or drugs) which, in the opinion of the Board is sufficiently serious to prevent him from carrying out his normal duties,
  - (iii) retirement in accordance with his contract of employment,
  - (iv) dismissal by the company where such dismissal has been found by a tribunal or court of competent jurisdiction to be unfair or wrongful other than as a consequence of some procedural irregularity,
- (b) who ceases to be an employee of any member of the company's Group for any reason (other than the fraud or summary dismissal of the Minority Shareholder) provided that where such Minority Shareholder has voluntarily terminated his employment where no ground for summary

dismissal exist, notice is served after the second anniversary of the date of adoption of these articles, or

- (c) whom the Board (with Majority Shareholder Consent) shall determine is a Good Leaver,

<b>"Group"</b>	means, in relation to a company, its holding company (if any) and its subsidiaries and any other subsidiaries of its holding company,
<b>"hard copy form"</b>	has the meaning given in section 1168 of the Companies Act 2006,
<b>"holder"</b>	in relation to shares means the person whose name is entered in the register of members as the holder of the shares,
<b>"instrument"</b>	means a document in hard copy form,
<b>"lien enforcement notice"</b>	has the meaning given in article 61,
<b>"Listing"</b>	means the admission of all or any part of the share capital of the company to the Official List of the London Stock Exchange plc or the admission of the same to trading on the Alternative Investment Market or any other trading facility or Recognised Investment Exchange,
<b>"Majority Shareholder"</b>	means the registered holder of more than 50 per cent of the total number of Voting Shares for the time being in issue in the capital of the company,
<b>"Majority Shareholder Consent"</b>	means the consent in writing of the Majority Shareholder,
<b>"member"</b>	has the meaning given in section 112 of the Companies Act 2006,
<b>"Minority Shareholder"</b>	means any registered holder of less than 50 per cent of the total number of shares for the time being in issue in the capital of the company,
<b>"ordinary resolution"</b>	has the meaning given in section 282 of the Companies Act 2006,
<b>"paid"</b>	means paid or credited as paid,
<b>"participate"</b>	in relation to a directors' meeting, has the meaning given in article 10,
<b>"partly paid"</b>	in relation to a share means that part of that share's nominal value or any premium at which it was issued that has not been paid to the company,
<b>"Permitted Transfer"</b>	means a transfer of shares pursuant to article 72 1,
<b>"Prescribed Period"</b>	means the period commencing on the Notice Date (as defined in article 73 3) and ending on the last day of the Offer Period (as defined in article 73 7),
<b>"Privileged Relation"</b>	means in relation to an individual member or

	deceased or former individual member, the husband or wife or the widower or widow of such member and all the lineal descendants and ascendants in direct line of such member and the brothers and sisters of such member and a husband or wife or widower or widow of any of the above persons and for the purposes aforesaid a step-child or adopted child or illegitimate child of any person shall be deemed to be his or her lineal descendant,
<b>"Proposing Transferor"</b>	has the meaning given in article 73 2,
<b>"proxy notice"</b>	has the meaning given in article 46,
<b>"Recognised Investment Exchange"</b>	shall have the meaning ascribed to it in section 285 of the Financial Services and Markets Act 2000,
<b>"Relevant Member"</b>	means a member who has acquired shares by means of a series of one or more Permitted Transfers,
<b>"Relevant Shares"</b>	means (so far as the same remain for the time being held by the trustees of any Family Trusts or by any Transferee Company) the Shares originally acquired by such trustees or Transferee Company and any additional Shares issued to such trustees or Transferee Company by way of capitalisation or acquired by such trustees or Transferee Company in exercise of any right or option granted or arising by virtue of the holding of such shares or any of them or the membership thereby conferred
<b>"Sale"</b>	means the acquisition by a person or persons other than the existing shareholders of the company of the entire issued share capital of the company,
<b>"securities seal"</b>	has the meaning given in article 57,
<b>"shares"</b>	means shares in the company,
<b>"special resolution"</b>	has the meaning given in section 283 of the Companies Act 2006,
<b>"subsidiary"</b>	has the meaning given in section 1159 of the Companies Act 2006,
<b>"Third Party Purchaser"</b>	an individual or body corporate not being a member or an "associate" (within the meaning of section 435 Insolvency Act 1985) of a member who makes an offer for the Shares in the company,
<b>"Transferee Company"</b>	a company for the time being holding shares in consequence, directly or indirectly, of a transfer or series of transfers of shares between members of the same Group (the relevant Transferee Company in the case of a series of such transfers being the first transferor in such series),
<b>"Transfer Notice"</b>	a notice in accordance with article 73 2 that a member desires to transfer his Shares,
<b>"transmittee"</b>	means a person entitled to one or more shares by

reason of the death or bankruptcy of a member or otherwise by operation of law,

**"Valuers"**

a firm of chartered accountants agreed between the Proposing Transferor and the Directors (with Majority Shareholder Consent) or, in default of agreement within 14 days of the first name being proposed by any of them, as appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of the Proposing Transferor or the Directors (with Majority Shareholder Consent), and

**"Voting Shares"**

means the A Shares and the B Shares, and

**"writing"**

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

1 2 Unless the context otherwise requires, other words or expressions contained in the articles bear the same meaning as in the Companies Act 2006 as in force on the date when the articles become binding on the company

1 3 The regulations contained in the model articles for public companies limited by shares (as set out in schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 3229/2008)) shall not apply to the company

**2 LIABILITY OF MEMBERS**

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

**PART 2**

**DIRECTORS**

**Directors' Powers and Responsibilities**

**3 DIRECTORS' GENERAL AUTHORITY**

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

**4 MEMBERS' RESERVE POWER**

4 1 Subject always to the provisions of the articles and the Companies Acts, the members 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

## **7 BORROWING POWERS**

7 1 So far as the Companies Acts allow, the directors can exercise all the powers of the company to

7 1 1 borrow money,

7 1 2 issue (subject to the provisions of the Companies Acts regarding authority to allot debentures convertible into shares) debentures and other securities, and

7 1 3 give any form of

(a) guarantee, and

(b) security, either outright or as collateral and over all or any of the company's undertaking, property and uncalled capital,

for any debt, liability or obligation of the company or of any third party

## **DECISION-MAKING BY DIRECTORS**

### **8 DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

8 1 Decisions of the directors may be taken

8 1 1 at a directors' meeting, or

8 1 2 in the form of a directors' written resolution

### **9 CALLING A DIRECTORS' MEETING**

- 9 1 The directors can decide when and where to have directors' meetings and how they shall be conducted They can also adjourn their meetings
- 9 2 Any director may call a directors' meeting
- 9 3 The company secretary must call a directors' meeting if a director so requests
- 9 4 A directors' meeting is called by giving notice of the meeting to the directors
- 9 5 Notice of any directors' meeting must indicate
  - 9 5 1 its proposed date and time,
  - 9 5 2 where it is to take place, and
  - 9 5 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 6 Notice of a directors' meeting must be given to each director, but need not be in writing
- 9 7 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 either before or not more than 7 days after the date on which the meeting is held Where such waiver 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, the meeting shall be deemed to take place where the largest number of participators is assembled or, if no such group can be identified, the directors 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 Subject to article 11 3, the quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two eligible directors, and unless otherwise fixed it is two
- 11 3 For the purposes of any meeting (or part of a meeting) held pursuant to article 16 to authorise a Conflict, if there is only one eligible director in office other than the

conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director

11 4 A directors' meeting at which a quorum is present can exercise all the powers, authorities and discretions of the directors whether by or under the articles or exercisable by the directors generally

11 5 A director who ceases to be a director at a directors' meeting can continue to be present and act as a director and be counted in the quorum until the end of that meeting if no other director objects and a quorum would not otherwise be present

## **12 MEETINGS WHERE TOTAL NUMBER OF DIRECTORS LESS THAN QUORUM**

12 1 This article applies where the total number of directors for the time being is less than the quorum for directors' meetings

12 2 If there is only one director, that director may appoint sufficient directors to make up a quorum or call a general meeting to do so

12 3 If there is more than one director

12 3 1 a directors' meeting may take place, if it is called in accordance with the articles and at least two directors participate in it, with a view to appointing sufficient directors to make up a quorum or calling a general meeting to do so, and

12 3 2 if a directors' meeting is called but only one director attends at the appointed date and time to participate in it, that director may appoint sufficient directors to make up a quorum or call a general meeting to do so

12 4 If no director or directors are willing or able to act under this article, any two members can call a general meeting to appoint extra directors

## **13 CHAIRING OF DIRECTORS' MEETINGS**

13 1 The Chairman will chair Board meetings

13 2 If neither the Chairman nor any director appointed generally to chair directors' meetings in the Chairman's absence is participating in a meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it

## **14 VOTING AT DIRECTORS' MEETINGS: GENERAL RULES**

14 1 Subject to the articles, a decision is taken at a directors' meeting by a majority of the votes of the participating directors

14 2 Subject to the articles, each director participating in a directors' meeting has one vote

14 3 The Majority Shareholder (in his capacity as a director), or any alternate director appointed on behalf of such director, shall have a casting vote at a directors' meeting

14 4 Subject to the articles, if a director has an interest in an actual or proposed transaction or arrangement with the company

14 4 1 that director and that director's alternate may not vote on any proposal relating to it, but

- 14 4 2 this does not preclude the alternate from voting in relation to that transaction or arrangement on behalf of another appointor who does not have such an interest

## 15 ALTERNATES VOTING AT DIRECTORS' MEETINGS

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

- 15 1 not participating in a directors' meeting, and
- 15 2 would have been entitled to vote if they were participating in it

## 16 CONFLICTS AND DECLARATIONS OF INTEREST

### Conflicts of Interest

- 16 1 Without prejudice to articles 16 6 and 16 7, the directors shall, for the purposes of section 175 of the Companies Act 2006, have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director under that section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company ("**Conflict**")
- 16 2 Authorisation of a matter under article 16 1 shall be effective only if
- 16 2 1 the matter in question shall have been proposed in writing for consideration at a meeting of the directors in accordance with the directors' normal procedures or in any other manner as the directors may determine,
- 16 2 2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question or any other interested director (together the "**Interested Directors**", and each an "**Interested Director**"), and
- 16 2 3 the matter was agreed to without any Interested Director voting or would have been agreed to if the votes of the Interested Directors had not been counted
- 16 3 Any authorisation of a matter under article 16 1 shall be subject to such conditions or limitations as the directors may determine (including, without limitation, such conditions or limitations as are contemplated by article 16 17), whether at the time such authorisation is given or subsequently and may be terminated by the directors at any time. A director shall comply with any obligations imposed on him by the directors pursuant to any such authorisation
- 16 4 Any authorisation of a matter under article 16 1 extends, subject to any conditions or limitations imposed under article 16 3, to any actual or potential Conflict which may reasonably be expected to arise out of the matter so authorised
- 16 5 Subject to any conditions or limitations imposed under article 16 3, a director shall not, save as otherwise agreed by him, be accountable to the company for any benefit which he (or any person connected in any way with him) derives from any matter authorised by the directors under article 16 1 and no contract, transaction, arrangement or proposal relating thereto shall be liable to be avoided on the grounds of any such benefit



- 16 6 Article 16 1 does not apply to a Conflict arising in relation to a transaction or arrangement with the company

Declarations of interest Transactions with the company

- 16 7 Subject to compliance with article 16 8, a director may, notwithstanding his office, have any interest of any of the following kinds (and no authorisation under article 16 1 shall be necessary in respect of any such interest)
- 16 7 1 where the director (or any person connected in any way with him) is a director or other officer of, is employed by or is otherwise interested (including, without limitation, by the holding of shares or other securities) in any body corporate with which the company is associated (within the meaning of section 256(a) of the Companies Act 2006),
  - 16 7 2 where the director (or any person connected in any way with him) is a party to, or otherwise interested in, any contract, transaction, arrangement or proposal with the company or any body corporate with which the company is associated (within the meaning of section 256(a) of the Companies Act 2006), or in which the company is otherwise interested,
  - 16 7 3 where the director (or any person connected in any way with him) acts (or any firm of which he is a partner, employee or member acts) in a professional capacity for any body corporate with which the company is associated (within the meaning of section 256(a) of the Companies Act 2006) (other than auditor) whether or not he or it is remunerated therefor,
  - 16 7 4 an interest such that the situation or the interest cannot reasonably be regarded as likely to give rise to a Conflict,
  - 16 7 5 an interest, or a contract, transaction, arrangement or proposal giving rise to an interest, of which the director is not aware, and
  - 16 7 6 any other interest authorised by an ordinary resolution of the company
- 16 8 Subject to sections 177 and 182 of the Companies Act 2006, the director concerned shall declare the nature and extent of any interest, whether direct or indirect, referred to in article 16 7 and not falling within article 16 9 either at a meeting of the directors by written declaration to the company (or in any other manner as the directors may determine) or by general notice in accordance with section 177(2)(b)(ii) or section 182(2)(c) (as the case may be) and section 185 of the Companies Act 2006
- 16 9 No declaration of an interest shall be required by a director under article 16 8 in relation to an interest
- 16 9 1 falling within article 16 7 4 or article 16 7 5,
  - 16 9 2 if, or to the extent that, the other directors are already aware of such interest (and for this purpose the other directors are treated as being aware of anything of which they ought reasonably to be aware), or
  - 16 9 3 if, or to the extent that, it concerns the terms of his service contract (as defined in section 227 of the Companies Act 2006) that have been or are to be considered by a meeting of the directors or by a committee of directors appointed for the purpose under these articles
- 16 10 A director shall not, save as otherwise agreed by him, be accountable to the company for any benefit which he (or any person connected in any way with him) derives from

any interest referred to in article 16 7 and no contract, transaction, arrangement or proposal shall be liable to be avoided on the grounds of any such interest

#### Restrictions on quorum and voting

- 16 11 Provided he has disclosed to the directors any interest of which he is aware (not being an interest which cannot reasonably be regarded as likely to give rise to a Conflict) in accordance with the requirements of the Companies Act 2006 and these articles, a director shall, subject to any applicable conditions or limitations imposed under article 16 3, be entitled to vote at a meeting of the directors or of a committee of the directors in respect of any contract, transaction, arrangement or proposal in which he is interested and shall also be counted in determining whether a quorum is present at such a meeting
- 16 12 Without prejudice to article 16 11, if a question arises at any time as to whether any interest of a director prevents him or should prevent him from voting or being counted in the quorum under this article 16 and such question is not resolved by his voluntarily agreeing to abstain from voting and/or attending, such question shall be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive, except in a case where the nature or extent of the interest of such director (so far as it is known to him) has not been fairly disclosed
- 16 13 Without prejudice to article 16 11, 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 shall be decided by a decision of the directors, for which purpose the chairman is not to be counted as participating in the meeting (or part of the meeting) for voting and quorum purposes, and the decision shall be conclusive, except in a case where the nature or extent of the interest of the chairman of the meeting (so far as it is known to him) has not been fairly disclosed to the directors

#### Confidential information

- 16 14 Subject to article 16 15, if a director, otherwise than by virtue of his position as a director, receives information in respect of which he owes a duty of confidentiality to a person other than the company, he shall not be required to disclose such information to the company or the directors or any of them, or otherwise use or apply such confidential information for the purpose of or in connection with the performance of his duties as a director
- 16 15 Where a duty of confidentiality as referred to in article 16 14 arises out of a situation in which the director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company, article 16 14 shall apply only if the conflict arises out of a matter which has been authorised under article 16 1 or falls within article 16 7
- 16 16 Article 16 14 is without prejudice to any enactment, equitable principle or rule of law which may excuse or release a director from disclosing information in circumstances where disclosure may otherwise be required

#### Directors' interests - general

- 16 17 Where a director has an interest which can reasonably be regarded as likely to give rise to a Conflict, the director may, and shall if so requested by the directors, take such additional steps as may be necessary or desirable for the purpose of managing such Conflict, including compliance with any procedures laid down from time to time by the directors for the purpose of managing Conflicts generally and/or any specific procedures approved by the directors for the purpose of or in connection with the relevant matter or situation, including without limitation

- 16 17 1 absenting himself from any meeting or part of a meeting of the directors or of any committee of the directors at which the relevant matter or situation falls to be considered or is otherwise significant, and
- 16 17 2 not reviewing documents or information made available to the directors generally in relation to such matter or situation
- 16 18 The company may by ordinary resolution ratify any contract, transaction, arrangement or proposal not properly authorised by reason of a contravention of any provision of this article 16
- 16 19 For the purposes of this article 16
  - 16 19 1 where the context permits, any reference to an interest includes a duty and any reference to a conflict of interest includes a conflict of interest and duty and a conflict of duties,
  - 16 19 2 an interest of a person who is connected with a director shall be treated as an interest of the directors, and
  - 16 19 3 section 252 of the Companies Act 2006 shall determine whether a person is connected with a director
- 16 20 For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting

## **17 PROPOSING DIRECTORS' WRITTEN RESOLUTIONS**

- 17 1 Any director may propose a directors' written resolution
- 17 2 The company secretary must propose a directors' written resolution if a director so requests
- 17 3 A directors' written resolution is proposed by giving notice of the proposed resolution to the directors
- 17 4 Notice of a proposed directors' written resolution must indicate
  - 17 4 1 the proposed resolution, and
  - 17 4 2 the time by which it is proposed that the directors should adopt it
- 17 5 Notice of a proposed directors' written resolution must be given in writing to each director
- 17 6 Any decision which a person giving notice of a proposed directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith

## **18 ADOPTION OF DIRECTORS' WRITTEN RESOLUTIONS**

- 18 1 A proposed directors' written resolution is adopted when all the directors who would have been entitled to vote on the resolution at a directors' meeting have signed one or more copies of it, or have indicated their assent to the resolution by means of electronic communication sent to the address notified by the company for this purpose, provided that those directors would have formed a quorum at such a meeting

- 18 2 It is immaterial whether any director signs the resolution before or after the time by which the notice proposed that it should be adopted
- 18 3 Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the articles
- 18 4 The company secretary must ensure that the company keeps a record, in writing, of all directors' written resolutions for at least 10 years from the date of their adoption
- 18 5 A directors' written resolution will be valid at the time it is signed or agreed to by the last director

**19 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

**20 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

**21 THE VALIDITY OF DIRECTORS' ACTIONS**

Everything which is done by any directors' meeting, or by a committee of the directors, or by a person acting as a director, or as a member of a committee, will, in favour of anyone dealing with the company in good faith, be valid even though it is discovered later that any director, or person acting as a director, was not properly appointed or elected. This also applies if it is discovered later that anyone was disqualified from being a director, or had ceased to be a director, or was not entitled to vote. In any of these cases, in favour of anyone dealing with the company in good faith, anything done will be as valid as if there was no defect or irregularity of the kind referred to in this article

**APPOINTMENT OF DIRECTORS**

**22 THE NUMBER OF DIRECTORS**

There must be at least two directors (other than alternate directors) but the members can vary the number of directors by passing an ordinary resolution. There shall be no maximum number of directors

**23 METHODS OF APPOINTING DIRECTORS**

- 23 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

23 1 1 by ordinary resolution, or

23 1 2 by a decision of the directors

- 23 2 Any member holding more than 15 per cent of the total number of shares shall be entitled to appoint one director

**24 TERMINATION OF DIRECTOR'S APPOINTMENT**

- 24 1 Subject to article 23 2, the directors shall have the right to remove any director appointed by them from office

- 24 2 A person ceases to be a director as soon as
- 24 2 1 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law,
  - 24 2 2 a bankruptcy order is made against that person,
  - 24 2 3 a composition is made with that person's creditors generally in satisfaction of that person's debts,
  - 24 2 4 a registered medical practitioner with appropriate qualifications and experience gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and, on the balance of probabilities, is likely to remain so for more than three months, or
  - 24 2 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
- 24 3 When a director stops being a director for any reason, he will automatically cease to be a member of any committee

## **25 DIRECTORS' REMUNERATION**

- 25 1 Directors may undertake any services for the company that the directors decide
- 25 2 Directors are entitled to such remuneration as the directors determine
- 25 2 1 for their services to the company as directors, and
  - 25 2 2 for any other service which they undertake for the company
- 25 3 Subject to the articles, a director's remuneration may
- 25 3 1 take any form, and
  - 25 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
- 25 4 Unless the directors decide otherwise, directors' remuneration accrues from day to day
- 25 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

## **26 DIRECTORS' AND SECRETARY'S EXPENSES**

- 26 1 The company may pay any reasonable expenses which the directors and the secretary properly incur in connection with their attendance at
- 26 1 1 meetings of directors or committees of directors,
  - 26 1 2 general meetings, or

26 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

## 27 CHAIRMAN

The Chairman of the Board shall be appointed by the Majority Shareholder The Chairman shall not be entitled to any second or casting vote at any Board meeting

## ALTERNATE DIRECTORS

### 28 APPOINTMENT AND REMOVAL OF ALTERNATES

28 1 Any director (the "appointor") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to

28 1 1 exercise that director's powers, and

28 1 2 carry out that director's responsibilities, in relation to the taking of decisions by the directors in the absence of the alternate's appointor

28 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

28 3 The notice must

28 3 1 identify the proposed alternate, and

28 3 2 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

28 4 The same person may be appointed as the alternate director of more than one director

### 29 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

29 1 An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor

29 2 Except as the articles specify otherwise, alternate directors

29 2 1 are liable for their own acts and omissions,

29 2 2 are subject to the same restrictions as their appointors, and

29 2 3 are not deemed to be agents of or for their appointors

29 3 A person who is an alternate director but not a director

29 3 1 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

29 3 2 may sign a written resolution (but only if it is not signed or to be signed by that person's appointor)

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

- 29 4 Subject to the Companies Acts and the articles, an alternate director is entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent as if he were a director but he shall not be entitled to receive from the company in respect of his appointment as an alternate director any remuneration except only such part (if any) of the remuneration otherwise paid to his appointer as such appointer may by notice in writing to the company from time to time direct

### **30 TERMINATION OF ALTERNATE DIRECTORSHIP**

- 30 1 An alternate director's appointment as an alternate terminates
- 30 1 1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate,
  - 30 1 2 on the effective date of his resignation, if he resigns his appointment by notice in writing to the company,
  - 30 1 3 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,
  - 30 1 4 on the death of the alternate's appointor, or
  - 30 1 5 when the alternate's appointor's appointment as a director terminates
- 30 2 An alternate director can also be removed as an alternate by a resolution of the directors

## **THE SECRETARY**

### **31 THE SECRETARY AND DEPUTY SECRETARY AND ASSISTANT SECRETARIES**

- 31 1 The secretary is appointed by the directors. The directors decide on the terms and period of his appointment so long as allowed to do so by the Companies Act 2006. The directors can also remove the secretary but this does not effect any claim for damages against the company for breach of any contract between the secretary and the company
- 31 2 The directors can also appoint one or more persons to be deputy or assistant secretary. Anything which the Companies Acts allow to be done by or to the secretary can, if there is no secretary, or the secretary is for any reason not capable of doing what is required of him, also be done by or to any deputy or assistant secretary. If there is no deputy or assistant secretary capable of acting, the directors can appoint any officer to do what would be required of the deputy or assistant secretary

## **PART 3**

### **DECISION MAKING BY MEMBERS**

#### **Organisation of General Meetings**

### **32 THE ANNUAL GENERAL MEETING**

Except as provided in the Companies Acts, the company must hold an annual general meeting once in each period of six months beginning with the day following the company's accounting reference date, in addition to any other general meetings which are held in the year. The

notice calling the annual general meeting must say that the meeting is an annual general meeting. The annual general meeting must be held in accordance with the Companies Act 2006. The directors must decide when and where to hold the annual general meeting.

### **33 CALLING A GENERAL MEETING**

33 1 The directors may call general meetings of the company

33 2 In accordance with the provisions of the Companies Act 2006, and on the requisition of members representing at least 5% of the paid up capital of the company carrying the right to vote at general meetings, the directors shall forthwith convene a general meeting

33 3 If a general meeting is not called in response to such a request by members, it can be called by the members who requested the general meeting in accordance with the Companies Act 2006. Any general meeting requisitioned in this way by members shall be called in the same manner as nearly as possible to that in which general meetings are called by the directors

### **34 MEMBERS CAN CALL GENERAL MEETING IF NOT ENOUGH DIRECTORS**

34 1 If

34 1 1 the company has fewer than two directors, and

34 1 2 the director (if any) is unable or unwilling to appoint sufficient directors to make up a quorum or to call a general meeting to do so,

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

### **35 NOTICE OF GENERAL MEETINGS**

35 1 General meetings (other than annual general meetings and adjourned meetings) shall be called on at least 14 clear days' notice

35 2 At least 21 clear days' notice in writing must be given for every annual general meeting

35 3 General meetings may be called by shorter notice

35 3 1 for an annual general meeting, with the agreement of all the members entitled to attend and vote, or

35 3 2 for any other general meeting, with the agreement of a majority in number of the members having the right to attend and vote at the meeting, being a majority who together hold not less than 95% in nominal value of the shares giving a right to attend and vote at the meeting (excluding any shares in the company held as treasury shares)

35 4 Subject to the provisions of the articles and any restrictions imposed on any shares, the notice shall be given to all members, to all transmittes and to the directors and auditors

35 5 Subject to the provisions of the Companies Act 2006, the accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice, shall not invalidate the proceedings at that meeting



- 35 6 Notice of a general meeting must be given
  - 35 6 1 in hard copy form,
  - 35 6 2 in electronic form, or
  - 35 6 3 subject to the provisions of the Companies Act 2006, by means of a website
- 35 7 Notice of a general meeting must state
  - 35 7 1 the time and date of the meeting,
  - 35 7 2 place of the meeting,
  - 35 7 3 the general nature of the business to be transacted at the meeting, and
  - 35 7 4 in a reasonably prominent place that a member entitled to attend and vote can appoint one or more proxies (who need not be members) to exercise all or any of his rights to attend, speak and vote instead of that member

## **36 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

- 36 1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting
- 36 2 A person is able to exercise the right to vote at a general meeting when
  - 36 2 1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - 36 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
- 36 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
- 36 4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other
- 36 5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them

## **37 QUORUM FOR GENERAL MEETINGS**

No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum. Two persons entitled to vote upon the business to be transacted at the meeting, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.

## 38 CHAIRING GENERAL MEETINGS

- 38 1 If a Chairman has been appointed, the Chairman shall chair general meetings if present and willing to do so
- 38 2 If a Chairman has not been appointed, or if the chairman is not present or is present and unwilling to chair the meeting, a deputy chairman will chair the meeting if he is present and willing to do so
- 38 3 If the directors have not appointed a chairman or deputy chairman, or if the chairman or deputy 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
- 38 3 1 the directors present, or
- 38 3 2 (if no directors are present), the meeting,
- must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting
- 38 4 The person chairing a meeting in accordance with this article is referred to as "**the chairman of the meeting**"

## 39 ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-MEMBERS

- 39 1 Directors may attend and speak at general meetings, whether or not they are members
- 39 2 The chairman of the meeting may permit other persons who are not
- 39 2 1 members of the company, or
- 39 2 2 otherwise entitled to exercise the rights of members in relation to general meetings,
- to attend and speak at a general meeting

## 40 ADJOURNMENT

- 40 1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it
- 40 2 If a quorum is not present within half an hour of the time fixed for the start of the adjourned meeting, the adjourned general meeting shall be cancelled
- 40 3 The chairman of the meeting may adjourn a general meeting at which a quorum is present if
- 40 3 1 the meeting consents to an adjournment, or
- 40 3 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
- 40 4 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting

- 40 5 When adjourning a general meeting, the chairman of the meeting must
- 40 5 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
- 40 5 2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- 40 6 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)
- 40 6 1 to the same persons to whom notice of the company's general meetings is required to be given, and
- 40 6 2 containing the same information which such notice is required to contain
- 40 7 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**

### **41 VOTING**

#### Show of hands

- 41 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
- 41 2 On a vote on a resolution on a show of hands at a meeting, each member present in person and entitled to vote has one vote The chairman of the meeting shall not be entitled to a second or casting vote
- 41 3 Subject to article 41 4, on a vote on a resolution on a show of hands at a meeting, every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote
- 41 4 On a vote on a resolution on a show of hands at a meeting, a proxy has one vote for and one vote against the resolution if
- 41 4 1 the proxy has been duly appointed by more than one member entitled to vote on the resolution, and
- 41 4 2 the proxy has been instructed by one or more of those members to vote for the resolution and by one or more other of those members to vote against it
- 41 5 On a vote on a resolution at a general meeting on a show of hands, a declaration by the chairman that the resolution
- 41 5 1 has or has not been passed, or
- 41 5 2 has or has not been passed with a particular majority,
- is conclusive evidence of that fact without proof or proportion of the votes recorded in favour of or against the resolution Any entry in respect of such a declaration in minutes of the meeting recorded in accordance with the Companies Acts is also conclusive evidence of that fact without such proof This article does not have effect if

a poll is demanded in respect of the resolution (and the demand is not subsequently withdrawn)

#### Poll

- 41 6 On a poll taken at a meeting of the company, each member present in person or by proxy and entitled to vote has one vote for every Voting Share which he holds. If a member votes on a poll, he does not have to use all of his votes or cast all of his votes in the same way.
- 41 7 On a poll taken at a meeting of the company, all or any of the voting rights of a member may be exercised by one or more duly appointed proxies.
- 41 8 Where a member appoints more than one proxy, article 41 4 does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.

#### Joint members

- 41 9 Where a Voting Share is held by joint members any one joint member can vote at any general meeting (either personally or by proxy) in respect of such Voting Share as if he were the only member. If more than one of the joint members votes (either personally or by proxy), the only vote which will count is the vote of that one of them who is listed first on the register of members for the Voting Share.

### **42 ERRORS AND DISPUTES**

- 42 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.
- 42 2 Any such objection must be referred to the chairman of the meeting whose decision is final.

### **43 DEMANDING A POLL**

- 43 1 A poll on a resolution may be demanded
- 43 1 1 in advance of the general meeting at which that resolution is to be put to the vote, or
  - 43 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.
- 43 2 A poll may be demanded by
- 43 2 1 the chairman of the meeting,
  - 43 2 2 the directors,
  - 43 2 3 any person present in person or by proxy and having the right to vote on the resolution.
- 43 3 A demand for a poll may be withdrawn if
- 43 3 1 the poll has not yet been taken, and

43 3 2 the chairman of the meeting consents to the withdrawal

43 4 A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made

#### **44 PROCEDURE ON A POLL**

44 1 Subject to the articles, polls at general meetings must be taken when, where and in such manner as the chairman of the meeting directs (subject to being withdrawn in accordance with article 43 3)

44 2 The chairman of the meeting may appoint one or more scrutineers (who need not be members) and decide how and when the result of the poll is to be declared

44 3 The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded

44 4 A poll on

44 4 1 the election of the chairman of the meeting, or

44 4 2 a question of adjournment,

must be taken immediately

44 5 Any other poll can either be taken immediately at the general meeting or within 30 days from the date it was demanded

44 6 A demand for a poll on a particular matter does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded

44 7 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded

44 8 In any other case, at least 7 days' notice must be given specifying the time and place at which the poll is to be taken

44 9 If a poll is called, a member can vote either personally or by his proxy

#### **45 RIGHT TO APPOINT PROXIES**

45 1 A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and speak and vote at a meeting of the company

45 2 A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him

45 3 All notices convening general meetings which are sent to member entitled to vote at the general meeting, must, at the expense of the company, be accompanied by a form of proxy notice

45 4 The accidental omission to send a form of proxy notice to a member entitled to it (or non receipt by him of the form of proxy notice) will not invalidate any resolution passed or proceedings at the general meeting to which the form of proxy notice relates

## 46 CONTENT OF PROXY NOTICES

- 46 1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which
  - 46 1 1 states the name and address of the member appointing the proxy,
  - 46 1 2 identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed,
  - 46 1 3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine, and
  - 46 1 4 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
- 46 2 Unless the contrary is shown, the directors are entitled to assume that where a proxy notice purports to have been signed or authenticated by an officer on behalf of a company that such officer was duly authorised by such company without requiring any further evidence. Signatures and authentications need not be witnessed
- 46 3 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes
- 46 4 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
- 46 5 Unless a proxy notice indicates otherwise, it must be treated as
  - 46 5 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
  - 46 5 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

## 47 DELIVERY OF PROXY NOTICES

- 47 1 Any notice of a general meeting must specify the address or addresses ("**proxy notification address**") at which the company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form
- 47 2 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person
- 47 3 Subject to articles 47 4 and 47 5, a proxy notice must be delivered to a proxy notification address not less than 48 hours before the general meeting or adjourned meeting to which it relates
- 47 4 In the case of a poll taken more than 48 hours after it is demanded, the notice must be delivered to a proxy notification address not less than 24 hours before the time appointed for the taking of the poll
- 47 5 In the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded, the proxy notice must be delivered

- 47 5 1 in accordance with article 47 3, or
- 47 5 2 at the meeting at which the poll was demanded to the chairman, secretary or any director
- 47 6 Neither the death nor the insanity of a member who has appointed a proxy, nor the revocation or termination by a member of the appointment of a proxy (or of the authority under which the appointment was made), shall invalidate the proxy or the exercise of any of the rights of the proxy thereunder, unless notice in writing of such death, insanity, revocation or termination shall have been received by the company in accordance with article 47 7 below
- 47 7 Any such notice of death, insanity, revocation or termination only takes effect if it is delivered to a proxy notification address
- 47 7 1 in the case of a meeting or adjourned meeting, not less than one hour before the commencement of the meeting or adjourned meeting to which it relates, or
- 47 7 2 in the case of a poll taken following the conclusion of the meeting or adjourned meeting, but not more than 48 hours after it was demanded, not less than one hour before the commencement of the meeting or adjourned meeting at which the poll was demanded, or
- 47 7 3 in the case of a poll taken more than 48 hours after it was demanded, not less than one hour before the time appointed for the taking of the poll
- 47 8 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf
- 47 9 A proxy notice which is not delivered in accordance with this article 47 shall be invalid unless the directors, in their discretion, accept the notice at any time before the meeting
- 47 10 Unless the proxy notice says otherwise, it will be valid at an adjourned general meeting as well as for the original general meeting to which it relates
- 47 11 In calculating the periods mentioned in articles 47 3, 47 4 and 47 5, no account shall be taken of any part of a day that is not a working day (within the meaning of Section 1173 of the Companies Act 2006)

#### **48 AMENDMENTS TO RESOLUTIONS**

- 48 1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if
- 48 1 1 notice of the proposed amendment is given to the company secretary in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
- 48 1 2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution
- 48 2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution if

- 48 2 1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
- 48 2 2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution
- 48 3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution

## **RESTRICTIONS ON MEMBERS' RIGHTS**

### **49 NO VOTING OF SHARES ON WHICH MONEY OWED TO COMPANY**

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

### **50 SUSPENSION OF RIGHTS ON NON-DISCLOSURE OF INTEREST**

- 50 1 This article applies if any member, or any person appearing to be interested in shares (within the meaning of Part 22 of the Companies Act 2006) held by that member, has been properly served with a notice under section 793 of the Companies Act 2006, requiring information about interests in shares, and has failed for a period of 14 days from the date of the notice to supply to the company the information required by that notice. Then (subject to the provisions of the Companies Acts and this article, and unless the directors otherwise decide) the member is not (for so long as the failure continues) entitled to attend or vote either personally or by proxy at a members' meeting or to exercise any other right in relation to a members' meeting as holder of
  - 50 1 1 the shares in relation to which the default occurred (called "**default shares**"),
  - 50 1 2 any further shares which are issued in respect of the default shares, and
  - 50 1 3 any other shares held by the member holding the default shares
- 50 2 Any person who acquires shares subject to restrictions under article 50 1 is subject to the same restrictions, unless
  - 50 2 1 the transfer was an approved transfer (see article 50 8), or
  - 50 2 2 the transfer was by a member who was not himself in default in supplying the information required by the notice under article 50 1 and a certificate in accordance with article 50 3 is provided
- 50 3 Where the default shares represent 0.25% or more of the existing shares of a class, the directors can in their absolute discretion by notice in writing (a direction notice) to the member direct that
  - 50 3 1 any dividend or part of a dividend or other money which would otherwise be payable on the default shares shall be retained by the company (without any liability to pay interest when that dividend or money is finally paid to the member), and/or
  - 50 3 2 no transfer of any of the shares held by the member will be registered unless



- (a) either the transfer is an approved transfer (see article 50 8), or
  - (b) the member is not himself in default as regards supplying the information required, and (in this case)
  - (c) the transfer is of part only of his holding, and
  - (d) when presented for registration, the transfer is accompanied by a certificate by the member. This certificate must be in a form satisfactory to the directors and state that after due and careful enquiry the member is satisfied that none of the shares included in the transfer are default shares
- 50 4 The company must send a copy of the direction notice to each other person who appears to be interested in the shares covered by the notice, but if it fails to do so, this does not invalidate the direction notice
- 50 5 A direction notice has the effect which it states while the default resulting in the notice continues. It ceases to apply when the directors decide that it shall (which they must do within one week of the default being remedied). The company must give the member immediate notice in writing of the directors' decision
- 50 6 A direction notice also ceases to apply to any shares which are transferred by a member in a transfer permitted under article 50 3 even where a direction notice restricts transfers. If only part of the shares subject to a direction notice are transferred under article 50 3, the direction notice shall continue to apply to the shares not so transferred
- 50 7 For the purposes of this article a person is treated as appearing to be interested in any shares if the member holding those shares has been served with a notice under section 793 of the Companies Act 2006 and
  - 50 7 1 the member has named that person as being so interested, or
  - 50 7 2 (after taking into account the response of the member to the notice and any other relevant information) the company knows or reasonably believes that the person in question is or may be interested in the shares
- 50 8 For the purposes of this article a transfer of shares is an approved transfer if
  - 50 8 1 it is a transfer of shares to an offeror under an acceptance of a takeover offer, or
  - 50 8 2 the directors are satisfied that the transfer is made in connection with a sale in good faith of the whole of the beneficial ownership of the shares to a person unconnected with the member or with any person appearing to be interested in the shares. This includes such a sale made through a recognised investment exchange or any other stock exchange outside the United Kingdom on which the company's shares are normally traded. For this purpose any associate (as that word is defined in section 435 of the Insolvency Act 1986) is included amongst the people who are connected with the member or any person appearing to be interested in the shares
- 50 9 This article does not restrict in any way the provisions of the Companies Acts which apply to failures to comply with notices under section 793 of the Companies Act 2006

## APPLICATION OF RULES TO CLASS MEETINGS

### 51 CLASS MEETINGS

The provisions of the articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of shares

## PART 4

## SHARES AND DISTRIBUTIONS

### Issue of Shares

### 52 POWERS TO ISSUE DIFFERENT CLASSES OF SHARE

52 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

52 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

### 53 CLASS RIGHTS

53 1 At the date of adoption of these articles the share capital of the company is divided into A Shares, B Shares, C Shares and D Shares having the following rights and restrictions attaching to them

#### 53 1 1 as regards **dividends**

- (a) in the event that the company's EBITDA in any Financial Year exceeds £1,000,000 (one million pounds), and subject always to the provisions of the Companies Act, the directors may (in their sole discretion) elect to pay a dividend to the holders of D Shares in the amount of £0.01 per D Share held by them for every £1,000,000 of EBITDA in the relevant Financial Year,
- (b) subject to article 53 1 1(a), the company shall apply any profits which the directors resolve thereafter to distribute in any such year in paying any balance of such profits to the holders of A Shares, B Shares and C Shares in respect of their holding of such A Shares, B Shares and C Shares *pari passu* and *pro rata* to the number of A Shares, B Shares and C Shares in aggregate held by each of them,

#### 53 1 2 as regards **capital**

on a return of assets on liquidation or capital reduction or otherwise, the proceeds or (as applicable) the assets of the company remaining after the payment of its liabilities shall be applied as follows

- (a) first in paying to the holders of the A Shares, B Shares, C Shares and D Shares the amounts subscribed for such shares, and
- (b) second in distributing the balance amongst the holders of the A Shares, B Shares and C Shares *pari passu* and *pro rata* to the

number of A Shares, B Shares and C Shares in aggregate held by each of them in the company,

53 1 3 as regards an Exit

in the event of an Exit, notwithstanding anything to the contrary in the terms and conditions governing such an Exit, the members immediately prior to such Exit shall procure that the consideration (whenever received) or, in the case of a Disposal, the sums by way of distribution which are to be paid out to the members, shall be placed in a designated trust account and shall be applied

- (a) first in paying to the holders of the A Shares, B Shares, C Shares and D Shares the amounts subscribed for such shares, and
- (b) second in distributing the balance amongst the holders of A Shares, B Shares and C Shares *pari passu* and *pro rata* to the number of A Shares, B Shares and C Shares held by each of them in the company,

53 1 4 as regards voting in general meetings

- (a) the holders of the Voting Shares shall be entitled to receive notice of, and to attend and vote at, general meetings of the company, on a show of hands every holder of Voting Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote for each Voting Share held by him
- (b) the holders of the C Shares and D Shares shall not be entitled to attend or vote at general meetings of the company,

53 1 5 the D Shares shall be ignored for the purposes of rights of pre-emption on transfers

54 PAYMENT OF COMMISSIONS ON SUBSCRIPTION FOR SHARES

54 1 The company may pay any person a commission or a brokerage in consideration for that person

54 1 1 subscribing, or agreeing to subscribe, for shares, or

54 1 2 procuring, or agreeing to procure, subscriptions for shares

54 2 Any such commission may be paid

54 2 1 in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other, and

54 2 2 in respect of a conditional or an absolute subscription

54 3 The rate per cent or amount of the commission paid or agreed to be paid must be disclosed as required by the Companies Acts and must not exceed 10 per cent of the price at which the shares in respect of which the commission is paid are issued (or an equivalent amount)

## **INTERESTS IN SHARES**

### **55 COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it

## **SHARE CERTIFICATES**

### **56 CERTIFICATES TO BE ISSUED EXCEPT IN CERTAIN CASES**

- 56 1 The company must issue each member with one or more certificates in respect of the shares which that member holds
- 56 2 This article does not apply to shares in respect of which the Companies Acts permit the company not to issue a certificate
- 56 3 Except as otherwise specified in the articles, all certificates must be issued free of charge
- 56 4 No certificate may be issued in respect of shares of more than one class
- 56 5 If more than one person holds a share, only one certificate may be issued in respect of it
- 56 6 When the company delivers a certificate to one joint holder of shares, this is treated as delivery to all of the joint members
- 56 7 If requested in writing to do so, the company can deliver a certificate to a broker or agent who is acting for a person who is buying shares, or who is having shares transferred to him

### **57 CONTENTS AND EXECUTION OF SHARE CERTIFICATES**

- 57 1 Every certificate must specify
  - 57 1 1 in respect of how many shares, of what class, it is issued,
  - 57 1 2 the nominal value of those shares,
  - 57 1 3 the amount paid up on them, and
  - 57 1 4 any distinguishing numbers assigned to them
- 57 2 The directors can decide how share certificates are made effective For example, they can be
  - 57 2 1 signed by two directors or one director and the secretary or otherwise executed in accordance with the Companies Acts,
  - 57 2 2 have affixed to them the company's common seal or an official seal which is a facsimile of the company's common seal with the addition on its face of the word "Securities" (a "securities seal"), or

57 2 3 printed, in any way, with a copy of the signature of those directors and the secretary. The copy can be made or produced mechanically, electronically or in any other way the directors approve

57 3 If all the issued shares of the company, or a particular class of shares, are fully paid up and rank equally with each other for all purposes, none of these shares will (unless the directors pass a resolution to the contrary) have a distinguishing number as long as it remains fully paid up and ranks equally for all purposes with all the shares of the same class which are issued and fully paid up

## **58 CONSOLIDATED SHARE CERTIFICATES**

58 1 When a member's holding of shares of a particular class increases, the company may issue that member with

58 1 1 a single, consolidated certificate in respect of all the shares of a particular class which that member holds, or

58 1 2 a separate certificate in respect of only those shares by which that member's holding has increased

58 2 When a member's holding of shares of a particular class is reduced, the company must ensure that the member is issued with one or more certificates in respect of the number of shares held by the member after that reduction. But the company need not (in the absence of a request from the member) issue any new certificate if

58 2 1 all the shares which the member no longer holds as a result of the reduction, and

58 2 2 none of the shares which the member retains following the reduction,

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

58 3 A member may request the company, in writing, to replace

58 3 1 the member's separate certificates with a consolidated certificate, or

58 3 2 the member's consolidated certificate with two or more separate certificates representing such proportion of the shares as the member may specify

58 4 When the company complies with such a request it may charge such reasonable fee and exceptional out-of-pocket expenses as the directors may decide for doing so

58 5 A consolidated certificate must not be issued unless any certificates which it is to replace have first been returned to the company for cancellation

## **59 REPLACEMENT SHARE CERTIFICATES**

59 1 If a certificate issued in respect of a member's shares is

59 1 1 damaged or defaced, or

59 1 2 said to be lost, stolen or destroyed,

that member is entitled to be issued with a replacement certificate in respect of the same shares

59 2 A member exercising the right to be issued with such a replacement certificate

- 59 2 1 may at the same time exercise the right to be issued with a single certificate or separate certificates,
  - 59 2 2 must return the certificate which is to be replaced to the company if it is damaged or defaced, and
  - 59 2 3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee and exceptional out-of-pocket expenses as the directors decide
- 59 3 Any one joint member can request replacement certificates under this article

## **PARTLY PAID SHARES**

### **60 COMPANY'S LIEN OVER PARTLY PAID SHARES**

- 60 1 The company has a lien (the "**company's lien**") over every share which is partly paid for any part of
- 60 1 1 that share's nominal value, and
  - 60 1 2 any premium at which it was issued,
- which has not been paid to the company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it
- 60 2 The company's lien over a share
- 60 2 1 takes priority over any third party's interest in that share, and
  - 60 2 2 extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share
- 60 3 The directors may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part

### **61 ENFORCEMENT OF THE COMPANY'S LIEN**

- 61 1 Subject to the provisions of this article, if
- 61 1 1 a lien enforcement notice has been given in respect of a share, and
  - 61 1 2 the person to whom the notice was given has failed to comply with it,
- the company may sell that share in such manner as the directors decide
- 61 2 A lien enforcement notice
- 61 2 1 may only be given in respect of a share which is subject to the company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
  - 61 2 2 must specify the share concerned,
  - 61 2 3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),

- 61 2 4 must be addressed either to the holder of the share or to a transmittee of that holder, and
  - 61 2 5 must state the company's intention to sell the share if the notice is not complied with
- 61 3 Where shares are sold under this article
  - 61 3 1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or to a person nominated by the purchaser, and
  - 61 3 2 the transferee is not bound to see to the application of the consideration and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale
- 61 4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied
  - 61 4 1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice, and
  - 61 4 2 second, to the person entitled to the shares or to a transmittee of that holder at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation, or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the company's lien for any money payable (whether payable immediately or at some time in the future) as existed upon the shares before the sale in respect of all shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the lien enforcement notice
- 61 5 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been sold to satisfy the company's lien on a specified date
  - 61 5 1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
  - 61 5 2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share
- 61 6 The new member's ownership of the share will not be affected if the sale or disposal of the share was invalid or irregular, or if anything that should have been done was not done and is not obliged to enquire as to how the purchase money (if any) is used

## 62 CALL NOTICES

62 1 Subject to the articles and the terms on which shares are allotted, the directors may send a notice (a "call notice") to a member requiring the member to pay the company a specified sum of money (a "call") which is payable to the company at the date when the directors decide to send the call notice

62 2 A call notice

62 2 1 may not require a member to pay a call which exceeds the total sum unpaid on that member's shares (whether as to the share's nominal value or any amount payable to the company by way of premium),

62 2 2 must state when and how any call to which it relates is to be paid, and

62 2 3 may permit or require the call to be made in instalments

62 3 A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent

62 4 Before the company has received any call due under a call notice the directors may

62 4 1 revoke it wholly or in part, or

62 4 2 specify a later time for payment than is specified in the notice,

by a further notice in writing to the member in respect of whose shares the call is made

## 63 LIABILITY TO PAY CALLS

63 1 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid

63 2 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share

63 3 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them

63 3 1 to pay calls which are not the same, or

63 3 2 to pay calls at different times

63 4 The directors can accept payment in advance of some or all of the money due from a member before he is called on to pay the money

## 64 WHEN CALL NOTICE NEED NOT BE ISSUED

64 1 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the company in respect of that share (whether in respect of nominal value or premium)

64 1 1 on allotment,

64 1 2 on the occurrence of a particular event, or



64 1 3 on a date fixed by or in accordance with the terms of issue

64 2 If the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture

## 65 FAILURE TO COMPLY WITH CALL NOTICE: AUTOMATIC CONSEQUENCES

65 1 If a person is liable to pay a call (whether the whole amount of a call or an instalment of a call) and fails to do so by the call payment date

65 1 1 the directors may issue a notice of intended forfeiture to that person, and

65 1 2 until the call is paid, that person must pay the company interest on the call and any expenses incurred by the company because of his failure to pay the call on time from the call payment date at the relevant rate

65 2 For the purposes of this article

65 2 1 the "**call payment date**" is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "**call payment date**" is that later date, and

65 2 2 the "**relevant rate**" is

(a) the rate fixed by the terms on which the share in respect of which the call is due was allotted,

(b) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors, or

(c) if no rate is fixed in either of these ways, 5% per annum

65 3 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998

65 4 The directors may waive any obligation to pay interest on a call wholly or in part

## 66 NOTICE OF INTENDED FORFEITURE

66 1 A notice of intended forfeiture

66 1 1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice,

66 1 2 must be sent to the holder of that share (or all the joint holders of that share) or to a transmittee of that holder,

66 1 3 must require payment of the call and any accrued interest and all expenses that may have been incurred by the company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),

66 1 4 must state how the payment is to be made, and

- 66 1 5 must state that, if the notice is not complied with, the shares in respect of which the call or instalment is payable will be liable to be forfeited

## **67 DIRECTORS' POWER TO FORFEIT SHARES**

If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture

## **68 EFFECT OF FORFEITURE**

68 1 Subject to the articles, the forfeiture of a share extinguishes

68 1 1 all interests in that share, and all claims and demands against the company in respect of it, and

68 1 2 all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company

68 2 Any share which is forfeited in accordance with the articles

68 2 1 is deemed to have been forfeited when the directors decide that it is forfeited,

68 2 2 is deemed to be the property of the company, and

68 2 3 may be sold, re-allotted or otherwise disposed of as the directors think fit

68 3 If a person's shares have been forfeited

68 3 1 the company must send that person notice that forfeiture has occurred and record it in the register of members,

68 3 2 that person ceases to be a member in respect of those shares,

68 3 3 that person must surrender the certificate for the shares forfeited to the company for cancellation,

68 3 4 that person remains liable to the company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture), and

68 3 5 the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal

68 4 At any time before the company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest and expenses due in respect of it and on such other terms as they think fit

## **69 PROCEDURE FOLLOWING FORFEITURE**

- 69 1 If a forfeited share is to be disposed of by being transferred, the company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer
- 69 2 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date
- 69 2 1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
- 69 2 2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share
- 69 3 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share
- 69 4 If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the company the proceeds of such sale, net of any commission, and excluding any amount which
- 69 4 1 was, or would have become, payable, and
- 69 4 2 had not, when that share was forfeited, been paid by that person in respect of that share,
- but no interest is payable to such a person in respect of such proceeds and the company is not required to account for any money earned on them

## **70 SURRENDER OF SHARES**

- 70 1 A member may surrender any share
- 70 1 1 in respect of which the directors may issue a notice of intended forfeiture,
- 70 1 2 which the directors may forfeit, or
- 70 1 3 which has been forfeited
- 70 2 The directors may accept the surrender of any such share
- 70 3 The effect of surrender on a share is the same as the effect of forfeiture on that share
- 70 4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited

## **TRANSFER AND TRANSMISSION OF SHARES**

## **71 TRANSFERS**

- 71 1 Subject to the provisions of article 74, shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of

- 71 1 1 the transferor, and
- 71 1 2 (if any of the shares is partly paid) the transferee
- 71 2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share
- 71 3 The company may retain any instrument of transfer which is registered
- 71 4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it
- 71 5 The directors may refuse to register the transfer of a share if
  - 71 5 1 the share is not fully paid,
  - 71 5 2 the transfer is not lodged at the company's registered office or such other place as the directors have appointed,
  - 71 5 3 the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf,
  - 71 5 4 the transfer is not properly stamped (for payment of stamp duty) where this is required, or
  - 71 5 5 the transfer is in respect of more than one class of share
- 71 6 If the directors refuse to register the transfer of a share, they must notify in writing the person to whom the share was to be transferred and the person intending to transfer such share, of the decision not to register the transfer. Such notice shall give reasons for the decision to refuse registration. This must be done no later than two months after the company receives the transfer. The instrument of transfer must be returned to the transferee with the notice unless they suspect that the proposed transfer may be fraudulent

## **72 PERMITTED TRANSFERS**

- 72 1 Subject to the provisions of article 72 2 any shares (other than any shares in respect of which the holder shall have been required by the directors under these articles to give a Transfer Notice or shall have been deemed to have given a Transfer Notice) may at any time be transferred
  - 72 1 1 by any individual member (not being in relation to the shares concerned a holder thereof as a trustee of any Family Trusts) to a Privileged Relation of such member, or
  - 72 1 2 by any such individual member to trustees to be held upon Family Trusts related to such individual member, or
  - 72 1 3 by any person entitled to shares in consequence of the death or bankruptcy of an individual member to any person or trustee to whom such individual member, if not dead or bankrupt, would be permitted hereunder to transfer the same, or

72 1 4 where shares have been transferred under paragraph 72 1 2 of this article to trustees of Family Trusts, the trustees and their successors in office may (subject to the provisions of this article 72 1) transfer all or any of the Relevant Shares

- (a) to the trustees for the time being of the Family Trust concerned on any change of trustees,
- (b) to the trustees for the time being of any other trusts being Family Trusts in relation to the same individual member or deceased or former member pursuant to the terms of such Family Trusts or to any discretion vested in the trustees thereof or any other person, or
- (c) to the Relevant Member or former member or any Privileged Relation of the Relevant Member or deceased or former member who has thereby become entitled to the shares proposed to be transferred on the total or partial termination of or pursuant to the terms of the Family Trusts concerned or in consequence of the exercise of any such power or discretion as aforesaid

72 2 For the avoidance of doubt, where a Privileged Relation holds shares by virtue of articles 72 1 1, 72 1 4 or otherwise, and ceases to be a Privileged Relation for any reason whatsoever ("**Former Relation**"), the directors may require the Former Relation to transfer such shares to the original member at such price as they were initially transferred by the original member at the time of the original transfer

### 73 **PRE-EMPTION ON TRANSFER**

73 1 Subject to the provisions of article 71 (*Permitted Transfers*), article 74 (*Compulsory Transfers*), article 75 (*Drag Along Right*) and article 76 (*Tag Along Right*), the right to transfer Shares or any interest in Shares shall be subject to the following restrictions and provisions. References in this article 73 to shares or Sale Shares shall include any interest in and grant of contractual rights or options over or in respect of such shares or Sale Shares

73 2 Any member (the "**Proposing Transferor**") proposing to transfer any shares (the "**Sale Shares**"), shall be required before effecting, or purporting to effect the transfer, to give a notice in writing to the company (a "**Transfer Notice**") that he desires to transfer the Sale Shares and specifying the price per share at which he is prepared to sell the Sale Shares in accordance with the following provisions of this article 73 (the "**Proposed Price**"). The Transfer Notice shall constitute the company the Proposing Transferor's agent for the sale of the Sale Shares (together with all rights then attached thereto) during the Prescribed Period to the Majority Shareholder on the basis set out in the following provisions of this article 73 and shall not be revocable except with the consent of the directors or in accordance with article 73 4

73 3 The Sale Shares which are not C Shares and D Shares (if any) shall be offered for purchase in accordance with this article 73 at a price per share (the "**Sale Price**") as agreed between the Proposing Transferor and the Majority Shareholder or, in default of such agreement within 21 days after the date of service of the Transfer Notice (the "**Notice Date**"), the lower of

73 3 1 the Proposed Price, and

73 3 2 the price per Sale Share (the "**Valuer's Price**") as determined by the Valuers in accordance with article 73 4

73 4 If the Sale Price shall not have been agreed between the Proposing Transferor and the Majority Shareholder within the time limit prescribed in article 73 3, then

immediately following the expiry of such period the directors shall refer the matter to the Valuers and the Valuers shall determine and certify the sum per share considered by them to be the fair value thereof as at the Notice Date. In so determining and certifying the Valuers shall take into account the proportion of the shares which the Sale Shares represent and the effect of the departure on the company's Group of the Proposing Transferor. The Valuers shall act as experts and not as arbitrators and their determination shall be final and binding on all persons concerned and (in the absence of fraud) they shall be under no liability to any such person by reason of their determination or certificate or by anything done or omitted to be done by them for the purpose thereof or in connection therewith. The cost and expense of the Valuers shall be borne by the company save where the price determined by the Valuers is higher than the price offered by the Majority Shareholder during the discussions referred to at article 73 3, in which case the costs and expenses of the Valuers shall be borne by the Proposing Transferor. Save where the Transfer Notice is a compulsory Transfer Notice given in accordance with article 74 1 or otherwise, the Proposing Transferor may withdraw the Transfer Notice within seven days of the Valuer's Price being notified to him.

- 73 5 The Sale Shares which are C Shares (if any) shall be offered for purchase in accordance with this article 73 at a price per share calculated by reference to the most recently published accounts of the company which shall be the consolidated accounts of the company's Group if one exists. The Board shall calculate the value of the company by multiplying EBITDA from such accounts by a factor of five (5), and the Board shall thereafter incorporate the issues described in article 73 4 to determine the price per share instead of the Valuers and, taking into account the discount referred to in article 74 4, this shall for the purposes of the articles be deemed to be the Sale Price and no reference to the Valuers shall be required to be made.
- 73 6 The Sale Shares which are D Shares (if any) shall be offered for purchase in accordance with this article 73 at nominal value which shall for the purposes of the articles be deemed to be the Sale Price and no reference to the Valuers shall be required to be made.
- 73 7 If the Transfer Notice is not withdrawn in accordance with these articles, the company shall offer the Sale Shares for purchase at the Sale Price to the Majority Shareholder by a written notice (the "**Offer Notice**") given to the company within the later of 21 days after the Sale Price is agreed or determined under article 73 3 or the expiry of the period prescribed in article 73 3. The period during which the company may be notified of acceptance of the offer contained in the Offer Notice shall commence on the date of the Offer Notice and terminate 120 days thereafter (the "**Offer Period**").
- 73 8 Any Sale Shares not accepted by the Majority Shareholder pursuant to the foregoing provisions of the articles by the end of the last day of the Offer Period may be offered (the "**Second Offer**") by the Proposing Transferor to any other members at the Sale Price on the provisions set out in this article 73. The members shall have 30 days during which to accept the offer (the "**Second Offer Period**").
- 73 9 The Second Offer shall be on the basis that in the case of competition the Sale Shares so offered shall (in accordance with, but subject to, the next following article) be sold to accepting members in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holdings of A Shares, B Shares and C Shares.
- 73 10 Any Sale Shares not accepted by any of the members pursuant to the foregoing provisions of the articles by the end of the last day of the Second Offer Period may then be offered by the Proposing Transferor to such persons as he may think fit for purchase at the Sale Price for a period of three months commencing on the day after the day on which the Second Offer Period terminates and provided that the terms of the relevant offer are such that transfer shall only be permitted if there is a single individual purchase of all but not some only of the Sale Shares.

- 73 11 After the expiry of the period in which all of the Sale Shares have been accepted, the directors shall allocate the Sale Shares in accordance with the acceptances received on the basis set out in this article 73. The directors shall within seven days of the expiry of the period in which all of the Sale Shares have been accepted, give notice in writing (the "**Sale Notice**") to the Proposing Transferor and to the accepting member(s) (the "**Purchaser(s)**") specifying the name and address of the Purchaser, the number of Sale Shares agreed to be purchased by him and the aggregate price payable for them.
- 73 12 Completion of a sale and purchase of Sale Shares pursuant to a Sale Notice shall take place at the registered office of the company at the time specified in the Sale Notice (being not less than three days nor more than ten days after the date of the Sale Notice) when the Proposing Transferor, upon payment to him by the Purchaser(s) of the Sale Price in respect of the Sale Shares, shall transfer those Sale Shares and deliver the relevant share certificates to the Purchaser(s).
- 73 13 If a Proposing Transferor shall fail or refuse to transfer any Sale Shares to a Purchaser hereunder the directors may authorise some person to execute and deliver on his behalf the necessary transfer and the company may receive the purchase money in trust for the Proposing Transferor and cause each Purchaser to be registered as the holder of the Sale Shares allocated to that Purchaser. The receipt of the company for the purchase money shall constitute a good discharge to the relevant Purchaser (who shall not be bound to see to the application thereof) and after that Purchaser has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The company shall not pay any purchase money to the Proposing Transferor until he shall have delivered his share certificate(s) or a suitable indemnity and the necessary transfers to the company.

#### 74 **COMPULSORY TRANSFERS**

- 74 1 A person entitled to shares in consequence of the death or bankruptcy of a Minority Shareholder, shall be bound at any time within a period of six months of such death or bankruptcy, if and when required in writing by the directors so to do, to give a Transfer Notice in respect of such shares.
- 74 2 In the case of a Minority Shareholder who is also an employee of the company or any Affiliate ceasing to hold any and all such positions at any time then, within three months after such cessation, if the Majority Shareholder so elects by notice in writing to the company, the directors shall serve notice on such Minority Shareholder requiring such Minority Shareholder to give a Transfer Notice (the "**Compulsory Transfer Notice**") in respect of all of the shares held by him and the provisions of articles 73 2 to 73 13 shall (subject to articles 74 3 and 74 4) apply to the transfer of his shares.
- 74 3 If the Compulsory Transfer Notice is served in accordance with article 74 2 and the relevant Minority Shareholder is a Good Leaver then the price per share at which the shares (other than C Shares (if any)) held by that Minority Shareholder will be offered for sale pursuant to the articles will be the fair value as determined by the Valuers in accordance with article 73 4 and the "**Sale Price**" will be construed accordingly in these articles.
- 74 4 If the Compulsory Transfer Notice is served in accordance with article 74 2 and the relevant Minority Shareholder is a Bad Leaver then the price per Share at which the shares (other than C Shares (if any)) held by that Minority Shareholder will be offered for sale pursuant to the articles will be the fair value of the shareholding of that Minority Shareholder as at the date when the Compulsory Transfer Notice was deemed to have been served and the "**Sale Price**" will be construed accordingly in

these articles Where this article 74 4 applies, the Sale Price will be construed to be 80 per cent of the figure calculated pursuant to articles 73 1 to 73 6 (inclusive)

74 5 For the purpose of article 74 2, the date upon which a Minority Shareholder ceases to hold office as an employee (the "**Termination Date**") as described therein shall

74 5 1 where the employer terminates or purports to terminate a contract of employment by giving notice to the employee of the termination of the employment, whether or not the same constitutes a wrongful or unfair dismissal, be the date of that notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination),

74 5 2 where the employee terminates or purports to terminate a contract of employment by giving notice to the employer of the termination of the employment (whether or not he is lawfully able so to do), be the later of the date of that notice and the date (if any) for the termination expressly stated in such notice,

74 5 3 where an employer or employee wrongfully repudiates the contract of employment and the other respectively accepts that the contract of employment has been terminated, be the date of such acceptance by the employee or employer as the case may be,

74 5 4 where a contract of employment is terminated under the doctrine of frustration, be the date of the frustrating event, and

74 5 5 where a contract of employment is terminated for any reason other than in the circumstances set out in the definition of Good Leaver, be the date on which the person actually ceases to be employed by the employer

74 6 For the purposes of determining fair value pursuant to articles 74 3 and 74 4, the fair value of the relevant shares shall be determined as at either the Termination Date or the date of the Compulsory Transfer Notice, as at the directors (with Majority Shareholder Consent) may in their absolute discretion decide

## 75 **DRAG ALONG RIGHT**

75 1 If the holders, at any time, of not less than 50 per cent of the shares (the "**Selling Members**") shall receive an offer from a Third Party Purchaser which they intend to accept to acquire all the shares held by the Selling Members then the Selling Members shall have the option (the "**Drag Along Option**") to require all the other members (the "**Remaining Members**") to transfer all their shares (the "**Remaining Shares**") to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with this article 75 and, for the avoidance of doubt, the provisions of article 73 shall not apply to such proposed sale or transfer

75 2 The Selling Members shall exercise the Drag Along Option by giving notice to that effect (a "**Drag Along Notice**") to the Remaining Members at any time before the transfer of the Selling Members' shares to the Third Party Purchaser A Drag Along Notice shall specify that the Remaining Members are required to transfer all their Remaining Shares pursuant to this article 75 to the Third Party Purchaser, the price at which the Remaining Shares are to be transferred (being not less than the price per share payable by the Third Party Purchaser in respect of the shares held by the Selling Members) and the proposed date of transfer A Drag Along Notice shall be irrevocable unless the Third Party Purchaser refuses to acquire the Remaining Shares on the terms of this article 75



- 75 3 The Remaining Members shall be obliged to sell the Remaining Shares at the price specified in the Drag Along Notice and completion of this sale and purchase shall take place on receipt of the consideration payable for the relevant shares and on the same date as the date proposed for completion of the sale of the Selling Members' shares, unless
- 75 3 1 all the Remaining Members and the Selling Members agree otherwise, or
- 75 3 2 the date is less than 14 days after the Drag Along Notice, in which case completion shall take place on the 14th day after the Drag Along Notice
- 75 4 Each of the Remaining Members shall, on service of the Drag Along Notice, be deemed to have appointed each of the Selling Members severally as his attorney to execute any stock transfer form and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Remaining Shares to the Third Party Purchaser pursuant to this article 75
- 75 5 The terms upon which the Remaining Members shall sell pursuant to this article 75 shall include a covenant to sell with full title guarantee and the Remaining Members shall give normal and reasonable commercial warranties and indemnities regarding the company, and they shall be responsible for an appropriate proportion of any associated costs and expenses of such sale
- 75 6 All other regulations of the company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this article 75

## 76 TAG ALONG OPTION

- 76 1 No sale or transfer or other disposition of more than 50 per cent of the shares (the "**Specified Shares**") to a Third Party Purchaser shall have any effect unless before the transfer is lodged for registration the Third Party Purchaser acquiring the Specified Shares has made a bona fide offer (a "**Tag Along Offer**") in accordance with the articles to purchase from the other Members all of the shares which are not Specified Shares. This article is subject to the rights of the Selling Members in respect of the Drag Along Option as set out in article 75
- 76 2 A Tag Along Offer shall be in writing, shall specify the price at which the Tag Along Shares may be transferred (being the price per Share payable by the Third Party Purchaser in respect of each of the Specified Shares), shall be open for acceptance for at least 21 days and shall be deemed to be rejected by any member who has not accepted it in accordance with its terms within the time period prescribed for acceptance. The consideration payable pursuant to a Tag Along Offer shall be settled in full on completion of the sale and purchase of the Tag Along Shares and within 30 days of the date of the offer
- 76 3 Following the acceptance of a Tag Along Offer by a holder of any Tag Along Shares, that member shall be obliged to sell the Tag Along Shares held by it to the Third Party Purchaser at the price specified in the Tag Along Offer and completion of this sale and purchase shall take place on the same date as the date of completion of the sale of the Specified Shares
- 76 4 The terms upon which the Remaining Members shall sell pursuant to this article 76 shall include a covenant to sell with full title guarantee and the Remaining Members shall give normal and reasonable commercial warranties and 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 (if any)

- 76 5 Each holder of Tag Along Shares who accepts a Tag Along Offer shall be deemed to have appointed each holder of Specified Shares severally as his attorney to execute any stock transfer form and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Tag Along Shares held by such member to the Third Party Purchaser pursuant to this article 76

## **77 INFORMATION CONCERNING SHAREHOLDINGS AND TRANSFERS**

- 77 1 For the purpose of ensuring that no circumstances have arisen whereby a Transfer Notice is or may be required to be given hereunder, or to be satisfied that any proposed sale is bona fide and on the terms stated in the Transfer Notice with no rebate or allowances, the directors may from time to time require any member or the legal personal representatives of any deceased member or any person named as transferee in the transfer lodged for registration to furnish to the company such information or evidence as the directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the directors within a reasonable time after such requirement is made, the directors shall be entitled to refuse to register the transfer in question or (if no transfer is in question) to require by notice in writing that a Transfer Notice be given in accordance with article 73 in respect of the shares concerned

- 77 2 In a case where the directors have duly required a Transfer Notice to be given in respect of any shares and such Transfer Notice is not duly given within a period of one month or such longer period as the directors may allow for the purpose, such Transfer Notice shall be deemed to have been given on such date after the expiration of the said period as the directors may by resolution determine and the forgoing provisions of the articles shall take effect accordingly

## **78 TRANSMISSION OF SHARES**

- 78 1 If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share
- 78 2 If a member who is a joint member dies, the remaining joint member or members will be the only person whom the company will recognise as being entitled to his shares
- 78 3 Nothing in these articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member

## **79 TRANSMITTEES' RIGHTS**

- 79 1 A transmittee who produces such evidence of entitlement to shares as the directors may properly require
- 79 1 1 may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
- 79 1 2 subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had
- 79 2 But a transmittee is not entitled to attend or vote at a general meetings in respect of shares to which he is entitled, by reason of the holder's death or bankruptcy or otherwise, unless he becomes the holder of those shares

## **80 EXERCISE OF TRANSMITTEES' RIGHTS**

- 80 1 Transmittes who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish. The notice must be signed and must be in the form which the directors require. The notice will be treated as a

transfer form and all of the provisions of these articles about registering transfers of shares shall apply to it. The directors have the same power to refuse to register the automatically entitled person as they would have had in deciding whether to register a transfer by the person who was previously entitled to the shares

80 2 The transmittee must execute an instrument of transfer in respect of an share a transmittee wishes to transfer to another person

80 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

## **81 TRANSMITTEES BOUND BY PRIOR NOTICES**

If a notice is given to a member in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the member before the transmittee's name, or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 80 2, has been entered in the register of members

## **CONSOLIDATION OF SHARES**

## **82 PROCEDURE FOR DISPOSING OF FRACTIONS OF SHARES**

82 1 This article applies where

82 1 1 there has been a consolidation or division of shares, and

82 1 2 as a result, members are entitled to fractions of shares

82 2 The directors may

82 2 1 sell the shares representing the fractions to any person including the company for the best price reasonably obtainable,

82 2 2 authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and

82 2 3 distribute the net proceeds of sale in due proportion among the holders of the shares

82 3 Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that member's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland

82 4 The person to whom the shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions

82 5 The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale

## **MEMBERS WHO CANNOT BE TRACED**

## **83 MEMBER WHO CANNOT BE TRACED**

83 1 The company can sell any shares at the best price reasonably obtainable if

- 83 1 1 during the previous 12 years, at least three dividends on the shares have been payable and none has been claimed,
- 83 1 2 after this 12 year period, the company announces that it intends to sell the shares by placing an advertisement in a United Kingdom national newspaper and in a newspaper appearing in the area which includes the address held by the company for serving notices relating to the shares, and
- 83 1 3 during this 12 year period, and for three months after the last advertisement appears in the newspapers, the company has received no indication as to the whereabouts or existence of the member or any transmittee
- 83 2 To sell any shares in this way, the company can authorise any person to transfer the shares. This transfer will be just as effective as if it had been made by the registered holder of the shares, or by a transmittee. The ownership of the person to whom the shares are transferred will not be affected even if the sale is irregular or invalid in any way
- 83 3 The net sale proceeds belong to the company until claimed under this article. The company must pay the net sale proceeds to the member who could not be traced, or to a transmittee, if that member, or that other person, asks for it
- 83 4 The company must record the name of the untraceable member, or the transmittee, as a creditor for the net sale proceeds in its accounts. The money is not held on trust, and no interest is payable on the money. The company can keep any money which it has earned on the net sale proceeds. The company can use the money for its business, or it can invest the money in any way that the directors decide. The money cannot be invested in the company's shares, or in the shares of any holding company of the company

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **84 PROCEDURE FOR DECLARING DIVIDENDS**

- 84 1 No dividend can be paid otherwise than out of profits available for distribution under the Companies Acts
- 84 2 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends if the directors consider that the profits of the company justify such payments
- 84 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
- 84 4 No dividend may be declared or paid unless it is in accordance with members' respective rights
- 84 5 Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, a dividend must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare to pay it
- 84 6 If the company's share capital is divided into different classes, no dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear

- 84 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
- 84 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

**85 PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

- 85 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
- 85 1 1 transfer to a bank or building society account specified by the distribution recipient, either in writing or as the directors may otherwise decide,
- 85 1 2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient, either in writing or as the directors may otherwise decide,
- 85 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
- 85 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
- 85 2 In the articles, "**the distribution recipient**" means, in respect of a share in respect of which a dividend or other sum is payable
- 85 2 1 the holder of the share, or
- 85 2 2 if the share has two or more joint holders, whichever of them is named first in the register of members, or
- 85 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
- 85 3 For joint members, the company can rely on a receipt for a dividend or other money paid on shares from any one of them
- 85 4 Cheques are sent, and payment in any other way is made, at the risk of the member entitled to the money The company is treated as having paid a dividend if such a cheque is cleared or bank transfer is made in accordance with instructions given by the company The company will not be responsible for a payment which is lost or delayed

**86 DEDUCTIONS FROM DISTRIBUTIONS IN RESPECT OF SUMS OWED TO THE COMPANY**

- 86 1 If
- 86 1 1 a share is subject to the company's lien, and
- 86 1 2 the directors are entitled to issue a lien enforcement notice in respect of it,
- they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the

company in respect of that share to the extent that they are entitled to require payment under a lien enforcement notice

86 2 Money so deducted must be used to pay any of the sums payable in respect of that share

86 3 The company must notify the distribution recipient in writing of

86 3 1 the fact and amount of any such deduction,

86 3 2 any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction, and

86 3 3 how the money deducted has been applied

## 87 NO INTEREST ON DISTRIBUTIONS

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

87 1 the terms on which the share was issued, or

87 2 the provisions of another agreement between the holder of that share and the company

## 88 UNCLAIMED DISTRIBUTIONS

88 1 All dividends or other sums which are

88 1 1 payable in respect of shares, and

88 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

88 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 and no interest will be payable on such sum

88 3 If

88 3 1 twelve years have passed from the date on which a dividend or other sum became due for payment, and

88 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

88 4 The company can stop paying dividends by cheque or other payment order if cheques or other payment orders for two dividends in a row are sent back or not cashed. The company must start paying dividends in this way again if the member or transmittee

88 4 1 claims those dividends in writing before they are forfeited under this article 88, and

88 4 2 does not tell the company to start paying future dividends in some other way

## 89 NON-CASH DISTRIBUTIONS

89 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) The directors must give effect to that resolution

89 2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution

89 2 1 fixing the value of any assets,

89 2 2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and

89.2 3 vesting any assets in trustees.

## 90 WAIVER OF DISTRIBUTIONS

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

90 1 the share has more than one holder, or

90 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

## CAPITALISATION OF PROFITS

## 91 AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS

91 1 Subject to the articles, the directors may, if they are so authorised by an ordinary resolution

91 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

91 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

91 2 Capitalised sums must be applied

91 2 1 on behalf of the persons entitled, and

91 2 2 in accordance with article 53 1 2

- 91 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
- 91 4 A capitalised sum which was appropriated from profits available for distribution may be applied
  - 91 4 1 in or towards paying up any amounts unpaid on existing shares held by the persons entitled, or
  - 91 4 2 in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct
- 91 5 Subject to the articles the directors may
  - 91 5 1 apply capitalised sums in accordance with articles 91 3 and 91 4 (partly in one way and partly in another,
  - 91 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
  - 91 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**

### **MISCELLANEOUS PROVISIONS**

#### **Communications**

#### **92 MEANS OF COMMUNICATION TO BE USED**

- 92 1 Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company
- 92 2 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the company is unable to give notice by post in hard copy form of a members' meeting, such notice shall be deemed to have been given to all members entitled to receive such notice in hard copy form if such notice is advertised in at least one national newspaper and such notice shall be deemed to have been given on the day when the advertisement appears. In any such case, the company shall (i) make such notice available on its website (if any) from the date of such advertisement until the conclusion of the meeting or any adjournment thereof, and (ii) send confirmatory copies of the notice by post to such members if at least seven days prior to the meeting the posting of notices again becomes practicable
- 92 3 Anything which needs to be agreed or specified by the joint holders of a share shall for all purposes be taken to be agreed or specified by all the joint holders where it has been agreed or specified by the joint holder whose name stands first in the register of members in respect of the share
- 92 4 Any offer, notice, information or any other document which is authorised or required to be sent or supplied to joint holders of a share may be sent or supplied to the joint holder whose name stands first in the register of members in respect of the share, to the exclusion of the other joint holders



- 92 5 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
- 92 6 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
- 92 7 The accidental failure to send, or the non-receipt by any person entitled to any offer, notice, information or any other document relating to any meeting or other proceeding shall not invalidate the meeting or other proceeding

### 93 **FAILURE TO NOTIFY CONTACT DETAILS**

- 93 1 If
- 93 1 1 the company sends two consecutive documents to a member over a period of at least 12 months, and
- 93 1 2 each of those documents is returned undelivered, or the company receives notification that it has not been delivered,
- that member ceases to be entitled to receive notices from the company
- 93 2 A member who has ceased to be entitled to receive notices from the company becomes entitled to receive such notices again by sending the company
- 93 2 1 a new address to be recorded in the register of members, or
- 93 2 2 if the member has agreed that the company should use a means of communication other than sending things to such an address, the information that the company needs to use that means of communication effectively

## **ADMINISTRATIVE ARRANGEMENTS**

### 94 **COMPANY SEALS**

- 94 1 Any common seal and any securities seal may only be used with the authority of the directors or of a committee authorised by the directors to use it
- 94 2 The directors may decide by what means and in what form any common seal or securities seal is to be used
- 94 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
- 94 4 For the purposes of this article, an authorised person is
- 94 4 1 any director of the company,
- 94 4 2 the company secretary, or
- 94 4 3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied

94 5 If the company has an official seal for use abroad, it may only be affixed to a document if its use on that document, or documents of a class to which it belongs, has been authorised by a decision of the directors

94 6 If the company has a securities seal, it may only be affixed to securities by the company secretary or a person authorised to apply it to securities by the company secretary. Securities and documents which have the securities seal affixed to them do not need to be signed unless the directors or the Companies Acts require this.

94 7 For the purposes of the articles, references to the securities seal being affixed to any document include the reproduction of the image of that seal on or in a document by any mechanical or electronic means which has been approved by the directors in relation to that document or documents of a class to which it belongs.

94 8 As long as it is allowed by the Companies Acts, any document signed by

94 8 1 one director and the secretary, or

94 8 2 two directors, or

94 8 3 one director in the presence of a witness who attest to the signature,

and expressed to be entered into by the company shall have the same effect as if it had been made effectively by using the common seal. However, no document which states that it is intended to have effect as a deed shall be signed in this way without the authority of the directors or of a committee authorised by the directors to give such authority.

## 95 DESTRUCTION OF DOCUMENTS

95 1 The company is entitled to destroy

95 1 1 all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entries are made in the register of members, from six years after the date of registration,

95 1 2 all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address, from two years after they have been recorded,

95 1 3 all share certificates which have been cancelled from one year after the date of the cancellation,

95 1 4 all paid dividend warrants and cheques from one year after the date of actual payment, and

95 1 5 all proxy notices from one year after the end of the meeting to which the proxy notice relates.

95 2 If the company destroys a document in good faith, in accordance with the articles, and without notice of any claim to which that document may be relevant, it is conclusively presumed in favour of the company that

95 2 1 entries in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed were duly and properly made,

- 95 2 2 any instrument of transfer so destroyed was a valid and effective instrument duly and properly registered,
- 95 2 3 any share certificate so destroyed was a valid and effective certificate duly and properly cancelled, and
- 95 2 4 any other document so destroyed was a valid and effective document in accordance with its recorded particulars in the books or records of the company
- 95 3 This article does not impose on the company any liability which it would not otherwise have if it destroys any document before the time at which this article permits it to do so
- 95 4 In this article, references to the destruction of any document include a reference to its being disposed of in any manner

## 96 **NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

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

## 97 **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 a 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**

## 98 **INDEMNITY**

98 1 Subject to article 98 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled, a relevant officer of the company or an associated company may be indemnified out of the company's assets against

- 98 1 1 any liability incurred by that relevant officer in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
- 98 1 2 any liability incurred by that relevant officer in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006), and
- 98 1 3 any other liability incurred by that relevant officer as an officer of the company or an associated company,

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs

98 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

98 3 In this article

98 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

98 3 2 a "**relevant officer**" means any director or secretary or former director or secretary of the company or an associated company

## 99 **INSURANCE**

99 1 The directors may purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss

99 2 In this article

99 2 1 a "**relevant officer**" means any director or secretary or former director or secretary of the company or an associated company,

99 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 relevant 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 an associated company, and

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