

**COMPANIES ACT 2006**

**A PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

of

**THE CAULDRON COMPANY LIMITED**

**(Company number 12630551)**

**(Adopted by special written resolution on 11 September 2020)**

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**THE CAULDRON COMPANY LIMITED**

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**1. PRELIMINARY**

**1.1. Objects**

1.1.1. The primary object of the Company is to bring fantasy to life with science, technology, and design, and to create an inclusive community of people who believe that magic is possible—it's just a matter of perspective.

1.1.2. The objects of the Company are otherwise unrestricted.

**1.2. Exclusion of other regulations**

No regulations or Articles set out in any statute, or in any statutory instrument or other subordinate Legislation made under any statute, concerning companies shall apply as the regulations or Articles of the Company.

**2. DEFINITIONS**

2.1. In these Articles, except where the subject or context otherwise requires:

<b>"A Ordinary Shareholder"</b>	in relation to an A Ordinary Share the Member whose name is entered in the Register as the Holder of that A Ordinary Share;
<b>"A Ordinary Shares"</b>	the A ordinary Shares of £0.00001 each in the capital of the Company;
<b>"Act"</b>	the Companies Act 2006 (as amended from time to time);

<b>“Acting in Concert”</b>	has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);
<b>“Articles”</b>	these Articles of Association as altered from time to time by special resolution;
<b>“Asset Sale”</b>	the sale, lease, exclusive licence or other disposition by the Company of all or substantially all of its undertaking and assets (where disposal may include, without limitation, the grant by the Company of an exclusive licence of intellectual property not entered into in the ordinary course of business);
<b>“Associated Company”</b>	any company: <ul style="list-style-type: none"> <li>(a) in which the Company or any of its Subsidiary Undertakings hold a long term investment; and/or</li> <li>(b) over which the Company or any of its subsidiaries has the ability to exercise a significant influence;</li> </ul>
<b>“Auditors”</b>	the auditors of the Company or if no Auditors are appointed, an independent firm of chartered accountants appointed on the application of the Company by the President of the Institute of Chartered Accountants in England & Wales;
<b>“B Ordinary Shareholder”</b>	in relation to a B Ordinary Share the Member whose name is entered in the Register as the Holder of that B Ordinary Share;
<b>“B Ordinary Shares”</b>	the B ordinary Shares of £0.00001 each in the capital of the Company;
<b>“the Bank of England base rate”</b>	the base lending rate most recently set by the Monetary Policy Committee of the Bank of England;
<b>“the Board”</b>	the board of Directors of the Company;
<b>“Business Day”</b>	a day (other than a Saturday or Sunday or bank holiday) on which the clearing banks in the city of London are open for business;

<b>“Clear Days”</b>	in relation to the sending of a notice means the period excluding the day on which the notice is sent or deemed to be sent and the day for which it is sent or on which it is to take effect;
<b>“Company”</b>	The Cauldron Company Limited, a private company limited by shares incorporated in England and Wales under company number 12630551;
<b>“Conflict”</b>	as defined in Article 30.1.1;
<b>“Connected”</b>	has the meaning given in section 1122 of the Corporation Tax Act 2010;
<b>“Controlling Interest”</b>	an interest in Shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;
<b>“Director”</b>	a director of the Company;
<b>“Drag Along Price”</b>	as defined in Article 15.1;
<b>“Drag Along Right”</b>	as defined in Article 15.1;
<b>“Eligible Shareholders”</b>	as defined in Article 14.1;
<b>“Employee Share Scheme”</b>	an employees’ share scheme as defined in section 1166 of the Act, which may also include a scheme for encouraging or facilitating the holding of shares in or debentures of the Company or Subsidiary Undertaking by or for the benefit of consultants or managers to the Company;
<b>“Equity Shares”</b>	the Shares other than the Redeemable Preference Shares;
<b>“entitled by transmission”</b>	in relation to a Share in the capital of the Company, entitled as a consequence of the death or bankruptcy of the Holder or some other event which gives rise to the transmission of the Share by operation of law;
<b>“Family Member”</b>	such person’s spouse or civil partner and parents and every child and remoter descendant of such person (including stepchildren and adopted children);

<b>"Family Trusts"</b>	trusts 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 person and/or a Family Member of that person. For these purposes, a person shall be deemed to be beneficially interested in a Share if that Share or the income derived from it is or may become liable to be transferred or paid or applied or appointed to or for the benefit of that person;
<b>"General Meeting"</b>	a general meeting of the Company's Members;
<b>"Group"</b>	the Company and its Subsidiary Undertakings and any Associated Company from time to time and <b>"a Member of the Group"</b> means any one of them;
<b>"Holder"</b>	in relation to a Share in the capital of the Company means the Member whose name is entered in the Register as the holder of that Share;
<b>"Issue Price"</b>	the price at which each Share is issued, including any premium;
<b>"Legislation"</b>	every statute (and any orders, regulations or other subordinate Legislation made under it) applying to the Company;
<b>"Member"</b>	in relation to the Company, has the meaning and use contemplated in section 112 of the Act, such that it includes any Holder of a Share issued by the Company who is entered as such on the Register and is entitled to exercise any voting rights relating to the Share;
<b>"Office"</b>	the registered office of the Company;
<b>"Pre-emptive Issue"</b>	an offer or an invitation to Members, whether by way of rights issue, open offer or otherwise, to apply to subscribe for Equity Shares in proportion (as nearly as practicable) to the respective numbers of Equity Shares (or of other equity securities of any class as the case may be) held by them, but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or any legal, regulatory or practical problems under the laws or regulations of any overseas territory or the requirements of any regulatory body or stock exchange;

<b>"Proceeds of Sale"</b>	the consideration payable. (including any deferred and/or contingent consideration) whether in cash or otherwise to those Members selling Shares under a Share Sale less any fees, costs and expenses payable in respect of such Share Sale as approved by the Board;
<b>"Proposing Transferor"</b>	as defined in Article 14.1;
<b>"Redeemable Preference Shares"</b>	the redeemable preference shares of one pound (£1.00) each in the capital of the Company having the rights and being subject to the obligations attaching thereto pursuant to these Articles;
<b>"Register"</b>	the register of Members of the Company;
<b>"Relevant Family Trust Shares"</b>	the Shares described in Article 13.10.1 together with additional Shares issued by way of a capitalisation or acquired 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>"Seedrs Beneficial Owners"</b>	the beneficial owners set forth on the Seedrs Platform who, from time to time, hold beneficial title to the shares for which the Seedrs Custodian is registered as the legal owner;
<b>"Seedrs Consent"</b>	the prior written consent of Seedrs Nominee (such consent not to be unreasonably withheld or delayed) for so long as it and its permitted transferees (pursuant to Article 13.12) hold Equity Shares;
<b>"Seedrs Nominee"</b>	Seedrs Limited, a limited company incorporated in England and Wales under No. 06848016 whose registered office is at Churchill House, 142-146 Old Street, London EC1V 9BW, United Kingdom;
<b>"Seedrs Nominated Custodian"</b>	Seedrs Nominees Limited, a limited company incorporated in England and Wales under No. 08756825 whose registered office is at Churchill House, 142-146 Old Street, London EC1V 9BW, United Kingdom;
<b>"Seedrs Platform"</b>	the Seedrs platform, which includes the website currently hosted at the domain <a href="http://www.seedrs.com">http://www.seedrs.com</a> and all pages at sub-domains thereof and may, from time to time

hereafter, include pages hosted at other domains and identified as forming part of the platform

<b>"Share Sale"</b>	the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him or her together acquiring a Controlling Interest in the Company, except where following completion of the sale the Members and the proportion of Shares held by each of them are the same as the Members and their shareholdings in the Company immediately prior to the sale;
<b>"Shares"</b>	a share in the capital of the Company;
<b>"Subsidiary Undertaking"</b>	shall be construed in accordance with section 1162 of the Act;
<b>"Surplus Assets"</b>	as defined in Article 7.2;
<b>"Transfer Notice"</b>	a written notice served by a Member of the Company in accordance with Article 13.10.4; and
<b>"United Kingdom"</b>	Great Britain & Northern Ireland.

### 3. CONSTRUCTION

- 3.1. References to a **document** include, unless the context otherwise requires, references to documents sent or received by electronic means.
- 3.2. References in these Articles to a document being **"signed"** or to **"signature"** include references to its being signed under hand or by any other method and, in the case of a communication in electronic form, such references are to its being authenticated as specified by the Legislation.
- 3.3. References to an **instrument** mean, unless the contrary is stated, a written document having tangible form and not comprised in an electronic form.
- 3.4. References to a notice or other document being **sent** or **given** to or by a person mean such notice or other document, or a copy of such notice or other document, being sent, given, delivered, issued or made available to or by, or served on or by, or deposited with or by that person by any method authorised by these Articles and **sending** and **giving** shall be construed accordingly.



- 3.5. References to **writing** mean the representation or reproduction of words, symbols or other information in a visible and non-transitory form by any method or combination of methods, whether comprised in electronic form or otherwise and **written** shall be construed accordingly.
- 3.6. The words “**including**” and “**include**” and words of similar effect shall not be deemed to limit the general effect of the words which precede them.
- 3.7. Words denoting the singular number include the plural number and vice versa; words denoting the masculine gender include the feminine gender; and words denoting persons include corporations.
- 3.8. Words or expressions contained in these Articles which are not defined in Article 2 but are defined in the uncertificated securities rules have the same meaning as in the uncertificated securities rules unless inconsistent with the subject or context.
- 3.9. Headings and marginal notes are inserted for convenience only and do not affect the construction of these Articles.
- 3.10. In these Articles:
- 3.10.1 powers of delegation shall not be restrictively construed but the widest interpretation shall be given to them;
  - 3.10.2 no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and
  - 3.10.3 where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power.

#### **4. LIMITED LIABILITY**

The liability of Members of the Company is limited to the amount, if any, unpaid on the Shares in the Company held by them.

#### **5. CHANGE OF NAME**

The Company may change its name by resolution of the Board.

#### **6. SHARE CAPITAL**

- 6.1. In these Articles, unless the context otherwise requires, references to a particular share class shall include shares allotted and/or issued after the date on which these Articles are adopted and ranking pari passu in all respects with the shares of the relevant class then in issue.
- 6.2. Except as otherwise provided in these Articles, the A Ordinary Shares, B Ordinary Shares and Redeemable Preference Shares shall rank pari passu in all respects but shall constitute separate classes of shares.
- 6.3. 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.
- 6.4. Subject to any right attached to any existing Shares or class of Shares, Shares may be issued which are to be redeemed or are liable to be redeemed at the option of the Company or the Holder on such terms and conditions and in such manner as shall be determined by the Board prior to the date on which such Shares are allotted.
- 6.5. Without prejudice to any rights attached to any existing Shares or class of Shares, any Share may be issued in one or more series and have attached to it or be subject to or with such rights or restrictions whether with regard to dividend, voting attendance at meetings, return of capital, the terms, conditions and manner of redemption, purchase by the Company or otherwise, as the Company may by ordinary resolution determine or, if the Company passes an ordinary resolution to authorise them, the Board.

## **7. SHARE RIGHTS**

The Shares shall have, and be subject to, the following rights and restrictions:

### **7.1. Income**

- 7.1.1. Any available profits which the Company may determine to distribute in respect of a given financial period may be distributed among the A Ordinary Shareholders or the B Ordinary Shareholders in proportion to the number of Equity Shares held by that Holder.
- 7.1.2. Subject to the Act and these Articles, the Board may pay interim dividends if justified by the available profits in respect of a relevant period.
- 7.1.3. No dividends shall be payable in respect of the Redeemable Preference Shares.

### **7.2. Return of Capital**

On a return of capital on a liquidation, capital reduction or similar, the assets of the Company remaining after the payment of its liabilities ("**Surplus Assets**") and which the Company may resolve to distribute shall be distributed in the following manner:

- 7.2.1. first amongst the holders of the Redeemable Preference Shares until they have received the Issue Price of their Redeemable Preference Shares; and
- 7.2.2. thereafter the balance of the Surplus Assets (if any) are to be distributed amongst the holders of the Equity Shares in proportion to the number of Equity Shares held by them.

**7.3. Proceeds of Sale**

- 7.3.1. On a Share Sale, the Proceeds of sale shall be distributed in the order of priority set out in Article 7.2 and the Directors shall not register any transfer of Shares sold in connection with the Share Sale if the Proceeds of Sale are not so distributed provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the order of priority set out in Article 7.2.
- 7.3.2. In the event that the Proceeds of Sale are distributed on more than one occasion (for any deferred or contingent consideration or otherwise), the consideration so distributed on any further occasion shall be paid by continuing the distribution from the previous distribution of consideration in the order of priority set out in Article 7.2.
- 7.3.3. On an Asset Sale, the Surplus Assets of the Company shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 7.2.

**7.4. Voting rights**

- 7.4.1. Holders of Equity Shares shall be entitled to one vote per Holder on a show of hands and one vote per Equity Share held on a poll at any General Meeting.
- 7.4.2. Holders of Redeemable Preference Shares shall not be entitled to vote in respect of those shares at any General Meeting.

**7.5. Redemption**

The Redeemable Preference Shares may be redeemed at the option of the Company at any time up to the value of their Issue Price.

**7.6. Further issues of Shares and section 561 disapplication**

- 7.6.1. Subject to the remaining provisions of this Article 7.6, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to offer, allot or grant rights to subscribe for, or convert securities into, or otherwise deal in, or dispose of, any Shares to any

person at any time and subject to any terms and conditions as the Directors think proper.

7.6.2. Subject to Article 7.6.3, sections 561 and 562 of the Act shall apply to the Company and the offer period referred to in those sections shall be a period of no less than 10 business days.

7.6.3. The Directors are authorised to exercise the powers conferred by Article 7.6.1 as if section 561(1) of the Act did not apply, provided that this power shall be limited to allotment of Shares in accordance with, and for the purposes of, a Pre-Emptive Issue or where such disapplication has been authorised by a special resolution of the Company (together with Seedrs Consent).

7.6.4. The Seedrs Nominee may:

- (a) offer any Shares it is entitled to subscribe for pursuant to a Pre-Emptive Issue to the Seedrs Beneficial Owners via the Seedrs Platform and may share with Beneficial Owners any information relating to the Pre-Emptive Issue; and
- (b) subscribe for Shares pursuant to any Pre-Emptive Issue for and on behalf of the Seedrs Beneficial Owners.

7.6.5. The provisions of sections 565, 570 and 571 of the Act shall also not apply to the Company.

## **7.7. Share dealing powers**

Subject to any resolution of the Company in General Meeting and to any provision of these Articles the Board may allot (with or without conferring a right of renunciation), grant options over, or otherwise deal with or dispose of Shares in the Company to such persons on such terms and conditions, including consideration and at such times as it thinks fit.

## **7.8. Commissions**

The Company may exercise all powers of paying commissions or brokerage conferred or permitted by the Act in connection with the issue of any Shares, provided that the rate of commission may be equal to but shall not exceed the rate of 10 per cent of the price at which the Shares in respect of which the commission is paid or agreed to be paid are issued. Any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid Shares or other securities or partly in one way and partly in the other.

## **7.9. Trusts not recognised**

The Company will only be affected by, or recognise, a current and absolute right to whole Shares. The fact that any Share, or any part of a Share, may not be owned outright by the registered owner (for example, where a Share is held by one person as a nominee or

otherwise as a trustee for another person) is not of any concern to the Company. This applies even if the Company knows about the ownership of the Share. The only exceptions to this are where the rights of the kind described are expressly given by these Articles or are of a kind which the Company has a legal duty to recognise.

## **8. VARIATION OF RIGHTS**

8.1. The special rights attached to any class of Shares may be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) only with Seedrs Consent and the consent in writing of the holders of more than 50% in nominal value of the issued Shares of that class (provided that, if such variation or abrogation treats two or more classes in the same manner, the written consent of the holders of a majority of the issued shares of such classes (as if such classes constituted one and the same class) shall be required) is required).

8.2. The special rights attached to any class of Shares shall not be deemed to be varied or abrogated by:

8.2.1. the amendment or adoption of new articles of association of the Company where such amendment or adoption does not affect the rights attached to any Share or class of Shares in a manner which is adverse to the Holders of such Shares (as determined by the Board);

8.2.2. the issue of any further Shares of an existing class;

8.2.3. the creation of a new class of Shares which has preferential rights to one or more existing classes of Shares; or

8.2.4. the purchase, redemption, sub-division or consolidation by the Company of its own Shares.

8.3. Any variation of the rights attached to any Share or class of Share shall be made in accordance with the Act and the provisions of this Article 8.3.

8.4. Notwithstanding the provisions of Article 8.2 above, Seedrs Consent is required prior to any of the actions described in Article 8.2.

## **9. SHARE CERTIFICATES**

### **9.1. Members' rights to certificates**

Every Member, on becoming the Holder of any Share shall be entitled, without payment, to one certificate for all the certificated Shares of each class held by him (and, on transferring a part of his holding of Shares, to a certificate for the balance of his holding of Shares). He may elect to receive one or more additional certificates for any of his Shares if he pays for every certificate after the first a reasonable sum determined from time to time by the Board. Every

certificate shall be executed, in such manner as the Board may determine and shall specify the number, class and distinguishing numbers (if any) of the Shares to which it relates and the amount or respective amounts paid up on the Shares.

**9.2. Replacement certificates**

If a Share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of any exceptional out-of-pocket expenses reasonably incurred by the Company in investigating evidence and preparing the requisite form of indemnity as the Board may determine but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate.

**10. LIEN**

**10.1. Company to have lien on Shares**

The Company shall have a first and paramount lien on every Share (not being a fully paid Share) for all moneys payable to the Company including both the nominal value and any premium at which it was issued (whether presently or not) in respect of that Share. The Company's lien over a Share takes priority over the rights of any third party and extends to any dividends or other sums payable by the Company in respect of that Share (including any sale proceeds if that Share is sold by the Company pursuant to these Articles). The Board may at any time (generally or in a particular case) waive any lien or declare any Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share shall extend to any amount (including dividends) payable in respect of it.

**10.2. Enforcement of lien by sale**

The Company may sell, in such manner as the Board determines, any Share on which the Company has a lien if the sum in respect of which the lien exists is presently payable and is not paid within 14 Clear Days after notice has been sent to the Holder of the Share, or to the person entitled to it by transmission, demanding payment and stating that if the notice is not complied with the Share may be sold.

**10.3. Giving effect to sale**

To give effect to that sale the Board may authorise any person to sign an instrument of transfer in respect of the Share sold to, or in accordance with the directions of, the buyer. The buyer has no obligation to ensure that the purchase money is distributed in accordance with the Articles and his title to the Share shall not be affected by any irregularity in or invalidity of the proceedings in relation to the sale.

**10.4. Application of proceeds**

The net proceeds of the sale, after payment of the costs, shall be applied in or towards payment or satisfaction of so much of the sum in respect of which the lien exists as is

presently payable. Any residue shall (on surrender to the Company for cancellation of the certificate in respect of the Share sold and, subject to a like lien for any moneys not presently payable as existed on the Share before the sale) be paid to the person entitled to the Share at the date of the sale.

## **11. CALLS ON SHARES**

### **11.1. Power to make calls**

Subject to the terms of allotment, the Board may from time to time make calls on the Members in respect of any moneys unpaid on their Shares (whether in respect of nominal value or premium). Each Member shall (subject to receiving at least 14 Clear Days' notice specifying when and where payment is to be made) pay the Company the amount called on his Shares as required by the notice. A call may be required to be paid by installments. A call may be revoked in whole or in part and the time determined for payment of a call may be postponed in whole or in part as the Board may determine. A person on whom a call is made shall remain liable for calls made on him even if the Shares in respect of which the call was made are subsequently transferred.

### **11.2. Time when call made**

A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

### **11.3. Liability of joint Holders**

The joint Holders of a Share shall be jointly and severally liable to pay all calls in respect of it.

### **11.4. Interest payable**

If a call or any installment of a call remains unpaid in whole or in part after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid. Interest shall be paid at the rate determined by the terms of allotment of the Share or in the notice of the call, if no rate is so determined, at the rate determined by the Board, not exceeding the Bank of England base rate by more than five percentage points, but the Board may in respect of any individual Member waive payment of such interest wholly or in part.

### **11.5. Deemed calls**

Any sum payable in respect of a Share upon allotment or at any fixed date, whether in respect of nominal value or premium or as an installment of a call, shall be deemed to be a call duly made, notified and payable on the date on which it is payable or in accordance with the terms of allotment. If it is not paid all the relevant provisions of these Articles as to payment of interest, expenses, forfeiture or otherwise shall apply as if such sum had become due and payable by virtue of a call duly made and notified.

#### **11.6. Differentiation on calls**

Subject to the terms of allotment, the Board may make arrangements on the issue of Shares for a difference between the allottees or Holders in the amounts and times of payment of calls on their Shares.

#### **11.7. Payment of calls in advance**

The Board may, if it thinks fit, receive from any Member all or any part of the moneys uncalled and unpaid on any Share held by him. Such payment in advance of call shall extinguish the liability on the Share in respect of which it is made to the extent of the payment. The Company may pay on all or any of the moneys so advanced (until they would but for such advance become presently payable) interest at such rate agreed between the Board and the Member not exceeding (unless the Company by ordinary resolution otherwise directs) the Bank of England base rate by more than five percentage points.

### **12. FORFEITURE AND SURRENDER**

#### **12.1. Notice requiring payment of call**

If a call or any installment of a call remains unpaid in whole or in part after it has become due and payable, the Board may give the person from whom it is due not less than 14 Clear Days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made, the date on or before which the payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited.

#### **12.2. Forfeiture for non-compliance**

If the requirements of any notice given pursuant to Article 12.1 are not complied with and all calls, interest, costs, charges and expenses due in respect of such Share remain unpaid, any Share in respect of which such notice has been given may be forfeited by a resolution of the Board. The forfeiture shall include all dividends or other moneys payable in respect of the forfeited Share which have not been paid before the forfeiture. When a Share has been forfeited, notice of the forfeiture shall be sent to the person who was the Holder of the Share before the forfeiture. An entry shall be made promptly in the Register opposite the entry of the Share showing that notice has been sent, that the Share has been forfeited and the date of forfeiture. No forfeiture shall be invalidated by the omission or neglect to send that notice or to make those entries.

#### **12.3. Sale of forfeited Shares**

Until cancelled in accordance with the requirements of the Act, a forfeited Share shall be deemed to belong to the Company and may be sold, re-allotted or otherwise disposed of on



such terms and in such manner as the Board determines, either to the person who was the Holder before the forfeiture or to any other person. At any time before sale, re-allotment or other disposal, the forfeiture may be cancelled on such terms as the Board thinks fit. Where for the purposes of its disposal a forfeited Share is to be transferred to any person, the Board may authorise any person to sign an instrument of transfer of the Share to that person. The Company may receive the consideration given for the Share on its disposal and may register the transferee as Holder of the Share.

**12.4. Liability following forfeiture**

A person shall cease to be a Member in respect of any Share which has been forfeited and shall surrender the certificate for any forfeited Share to the Company for cancellation. Notwithstanding this, the person shall remain liable to the Company for all sums which at the date of forfeiture were presently payable by him to the Company in respect of that Share with interest on that amount, from the date of forfeiture until payment, at the rate at which interest was payable on those sums before the forfeiture or, if no interest was so payable, at the rate determined by the Board, not exceeding the Bank of England base rate by more than five percentage points. The Board may waive payment wholly or in part or enforce payment without any allowance for the value of the Share at the time of forfeiture or for any consideration received on its disposal.

**12.5. Surrender**

The Board may accept the surrender of any Share which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered Share shall be treated as if it had been forfeited.

**12.6. Extinction of rights**

The forfeiture of a Share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the Share and all other rights and liabilities incidental to the Share as between the person whose Share is forfeited and the Company, except only those right and liabilities expressly saved by these Articles, or as are given or imposed in the case of past Members by the Act.

**12.7. Evidence of forfeiture or surrender**

A statutory declaration by a Director that a Share has been duly forfeited or surrendered on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share. The declaration shall (subject if necessary to the signing of an instrument of transfer) constitute good title to the Share. The person to whom the Share is disposed of has no obligation to ensure that the purchase money is distributed in accordance with the Articles and his title to the Share shall not be affected by any irregularity in, or invalidity of, the proceedings in reference to forfeiture, surrender, sale, re-allotment or disposal of the Share.

## **13. TRANSFER AND TRANSMISSION OF SHARES**

### **13.1. General**

Subject to the provisions of this Article 13, any Shares may be transferred by any Holder at any time:

- (a) pursuant to acceptance of any offer made to that Member under the requirements of Article 14 (*Tag Along*);
- (b) pursuant to Article 15 (*Drag Along*); or
- (c) with the prior consent of the Board acting with Seedrs Consent.

### **13.2. Share transfers only in prescribed circumstances**

The Board shall not Register any transfer of shares unless it is made pursuant to the provisions of this Article 13 or is otherwise approved by the unanimous consent of the Board.

### **13.3. Form and signing of transfers**

The instrument of transfer of a Share may be in any usual form or in any other form which the Board may approve. An instrument of transfer shall be signed by or on behalf of the transferor and, unless the Share is fully Paid, by or on behalf of the transferee and shall specify the name of the transferor, the name of the transferee and the number of Shares being transferred. The transferor shall be deemed to remain the Holder of such Shares until the name of the transferee is entered into the Register in respect thereof.

### **13.4. Transfers of partly paid Shares**

The Board may refuse to register the transfer of a Share which is not fully paid provided that the refusal does not prevent dealings in Shares in the Company from taking place on an open and proper basis.

### **13.5. Invalid transfers of Shares**

13.5.1. The Board may also refuse to register the transfer of a Share unless the instrument of transfer:

- (a) is lodged, duly stamped (if stampable), at the Office or at another place appointed by the Board accompanied by the certificate for the Share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- (b) is in respect of only one class of Shares;

(c) is fully paid; and

(d) is in favour of not more than four transferees.

**13.6. Notice of refusal to register**

If the Board refuses to register a transfer of a Share, it shall send the transferee notice of its refusal within two months after the date on which the instrument of transfer was lodged with the Company.

**13.7. Deemed transfers**

For the purposes of these Articles relating to the registration of transfers of Shares, the renunciation of the allotment of any Shares by the allottee in favour of some other person shall be deemed to be a transfer and the Board shall have the same powers to refuse to give effect to such a renunciation as if it were a transfer.

**13.8. Fee payable on registration**

The Company may charge a reasonable fee for the registration of any instrument of transfer or other document relating to or affecting the title to a Share.

**13.9. Retention of transfer instruments**

The Company shall be entitled to retain an instrument of transfer which is registered, but an instrument of transfer which the Board refuses to register shall be returned to the person lodging it when notice of the refusal is sent.

**13.10. Permitted Transfers to Family Members & Trusts and within a Group**

13.10.1. Any Share (other than any Share in respect of which the Holder shall have been required by the Board under these Articles to give a Transfer Notice or shall have been deemed to have given a Transfer Notice) may at any time but only with the prior written consent of the Board (such consent not to be unreasonably withheld in the case of transfers to Family Members or Family Trusts) be transferred:

- (a) by an individual Member to trustees to be held on Family Trusts of such a Member, or to a Family Member of such Member;
- (b) in the event of the death of any Member by his personal representative to trustees to be held on Family Trusts of such Member, or to a Family Member of such Member;
- (c) by any Member, being a company, to a Member of the same Group as such Member, save that the transferee can only hold the Shares for so long as it is a Member of the same Group as the original Member and on the transferee

ceasing to be a Member of that Group the transferee will transfer the Shares back to the original Member.

13.10.2. If any Relevant Family Trust Shares cease to be held on a Family Trust of a Member or, as the case may be, if a transferee company holding Relevant Family Trust Shares ceases to be a Member of the same Group as the transferor Company from which (whether directly or by a series of transfers) Relevant Family Trust Shares were derived; the Member holding the Relevant Family Trust Shares shall notify the Directors in writing that such an event has occurred and such Member shall be bound, if and when required in writing by the Directors to do so, to give a Transfer Notice in respect of all Relevant Family Trust Shares.

13.10.3. Where Relevant Family Trust Shares have been transferred to trustees on any change of trustees, the Relevant Family Trust Shares, may be transferred to the trustees for the time being of the trust concerned.

13.10.4. A Member shall, when required to do so by Article 13.10.2, serve a notice on the Company constituting the Company as his agent for the sale of all Relevant Family Trust Shares of which he is the holder ("**Transfer Notice**"). The Directors will endeavour to agree the full market value with the relevant Member. If they fail to agree the full market value within 10 Business Days of receipt of the Transfer Notice by the Company or, as applicable, within 10 Business Days of receipt of a Transfer Notice having been deemed to have been served in accordance with Article 38, the Directors shall request the Auditors (or if they are unable or decline to act, at the joint cost of the Company and the relevant Member an independent firm of chartered accountants appointed by the Directors and the relevant Member or, in the event of disagreement between them as to the identity of that independent firm or the terms of their appointment, an independent firm of chartered accountants appointed on the application of the Seller or the Directors by the President of the Institute of Chartered Accountants in England & Wales and the provisions herein relating to Auditors shall apply to such independent firm of chartered accountants (acting as experts and not as arbitrators)) to certify full market value.

#### **13.11. Permitted transfer to a nominee**

Any Shares held by a nominee for their beneficial owner may be transferred by the nominee to the beneficial owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the beneficial owner only. Any Shares may be transferred by the beneficial owner to a person shown to the reasonable satisfaction of the Directors to be a nominee for the beneficial owner only. Where any person to whom any Shares have been transferred as a nominee ceases to hold such Shares as nominee for the beneficial owner only he shall forthwith transfer such Shares to the beneficial owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the beneficial owner only and in default of doing so he shall be deemed to have given a Transfer Notice in respect of all such Shares.

### 13.12. Permitted transfers (Seedrs)

Notwithstanding any other provision in these Articles, the following transfers shall be permitted without any restriction as to price, requirement to offer on a pre-emptive basis or otherwise:

13.12.1. The Seedrs Nominee may, at any time and entirely at its discretion:

- (a) appoint any other person as a replacement nominee (a **"New Nominee"**). If a transfer of the nominee role of the Seedrs Nominee is made pursuant to this article (a)(a) the New Nominee shall be deemed to be the Seedrs Nominee for the purposes of these Articles and these Articles shall be interpreted as granting to the New Nominee the same rights granted to the Seedrs Nominee and the New Nominee may appoint its own nominated custodian to replace the Seedrs Nominated Custodian in accordance with article 13.12.1(b) below;
- (b) appoint any other person to replace the Seedrs Nominated Custodian (a **"New Nominated Custodian"**), and instruct the Seedrs Nominated Custodian to transfer the legal interest in the Shares held by the Seedrs Nominated Custodian to the New Nominated Custodian to hold as registered legal shareholder on behalf of the Seedrs Beneficial Owners. If a transfer of the Seedrs Nominated Custodian's role is made pursuant to this article 13.12.1(b), the New Nominated Custodian shall be deemed the Nominated Custodian for the purposes of these Articles, and these Articles shall be interpreted as granting to the New Nominated Custodian the same rights granted to the Seedrs Nominated Custodian; and
- (c) instruct the Seedrs Nominated Custodian to transfer the legal title of any Shares held by the Seedrs Nominated Custodian to the relevant Seedrs Beneficial Owner(s), whereupon the obligations of the Seedrs Nominee and the Seedrs Nominated Custodian under these Articles will terminate, and the Board shall enter such Seedrs Beneficial Owner(s) in the register of members and record such transfer in the register of transfers.

13.12.2. Each Seedrs Beneficial Owner may transfer his or her interest in any Shares to any person, without notice to the Company and at any time, so long as the Seedrs Nominee and the Seedrs Nominated Custodian remain the same in respect of such Shares immediately after such transfer. If a transfer is made pursuant to this Article, the new Beneficial Owner shall be treated as the Beneficial Owner for all purposes of these Articles;

### 13.13. Transmission

If a Member dies, the only persons the Company shall recognise as having any title to his interest in the Shares shall be the survivors or survivor where the deceased was a joint Holder and his personal representatives, where he was a sole Holder or the only survivor of joint Holders. Nothing in these Articles shall release the estate of a deceased Member (whether a sole or joint Holder) from any liability in respect of any Share held by him.

**13.14. Elections permitted**

A person becoming entitled by transmission to a Share may, on production of any evidence as to his entitlement properly required by the Board, elect either to become the Holder of the Share or to have another person nominated by him registered as the transferee. If he elects to become the Holder he shall send notice to the Company to that effect. If he elects to have another person registered and the Share is a certificated Share, he shall sign an instrument of transfer of the Share to that person. All the provisions of these Articles relating to the transfer of Shares apply to that notice or instrument of transfer as if it were an instrument of transfer signed by the Member and the death of the Member or other event giving rise to the transmission had not occurred.

**13.15. Elections required**

The Board may at any time send a notice requiring any such person to elect either to be registered himself or to transfer the Share. If the notice is not complied with within 60 days, the Board may after the expiry of that period withhold payment of all dividends or other moneys payable in respect of the Share until the requirements of the notice have been complied with.

**13.16. Rights of persons entitled by transmission**

A person becoming entitled by transmission to a Share shall, on production of any evidence as to his entitlement properly required by the Board and subject to the requirements of Article 13.3, have the same rights in relation to the Share as he would have had if he were the Holder of the Share. That person may give a discharge for all dividends and other moneys payable in respect of the Share, but he shall not, before being registered as the Holder of the Share, be entitled in respect of it to receive notice of, or to attend or vote at, any meeting of the Company or to receive notice of, or to attend or vote at, any separate meeting of the Holders of any class of Shares in the capital of the Company.

**14. TAG ALONG**

- 14.1. Notwithstanding the provisions of Article 13, no sale or transfer of the legal or beneficial interest in any Shares ("the **Relevant Transaction**") may be made or validly registered if as a result of such sale or transfer a Relevant Interest is obtained by a person (or persons acting in concert) where such person(s) did not have a Relevant Interest immediately prior to the Relevant Transaction, unless the Member(s) proposing to make such a sale or transfer (the "**Proposing Transferor**"):

- 14.1.1. shall have procured a written offer complying with the provisions of this Article 14 to have been made by the proposed transferee (or any person or persons acting in concert with it) (the “**Proposing Transferee**”) to the holders of all the other issued Shares to acquire their entire holding of Shares (the “**Eligible Shareholders**”); and
- 14.1.2. shall have served a notice on the Eligible Shareholders in respect of such proposed offer (the “**Tag Notice**”).
- 14.2. The Tag Notice will specify:
  - 14.2.1. that Eligible Shareholders are entitled to transfer all of their shareholdings to the Proposing Transferee;
  - 14.2.2. the terms of sale to which the Eligible Shareholders are required to adhere and enclose copies of the tag along documents (if any) relating to the sale;
  - 14.2.3. the identity of the proposed purchaser;
  - 14.2.4. the Specified Price and/or type of consideration being offered for each class of Shares held by the Eligible Shareholders; and
  - 14.2.5. the proposed place, date and time of completion.
- 14.3. For the purpose of this Article 14:
  - 14.3.1. the expression a “**Relevant Interest**” shall mean an interest in more than 50% of the Equity Shares in issue for the time being;
  - 14.3.2. the expressions “**transfer**” and “**transferee**” shall include respectively the renunciation of a renounceable letter of allotment and the renouncement under any such letter of allotment; and
  - 14.3.3. the expression “**acting in concert**” shall bear the meaning ascribed to it in the City Code on Take-overs and Mergers (as amended from time to time).
- 14.4. The offer referred to in Article 14.1 above shall be on terms that:
  - 14.4.1. it will be open for acceptance in England and Wales for a period of at least 28 days following the making of the offer;
  - 14.4.2. each Member to whom it is made shall be entitled to receive for each of the Shares held by him a sum per Share equal to the Specified Price;
  - 14.4.3. the purchase of any Shares in respect of which such offer is accepted shall be completed at the same time as the Relevant Transaction; and

- 14.4.4. otherwise on the same terms for all members (and for this purpose any offer which provides for any warranties or indemnities (other than warranties as to title and capacity) or restrictive covenants from some, but not all, Members shall be deemed to comply with this Article 14.4).
- 14.5. The expression "**the Specified Price**" shall mean a price per Share which shall be determined by valuing the entire issued share capital of the Company (the "**Sale Value**") by reference to the aggregate of:
- 14.5.1. the amount offered or paid or payable by the Proposing Transferee or his or their nominees respectively for each of the Shares comprised in the Relevant Transaction to the holder or holders thereof or, if higher, the highest amount paid or payable for an Equity Share in any related or previous transaction within the 12 months preceding the offer by the Proposing Transferee or any person acting in concert with the Proposing Transferee; and
- 14.5.2. an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holder or holders of the Shares comprised in the Relevant Transaction which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Proposed Transferors' Shares (and, for the avoidance of doubt and without prejudice to the generality of the foregoing, any additional consideration which is linked to future profits, turnover or some other measure of the future performance of the Company shall be regarded as consideration which is an addition to the price paid or payable in the Relevant Transaction); and
- 14.5.3. the Specified Price which each Member shall be entitled to receive in respect of each Share held by him shall then be determined by applying the provisions of Article 7.3 as if the Sale Value were the proceeds of a Sale.
- 14.6. Any disagreement as to the calculation of the Specified Price which each Member is entitled to receive in respect of each Share held by him for the purposes of this Article shall be referred to the Auditors or if a Member objects or they are unable to act or decline to act, an independent firm of chartered accountants appointed by the Directors, or in the event of disagreement, appointed on the application of the Proposing Transferor or the Directors by the President of the Institute of Chartered Accountants in England and Wales and the provisions relating to the Auditors in this Article 14 shall apply to such independent firm of chartered accountants (acting as experts and not arbitrators) whose decision shall be final and binding (in the absence of manifest error) and the costs of the Auditors shall be borne by the Company.
15. **DRAG ALONG**
- 15.1. If at any time one or more Members holding between them 50% of the Company's voting rights for the time being in issue propose to sell the legal or beneficial interest in their



entire holdings of Shares (the **"Vendors"**) to a person with whom none of them is Connected or one or more such persons acting in concert (the **"Offeror"**) then the Vendors shall have the right to require the holders of all other issued Shares in the Company (the **"Called Shareholders"**) to sell and transfer their entire holdings of Shares to the Offeror (or as the Offeror shall direct) in accordance with this Article 15.1 (the **"Drag Along Right"**) at a price (the **"Drag Along Price"**) to be determined on the basis set out in Article 14.5.

- 15.2. The Drag Along Right may be exercised by the Vendors serving written notice to that effect (a **"Drag Along Notice"**) on the Called Shareholders at any time before the transfer of the Vendors' Shares to the Offeror.
- 15.3. A Drag Along Notice shall specify that the Called Shareholders are, or will in accordance with this Article 15 be, required to sell and transfer their Shares to the Offeror on or about the date specified in the Drag Along Notice (which shall be not less than 7 days after the date of the Drag Along Notice or (if no such date is specified in the Drag Along Notice) on or about such date as the Vendors may subsequently specify by notice in writing to the Called Shareholders (which shall be not less than 7 days after the date of the Drag Along Notice).
- 15.4. A Drag Along Notice once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) in the event that for any reason the Vendors do not transfer their entire holdings of Shares to the Offeror or the Offeror's nominee not later than the date specified as the date for completion of the sale and purchase of Shares pursuant to exercise of the Drag Along Right.
- 15.5. No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 15.
- 15.6. Completion of the sale of the Called Shareholders' Shares shall take place on the same date as the date proposed for completion of the sale of the Vendors' Shares unless all of the Called Shareholders and the Vendors agree otherwise.
- 15.7. Upon any person, following the giving of a Drag Along Notice, becoming a Member pursuant to the exercise of a pre-existing option to subscribe for or otherwise acquire Shares in the Company (a **"New Member"**), a Drag Along Notice shall be deemed to have been given to the New Member forthwith on the same terms as the previous Drag Along Notice and the New Member shall thereupon be bound to sell and transfer all such Shares acquired by him to the Offeror or as the Offeror may direct and the provisions of this Article shall apply mutatis mutandis to the New Member save that completion of the sale of such Shares shall take place forthwith upon the Drag Along Notice being deemed to have been given to the New Member.

## **16. ALTERATION OF SHARE CAPITAL**

### **16.1. Rights on sub-division**

Any resolution authorising the Company to sub-divide its Shares, or any of them, into Shares of smaller amount may determine that, as between the Shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others.

**16.2. New Shares subject to these Articles**

All Shares created by a resolution pursuant to Article 19.1 shall be subject to all the provisions of these Articles, including provisions relating to payment of calls, lien, forfeiture, transfer and transmission; and unclassified, unless otherwise provided by these Articles, by the resolution creating the Shares or by the terms of allotment of the Shares.

**16.3. Fractions arising**

Whenever any fractions arise as a result of a consolidation or sub-division of Shares, the Board may, on behalf of the Members, deal with the fractions as it thinks fit. In particular, without limitation, the Board may sell Shares representing fractions, to any Members which would otherwise become entitled, or to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those Members. Where the Shares to be sold are held in certificated form the Board may authorise some person to sign an instrument of transfer of the Shares to, or in accordance with the directions of, the buyer. The buyer has no obligation to ensure that the purchase money is distributed in accordance with this Article 16 and his title to the Shares shall not be affected by any irregularity in, or invalidity of, the proceedings in relation to the sale.

**17. GENERAL MEETINGS**

**17.1. Written resolutions**

Written resolutions of the Company's Members may be proposed and passed in accordance with Chapter 2 of part 13 of the Act.

**17.2. General Meetings at more than one place**

The Board may, for the purposes of facilitating the organisation and administration of any General Meeting (including any meeting which has been adjourned), direct that the meeting shall be held at two or more locations. If they do so, the Board shall also make such arrangements as they shall in their absolute discretion consider appropriate (a) to ensure that all the Members and proxies for Members wishing to attend the meeting can do so at some location, and (b) to ensure that all persons attending the meeting are able to participate reasonably effectively in the business of the meeting, but (c) to restrict the numbers of Members and proxies at any one location to such number as can safely and conveniently be accommodated there. The Members present in person or by proxy at these locations shall be counted in the quorum for, and entitled to vote at, the General Meeting in question, and that meeting shall be duly constituted and its proceedings valid. The chairman of the General Meeting shall be present at, and the meeting shall be deemed to take place at, the principal meeting place.

**17.3. Interruption or adjournment where facilities are inadequate**

If it appears to the chairman of the General Meeting that the facilities at the principal meeting place or any other location fixed as a meeting place have become inadequate for the purposes referred to in Article 17.2, then the chairman may in his absolute discretion, without the consent of the meeting, interrupt or adjourn the General Meeting. All business conducted at that General Meeting up to the time of that adjournment shall be valid. The provisions of Article 18.6 shall apply to that adjournment.

**17.4. Other arrangements for viewing and hearing proceedings**

The Board may make arrangements for persons entitled to attend a General Meeting or an adjourned General Meeting to be able to view and hear the proceedings of the General Meeting or adjourned General Meeting and to speak at the meeting (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) by attending at a venue anywhere in the world which is not a location fixed as a meeting place. Those attending at any such venue shall not be regarded as present at the General Meeting or adjourned General Meeting and shall not be entitled to vote at the meeting at or from that venue. The inability for any reason of any Member present in person or by proxy at such a venue to view or hear all or any of the proceedings of the meeting or to speak at the meeting shall not in any way affect the validity of the proceedings of the meeting.

**17.5. Article 15.3 arrangements**

Notices of General Meetings shall include details of any arrangements made for the purpose of Article 17.3 (making clear that participation in those arrangements will not amount to attendance at the meeting to which the notice relates).

**17.6. Controlling level of attendance**

The Board may from time to time make any arrangements for controlling the level of attendance at any venue for which arrangements have been made pursuant to Article 17.3 (including the issue of tickets or the imposition of some other means of selection) which it, in its absolute discretion, considers appropriate, and may, from time to time, change those arrangements. If a Member, pursuant to those arrangements, is not entitled to attend in person or by proxy at a particular venue, he shall be entitled to attend in person or by proxy at any other venue for which arrangements have been made pursuant to Article 17.3. The entitlement of any Member to be present at such venue in person or by proxy shall be subject to any such arrangement then in force and stated by the notice of meeting or adjourned meeting to apply to the meeting.

**17.7. Change in Place and/or time of meeting**

17.7.1. If, after the sending of the notice of a General Meeting but before the meeting is held, or after the adjournment of a General Meeting but before the adjourned

meeting is held (whether or not notice of the adjourned meeting is required), the Board decides that it is impracticable or unreasonable, for a reason beyond its control, to hold the meeting at the declared place (or any of the declared places, in the case of a meeting to which Article 17.2 applies) and/or time, it may change the place (or any of the places, in the case of a meeting to which Article 17.2 applies) and/or postpone the time at which the meeting is to be held. If such a decision is made, the Board may then change the place (or any of the places, in the case of a meeting to which Article 17.2 applies) and/or postpone the time again if it decides that it is reasonable to do so by written notice to the Members and in either case:

- (a) no new notice of the meeting need be sent, but the Board shall, if practicable, advertise the date, time and place of the meeting in at least two newspapers having a national circulation and shall make arrangements for notices of the change of place and/or postponement to appear at the original place and/or at the original time; and
- (b) a proxy appointment in relation to the meeting may, if by means of an instrument, be delivered to the Office or to such other place within the United Kingdom as may be specified by or on behalf of the Company in accordance with Article 20.4.1(a) or, if contained in an electronic form, be received at the address (if any) specified by or on behalf of the Company in accordance with Article 20.4.1(b), at any time not less than 48 hours before any postponed time appointed for holding the meeting.

#### **17.8. Meaning of participate**

The right of a Member to participate in the business of any General Meeting shall include without limitation the right to speak, vote on a show of hands, vote on a poll, be represented by a proxy and have access to all documents which are required by the Act or these Articles to be made available for holding the meeting.

#### **17.9. Accidental omission to send notice etc.**

The accidental omission to send a notice of a meeting, or to send any notification where required by the Act or these Articles in relation to the publication of a notice of meeting on a website, or to send a form of proxy where required by the Act or these Articles, to any person entitled to receive it, or the non-receipt for any reason of any such notice or notification or form of proxy by that person, whether or not the Company is aware of such omission or non-receipt, shall not invalidate the proceedings at that meeting.

#### **17.10. Security**

The Board and, at any General Meeting, the chairman may make any arrangement and impose any requirement or restriction on it which he considers appropriate to ensure the security of a General Meeting including requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction

of items that may be taken into the meeting place. The Board and, at any General Meeting, the chairman are entitled to refuse entry to any person who refuses to comply with these arrangements, requirements or restrictions.

## **18. PROCEEDINGS AT GENERAL MEETING**

### **18.1. Quorum**

No business shall be transacted at any General Meeting unless a quorum is present, but the absence of a quorum shall not preclude the choice or appointment of a chairman, which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, two persons present in person or by proxy and entitled to vote on the business to be transacted shall be a quorum.

### **18.2. If quorum not present**

If such a quorum is not present within five minutes from the time appointed for the meeting (or such longer time not exceeding 30 minutes as the chairman of the meeting may decide to wait), or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of Members, shall be dissolved, and, in any other case, shall stand adjourned to such time and place as the chairman of the meeting may determine. If, at the adjourned meeting, a quorum is not present after five minutes (or such longer time not exceeding 30 minutes as the chairman of the meeting may decide to wait) the meeting shall be dissolved.

### **18.3. Chairman**

The chairman, if any, of the Board or, in his absence, any deputy chairman of the Company or, in his absence, some other Director nominated by the Board, shall preside as chairman of the meeting. If neither the chairman, deputy chairman nor such other Director (if any) is present within five minutes after the time appointed for holding the meeting or is not willing to act as chairman, the Directors present shall elect one of the Directors present to be chairman. If there is only one Director present and willing to act, he shall be chairman. If there is no Director willing to act as chairman, or if no Director is present within five minutes after the time appointed for holding the meeting, the Members present and entitled to vote shall choose one of the Members present to be chairman. Where a General Meeting is called to investigate the conduct of any specified person that person shall be disqualified from presiding as chairman thereat.

### **18.4. Directors entitled to speak**

A Director shall, notwithstanding that he is not a Member, be entitled to attend and speak at any General Meeting and at any separate meeting of the Holders of any class of Shares in the capital of the Company.

### **18.5. Adjournment: chairman's powers**

18.5.1. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place. No business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. In addition (and without prejudice to the chairman's general power to adjourn a meeting), the chairman may adjourn the meeting to another time and place without such consent if it appears to him that:

- (a) it is likely to be impracticable to hold or continue that meeting because of the number of Members wishing to attend who are not present; or
- (b) the unruly conduct of persons attending the meeting prevents or is likely to prevent the orderly continuation of the business of the meeting; or
- (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

**18.6. Adjournment: Procedures**

Any such adjournment may be for such a time and to such other place (or, in the case of a meeting held at a principal meeting place and any other location fixed as a meeting place) as the chairman may, in his absolute discretion, determine, notwithstanding that by reason of such adjournment some Members may be unable to be present at the adjourned meeting. Any such Member may nevertheless appoint a proxy for the adjourned meeting either in accordance with Article 20.4.1 or by means of an instrument which, if delivered by him at the meeting which is adjourned to the chairman or any Director, shall be valid even though it is given by less notice than would otherwise be required by Article 20.4.1. If the continuation of an adjourned meeting is to take place three months or more after it was adjourned, notice of the adjourned meeting shall be given as in the case of the original meeting. Except where these Articles otherwise require, it shall not be necessary to send any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**18.7. Amendment to resolutions**

If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. With the consent of the chairman, an amendment may be withdrawn by its proposer before it is voted on. No amendment to a resolution duly proposed as an ordinary resolution may be considered or voted on (other than a mere clerical amendment to correct a patent error) unless either (a) at least two Business Days before the time appointed for holding the meeting or adjourned meeting at which the ordinary resolution is to be considered, notice of the terms of the amendment and the intention to move it has been received by the Company, or (b) the chairman in his absolute discretion decides that the amendment may be considered and voted on.

## **18.8. Methods of voting**

18.8.1. A resolution or any question put to the vote of a General Meeting shall be decided on a show of hands unless the Company's intention to call a poll on the resolution is stated in the notice to the General Meeting, or, before or on the declaration of the result of a vote on the show of hands or on the withdrawal of any other demand for a poll, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least two Members present in person or by proxy having the right to vote on the resolution; or
- (c) any Member or Members present in person or by proxy holding Shares conferring the right to vote on the resolution being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

## **18.9. Declaration of result**

Unless a poll is duly demanded (and the demand is not withdrawn before the poll is taken) a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

## **18.10. Withdrawal of demand for poll**

The demand for a poll may be withdrawn before the poll is taken, but only with consent of the chairman. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If the demand for a poll is withdrawn, the chairman or any other Member entitled may demand a poll.

## **18.11. Conduct of poll**

Subject to Article 18.2, a poll shall be taken as the chairman directs and he may, and shall, if required by the meeting, appoint scrutineers (who need not be Members) and determine a time and place for declaring the result of a poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

## **18.12. When poll to be taken**

A poll demanded on the election of a chairman or on a question of adjournment shall be taken at the meeting at which it is demanded. A poll demanded on any other question shall be taken either at the meeting or at such time and place as the chairman directs not being

more than 30 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

**18.13. Notice of poll**

No notice need to be sent of a poll not taken at the meeting at which it is demanded if the time and place at which it is to be taken are announced at the meeting. In any other case notice shall be sent at least seven Clear Days before the taking of the poll specifying the time and place at which the poll is to be taken.

**19. VOTES OF MEMBERS**

**19.1. Right to vote**

19.1.1. Members who are present at a General Meeting and duly appointed proxies present at a General Meeting can vote on a show of hands. They will have one vote each. On a poll, every Member present in person or by proxy will have one vote for every Share he holds.

19.1.2. This is subject to any special right or restrictions as to voting which are given to any Shares or upon which any Shares may be held at the relevant time, and to these Articles.

19.1.3. If a Member or his duly appointed proxy present at a General Meeting votes on a poll, he does not have to use all of his votes or cast all his votes in the same way.

**19.2. Votes of joint Holders**

In the case of joint Holders of a Share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Holders. For this purpose seniority shall be determined by the order in which the names of the Holders stand in the Register.

**19.3. Member under incapacity**

A Member in respect of whom an order has been made by a court or official having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised for that purpose appointed by that court or official. That receiver, curator bonis or other person may, on a poll, vote by proxy. The right to vote shall be exercisable only if evidence satisfactory to the Board of the authority of the person claiming to exercise the right to vote has been received by the Company, or at another place specified in accordance with these Articles for the delivery of proxy appointments, not less than 48



hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised.

**19.4. Calls in arrears**

No Member shall be entitled to vote at a General Meeting or at a separate meeting of the Holders of any class of Shares in the capital of the Company, either in person or by proxy, in respect of any Share held by him unless all moneys presently payable by him in respect of that Share have been paid.

**19.5. Errors in voting**

If any votes are counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment of the meeting, and, in the opinion of the chairman, it is of sufficient magnitude to vitiate the result of the voting.

**19.6. Objection to voting**

No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting or poll at which the vote objected to is tendered. Every vote not disallowed at such meeting shall be valid and every vote not counted which ought to have been counted shall be disregarded. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

**19.7. Voting: additional provisions**

On a poll, votes may be given either personally or by proxy. A Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he used in the same way.

**20. PROXIES AND CORPORATE REPRESENTATIVES**

**20.1. Appointment of proxy: authority**

A Member is entitled to appoint a proxy to exercise all or any of his rights to attend and to speak and vote at a General Meeting. The appointment of a proxy shall not preclude a Member from attending and voting in person at the meeting or poll concerned. A Member may appoint more than one proxy to attend on the same occasion and if he does he shall specify the number of Shares in respect of which each proxy is entitled to exercise the related votes and shall ensure that no proxy is appointed to exercise the votes which any other proxy has been appointed by that Member to exercise.

**20.2. Appointment of proxy: signing**

The appointment of a proxy shall be signed in such manner as the Board may approve. Subject thereto, the appointment of a proxy shall be signed by the Member or his attorney or, if the

Member is a corporation, signed by a duly authorised officer, attorney or other authorised person.

**20.3. Method of proxy appointment**

20.3.1. Any appointment must be in writing in any usual or common form or in any other form that the Board may approve. The appointment of a proxy may be:

- (a) by means of an instrument; or
- (b) sent by electronic means to such address (if any) for the time being notified by or on behalf of the Company for that purpose.

20.3.2. The Board may, if it thinks fit, at the Company's expense, send forms of proxy for use at the meeting and issue invitations by electronic means to appoint a proxy in relation to the meeting in such form as may be approved by the Board. Additionally, the Board may determine, that a proxy appointment be in electronic form which need not comprise writing and need not be signed but shall instead be subject to such conditions as the Board may approve.

**20.4. Delivery/receipt of proxy appointment**

20.4.1. Without prejudice to Article 20.3.2, the appointment of a proxy shall:

- (a) in the case of an instrument, be delivered personally or by post to the Office or such other place within the United Kingdom as may be specified by or on behalf of the Company for that purpose:

- (i) in the notice convening the meeting; or
  - (ii) in any form of proxy sent by or on behalf of the Company in relation to the meeting,

not less than 48 hours before the appointed time for holding the meeting or adjourned meeting (or any postponed time appointed for holding the meeting pursuant to Article 18.2 and/or 18.6) at which the Member proposes to vote; or

- (b) in the case of an appointment made by electronic means, where an address has been specified by or on behalf of the Company for the purpose of receiving appointment of proxies by electronic means:

- (i) in the notice convening the meeting; or
  - (ii) in any form of proxy sent by or on behalf of the Company in relation to the meeting; or

- (iii) in any invitation sent by electronic means to appoint a proxy issued by or on behalf of the Company in relation to the meeting,

be received at that address not less than 48 hours before the appointed time for holding the meeting or adjourned meeting at which the Member proposes to vote; or

- (c) in either case, where a poll is taken more than 48 hours after it is demanded, be delivered or received as aforesaid after the poll has been demanded and not less than 24 hours before the appointed time for the taking of the poll; or
- (d) in the case of an instrument only, where a poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to any Director.

20.4.2. The Board may at its discretion determine that, in calculating the periods mentioned in this Article, no account shall be taken of any part of a day that is not a working day.

## **20.5. Receipt of authority**

20.5.1. Where the appointment of a proxy is expressed to have been or purports to have been signed by a person on behalf of a Member:

- (a) the Company may treat the appointment as sufficient evidence of the authority of that person to sign the appointment on behalf of that Member;
- (b) that Member shall, if requested by or on behalf of the Company at any time, send or procure the sending of any written authority under which the appointment has been signed, or a notarially certified copy of the written authority or in some other way approved by the Board, to such address and by such time as may be specified in the request and, if the request is not complied with in any respect, the appointment may be treated as invalid; and
- (c) whether or not a request under Article 20.5.1 has been made or complied with, the Board may determine that it has insufficient evidence of the authority of that person to sign the appointment on behalf of that Holder and may treat the appointment as invalid.

## **20.6. Validity of proxy appointment**

Any proxy appointment which is not delivered or received in accordance with Article 20.4, or which has not complied with Article 20.4, shall be invalid. Any proxy appointment shall be

deemed invalid twelve months after the date of its receipt unless the contrary is stated on it or if the appointment relates to an adjourned meeting in which case the appointment shall be deemed valid after twelve months if it was valid for the original meeting. When two or more valid proxy appointments are delivered or received in respect of the same Share for use at the same meeting, the one which was received last shall be treated as replacing and revoking the others as regards that Share. If the Company is unable to determine which was received last, none of them shall be treated as valid in respect of that Share. Any question as to whether a proxy appointment has been validly delivered or received which is unresolved at the commencement of a General Meeting shall be referred to the chairman whose decision shall be final and conclusive. The proceedings at a General Meeting shall not be invalidated where an appointment of a proxy in respect of that meeting is sent in electronic form as provided in these Articles, but because of a technical problem it cannot be read by the recipient.

20.7. **Rights of Proxy**

Subject to the Act, a proxy shall have the right to exercise all or any of the rights of the Member or where more than one proxy is appointed by a Member all or any of the rights attached to the Shares in respect of which he is appointed as the proxy, to attend, speak and vote at a General Meeting. The right to vote shall extend and be deemed to confer authority to vote on any amendment of a resolution as the proxy thinks fit. The proxy appointment shall, unless it provides the contrary, be valid for any adjournment of the meeting as well as for the meeting to which it relates.

20.8. **Revocation of authority**

Any revocation of authority must be received by the Company by the deadline for receipt of an appointment of proxy as set out in Article 20.4 and delivered in accordance with Article 20.4 in order for such revocation to be deemed valid. Where such revocation has not been adequately delivered and received any vote given or poll demanded by a proxy or by a duly appointed representative shall be valid notwithstanding the revocation. For the purpose of this Article, such a notice of revocation delivered in electronic form need not comprise writing if the Board has determined that the relevant proxy appointment in electronic form need not comprise writing.

20.9. **Part 22 of the Act**

20.9.1. If a Member, or any other person appearing to be interested in Shares held by such Member, has been duly served with a notice under section 793 of the Act (a "section 793 notice") and is in default for the prescribed period in supplying to the Company the information thereby required, or, in purported compliance with such a notice, has made a statement which is materially false or inadequate, then the Board may by notice, in its absolute discretion at any time thereafter (a "direction notice") direct that:

- (a) in respect of the Shares to which the default occurred (the “**default Shares**” which expression includes any Shares issued after the date of the section 793 notice in respect of those Shares) the Member shall not be entitled to attend or vote either personally or by proxy at a General Meeting or on a poll; and
- (b) where the default Shares represent at least ¼ of one per cent in nominal value of the issued Shares of their class (calculated exclusive of any Shares of that class held as treasury Shares), the direction notice may additionally direct that in respect of the default Shares:
  - (i) no payment shall be made by way of dividend and no Share shall be allotted pursuant to Article 159; and
  - (ii) no transfer of any default Share shall be Registered unless:
    - (A) the Member is not himself in default as regards supplying the information requested and the transfer when presented for registration is accompanied by a certificate by the Member in such form as the Board may in its absolute discretion require to the effect that after due and careful enquiry the Member is satisfied that no person in default as regards supplying such information is interested in any of the Shares which are the subject of the transfer; or
    - (B) the transfer is an approved transfer; or
    - (C) registration of the transfer is required by the uncertificated securities rules.

**20.10. Copy of notice to interested persons**

The Company shall send the direction notice to each other person appearing to be interested in the default Shares, but the failure or omission by the Company to do so shall not invalidate such notice.

**20.11. When Restrictions cease to have effect**

20.11.1. Any direction notice shall cease to have effect not more than seven days after the earlier receipt by the Company of:

- (a) a notice of an approved transfer, but only in relation to the Shares transferred; or
- (b) all the information required by the relevant section 793 notice, in a form satisfactory to the Board.

## **20.12. Board may cancel restrictions**

The Board may at any time send a notice cancelling a direction notice.

## **20.13. Supplementary provisions**

20.13.1. For the purposes of the Articles:

- (a) A person shall be treated as appearing to be interested in any Shares if the Member holding such Shares has sent to the Company a notification under section 793 of the Act which either (i) names such person as being so interested in the Shares, and (after taking into account the said notification and any other relevant section 793 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the Shares;
- (b) the prescribed period is 14 days from the date of service of the section 793 notice; and
- (c) a transfer of Shares is an approved transfer if:
  - (i) it is a transfer of Shares pursuant to an acceptance of a takeover offer (within the meaning of section 974 of the Act); or
  - (ii) the Board is satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the Shares to a party unconnected with the Member and with any other person appearing to be interested in the Shares; or
  - (iii) the transfer results from a sale made through a recognised investment exchange as defined in the Financial Services and Markets Act 2000 or any other stock exchange outside the United Kingdom on which the Company's Shares are normally traded.

## **20.14. Section 794 of the Act**

Nothing contained in the Articles limits the power of the Company under section 794 of the Act.

## **21. NUMBER OF DIRECTORS**

### **21.1. Limits on number of Directors**

The Directors shall be not be less than three nor more than seven in number, save that the Company may by ordinary resolution from time to time vary the minimum number and/or maximum number of Directors.

## **22. APPOINTMENT OF DIRECTORS**

### **22.1. Appointment by Members**

The Company may by ordinary resolution elect a person who is willing to act to be a Director either to fill a vacancy or as an additional director. The election of a person to fill a vacancy or as an additional director shall take effect from the end of the meeting.

### **22.2. Appointment by Board**

The Board may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director and in either case whether or not for a fixed term provided that the appointment does not cause the number of Directors to exceed the maximum number of Directors set out in Article 20.1. Irrespective of the terms of his appointment, a Director so appointed shall hold office only until the next following Annual General Meeting. If not elected at such Annual General Meeting, he shall vacate office at its conclusion.

### **22.3. No Share qualification**

No Shareholding qualification shall be required for Directors, but Directors shall nevertheless be entitled to hold Shares and, whether or not they hold any Shares, to receive notice of, attend and speak at General Meetings.

## **23. ALTERNATE DIRECTORS**

### **23.1. Power to appoint alternates**

Any Director (other than an alternate Director) may appoint any other Director, or any other person approved by resolution of the Board and willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him. An alternate Director shall not be required to hold any Share qualification.

### **23.2. Alternatives entitled to receive notice**

An alternate Director shall be entitled to receive notice of all meetings of the Board and of all meetings of committees of the Board of which his appointor is a Member, to attend and vote at any such meeting at which his appointor is not personally present, and generally to perform all the functions of his appointor (except as regards his power to appoint an alternate Director) as a Director in his absence. It shall not be necessary to send notice of such a meeting to an alternate Director who is absent from the United Kingdom.

### **23.3. Alternates representing more than one Director**

A Director or any other person may act as alternate Director for more than one Director and at meetings of the Board or any committee of the Board such alternate Director shall be

entitled to one vote for every Director whom he represents (and who is not present) in addition to his own vote (if any) as a Director, but he shall count as only one Director for the purpose of determining whether a quorum is present.

**23.4. Expenses and remuneration of alternates**

An alternate Director may be repaid by the Company such expenses as might properly have been repaid to him if he had been a Director but shall not be entitled to receive any remuneration from the Company in respect of his services as an alternate Director. An alternate Director shall be entitled to be indemnified by the Company to the same extent as if he were a Director.

**23.5. Termination of appointment**

An alternate Director shall cease to be an alternate Director:

23.5.1. if his appointor ceases to be a Director; or

23.5.2. on the happening of any event which, if he were Director, would cause him to vacate his office as Director; or

23.5.3. if he resigns his office by notice to the Company.

**23.6. Method of appointment and revocation**

Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment and shall take effect in accordance with the terms of the notice (subject to any approval required by Article 22.1).

**23.7. Alternate not an agent of appointor**

Except as otherwise expressly provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director. Accordingly, except where the context otherwise requires, a reference to a Director shall be deemed to include a reference to an alternate Director. An alternate Director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

**24. POWER OF THE BOARD**

**24.1. Business to be managed by Board**

Subject to these Articles and to any directions given by special resolution, the business of the Company shall be managed by the Board which may exercise all the powers of the Company, including the power to dispose of all or any part of the undertaking of the Company. No alteration of these Articles and no such direction or regulation made by the Company in a General Meeting shall invalidate any prior act of the Board which would have been valid if



that alteration or the regulation had not been made or the direction had not been given. The powers given by this Article shall not be limited by any special power given to the Board by these Articles. A meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.

#### **24.2. Unanimous consents of the Board**

24.2.1. The unanimous consent of the Board shall be required before the Company:

- (a) enters into any guarantee or indemnity;
- (b) incurs any debt in the nature of borrowings;
- (c) grants any security over its assets;
- (d) makes any material changes to the nature of its business; or
- (e) expands its business into a foreign jurisdiction.

#### **24.3. Exercise by Company of Voting rights**

The Board may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in such a manner and in all respects as it thinks fit (including the exercise of that power in favour of any resolution appointing its Members or any of them as Directors of such body corporate, or voting or providing for the payment of remuneration to the Directors of such body corporate).

### **25. DELEGATION OF THE POWERS OF THE BOARD**

#### **25.1. Committees of the Board**

The Board may delegate any of its powers to any committee consisting of such Directors, or any other person, as the Board thinks fit. The Board may also delegate to any Director holding any executive office such of its powers as the Board considers desirable to be exercised by him. Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub-delegate to one or more Directors (whether or not acting as a committee) or to any employee or agent of the Company all or any of the powers delegated and may be made subject to such conditions as the Board may specify, and may be revoked or altered. Any person, other than a Director, who the Directors co-opt onto any committee, may enjoy voting rights in the committee. Subject to any conditions imposed by the Board, the proceedings of a committee with two or more Members shall be governed by these Articles regulating the proceedings of Directors so far as they are capable of applying and are not superseded by any conditions made by the Board under this Article. Any committee formed to consider the remuneration of the Directors shall consist exclusively of non-executive Directors.

**25.2. Local management**

The Board may from time to time provide for the management and transaction of the affairs of the Company in any specified locality whether at home or abroad in such manner as they think fit and the provisions contained in Article 23.3 shall be without prejudice to the general power conferred by this Article. .

**25.3. Local Boards etc.**

The Board may establish local or divisional Boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be Members of the local or divisional Boards, or any managers or agents, and may determine their remuneration. The Board may delegate to any local or divisional Board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board, with power to sub-delegate, and may authorise the Members of any local or divisional Board, or any of them, to fill any vacancies and to act notwithstanding vacancies. Any appointment or delegation made pursuant to this Article may be made on such terms and subject to such conditions as the Board may decide. The Board may remove any person so appointed and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it..

**25.4. Agents**

The Board may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes, with such powers, authorities and discretions (not exceeding those vested in the Board) and on such conditions as the Board determines, including authority for the agent to delegate all or any of his powers, authorities and discretions, and may revoke or vary such delegation.

**25.5. Offices including title 'Director'**

The Board may appoint any person to any office or employment having a designation or title including the word "Director" (whether as associate group directors, divisional, departmental, deputy, assistant, local, advisory or otherwise) or attach to any existing office or employment with the Company such a designation or title and may define, vary, limit and restrict the powers, authorities and discretions of persons so appointed and may determine their recommendations and duties and, subject to any contract between such a person and the Company, may terminate any such appointment or the use of any such designation or title. The inclusion of the word "Director" in the designation or title of any such office or employment shall not imply that the Holder is a Director of the Company, and the Holder shall not thereby be empowered in any respect to act as, or be deemed to be, a Director of the Company for any of the purposes of these Articles.

**26. DISQUALIFICATION AND REMOVAL OF THE DIRECTORS**

**26.1. Disqualification as a Director**

**26.1.1. The office of a Director shall be vacated and he shall automatically cease to be a Member of any committee if:**

- (a) he ceases to be a Director by virtue of any provisions of the Act or these Articles or he becomes prohibited by law from being a Director; or**
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally or shall apply to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act; or**
- (c) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984; or**
- (d) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or**
- (e) a registered medical practitioner who is treating him gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months; or**
- (f) he resigns his office by a written notice received by the Company or if he tenders his resignation in writing to the Board and the Board resolves to accept it or, having been appointed for a fixed term, the term expires; or**
- (g) he has been absent for more than six consecutive months (without permission of the Board) from meetings of the Board held during that period and his alternate Director (if any) has not attended in his place during that period and the Board resolves that his office be vacated; or**
- (h) he is requested by the Board to resign by a notice in writing signed by no fewer than three-quarters of the other Directors and received by the Company. Such a request can consist of several documents in the same form signed by one or more Directors. In calculating the number of Directors who are required to make such a request to the Director:**
  - (i) an alternate Director appointed by him acting in his capacity as such shall be excluded; and**

- (ii) a Director and any alternate Director appointed by him and acting in his capacity as such shall constitute a single Director for this purpose, so that signature by either shall be sufficient; or
- (i) he is removed from office by a resolution of the Board passed at a meeting of the Board at which every Director is present (other than the holder of the office to be vacated) and in respect of which no fewer than three-quarters of the other Directors have voted in favour. In calculating the number of Directors who are required to pass such a resolution:
  - (i) an alternate Director appointed by him acting in his capacity as such shall be excluded; and
  - (ii) a Director and any alternate Director appointed by him and acting in his capacity as such shall constitute a single Director for this purpose; or
- (j) being the holder of any other office or place of profit under the Company or under any Subsidiary Undertaking of the Company he vacates or is removed from that office or place of profit for any reason and the Board passes a resolution or signs a notice in accordance with paragraph (h) or (i) above that his office of Director be vacated; or
- (k) without the approval of the Board he is or becomes a director, auditor or other officer of any company carrying on business similar to that carried on by the Company or any Subsidiary Undertaking of the Company or has a Conflict which is not approved by the Board in accordance with Article 28 and, in either case, the Board resolves by a majority decision that his office be vacated.

## **26.2. Power of Company to remove Director**

The Company may without prejudice to the provisions of the Act, by ordinary resolution remove any Director from office (notwithstanding any provision of these Articles or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement). Special notice must be given of any resolution to remove a Director in accordance with this Article but no Director proposed to be removed in accordance with this Article has any special right to protest against his removal.

## **27. REMUNERATION OF NON-EXECUTIVE DIRECTORS**

### **27.1. Ordinary remuneration**

The ordinary remuneration of the Directors who do not hold executive office for their services shall in aggregate not exceed the sum of £50,000 or such amount as

may from time to time be determined by ordinary resolution and shall be divided among the non-executive Directors in such proportion or manner as the Board may determine.

**27.2. Additional remuneration for special services**

Any Director who does not hold executive office and who by the request of the Board goes or resides abroad for any purpose of the Company or otherwise performs special services which in the opinion of the Board are outside the scope of the ordinary duties of a Director, may (without prejudice to the provisions of Article 26.1) be paid such extra remuneration by way of salary, commission or otherwise as the Board may determine.

**28. DIRECTORS' EXPENSES**

**28.1. Directors may be paid expenses**

The Directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board, General Meetings or separate meetings of the Holders of debentures of the Company or otherwise in connection with the discharge of their duties. The Company may also fund a Director's expenditure and that of a Director of any Subsidiary Undertaking of the Company for the purposes permitted under the Act and may do anything to enable a Director or a Director of any Subsidiary Undertaking of the Company to avoid incurring such expenditure as provided in the Act.

**29. EXECUTIVE DIRECTORS**

**29.1. Appointment to executive office**

29.1.1. The Board may appoint one or more of its body to be the holder of any executive office (except that of auditor) in the Company and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made on such terms, including terms as to remuneration, as the Board determines. The Board may revoke or vary any such appointment but without prejudice to any rights or claims which the person whose appointment is revoked or varied may have against the Company because of the revocation or variation.

29.1.2. Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any rights or claims which he may have against the Company by reason of such cessation. A Director appointed to an executive office shall not cease to be a Director merely because his appointment to such executive office terminates.

**29.2. Emoluments to be determined by the Board**

The emoluments of any Director holding executive office for his services as such shall be determined by the Board or a remuneration committee established by the Board for this purpose, and may be of any description, including without limitation, admission to, or continuance of, Membership of any scheme (including any Share acquisition scheme) or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependents on or after retirement or death, apart from Membership of any such scheme or fund.

13.1.1

## **30. DIRECTORS' INTERESTS**

### **30.1. Conflicts of interest requiring board authorisation**

- 30.1.1. The Board may, subject to the quorum and voting requirements set out in this Article, authorise any matter which would otherwise involve a Director breaching his duty under the Act to avoid conflicts of interest (a **"Conflict"**).
- 30.1.2. A Director will be regarded as having a Conflict if he or a Connected person holds office as director, an employee, officer, agent, adviser to, manager of, nominee or general partner for another company, partnership or other person (including any unit trust, investment trust, limited partnership or general partnership) which, in the opinion of any other Director, competes with or may in the future compete with the business of the Company.
- 30.1.3. A Director will be regarded as having a Conflict if without the prior authorisation of the Board, he (or any Connected person of his) has or may acquire, directly or indirectly, a financial interest in a Business Relationship at a time when the Company has already entered into a Business Relationship with the same counterparty or where the Company would have a reasonable prospect of entering into a Business Relationship with that counterparty if members of the Board became aware of that prospect.
- 30.1.4. A Director will be regarded as having a Conflict if he fails to introduce to the Company an opportunity to enter into or to tender for a Business Relationship of which he or a Connected person becomes aware or should have been aware.
- 30.1.5. For these purposes: **"Business Relationship"** means any equity or loan transaction of the nature customarily undertaken by the Company.
- 30.1.6. A Director seeking authorisation in respect of a Conflict shall declare to the Board the nature and extent of his interest in a Conflict as soon as is reasonably practicable. The Director shall provide the Board with such details of the relevant matter as is necessary for the Board to decide how to address the Conflict together with such additional information as may be requested by the Board.

30.1.7. Any Director (including the relevant Director) may propose that the relevant Director be authorised to count in the quorum and vote in relation to any matter, which is the subject of a Conflict. Such proposal and any other matter may be proposed to and resolved upon by the Board under the provisions of these Articles save that: the relevant Director and any other Director with a similar interest shall not count towards the quorum nor vote on any resolution giving such authority; and the relevant Director and any other Director with a similar interest may, if the other Members of the Board so decide, be excluded from any Board meeting while the Conflict is under consideration.

30.1.8. Where the Board gives authority in relation to a Conflict:

- (a) the Board may (whether at the time of giving the authority or subsequently):
  - (i) require that the relevant Director is excluded from the receipt of information, the participation in discussion and/or the making of decisions (whether at meetings of the Board or otherwise) related to the Conflict; and
  - (ii) impose upon the relevant Director such other terms for the purpose of dealing with the Conflict as it may determine;
- (b) the relevant Director will be obliged to conduct himself in accordance with any terms imposed by the Board in relation to the Conflict;
- (c) the Board may provide that where the relevant Director obtains (otherwise than through his position as a Director of the Company) information that is confidential to a third party, the Director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;
- (d) the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
- (e) the Board may revoke or vary such authority at any time but this will not affect anything done by the relevant Director prior to such revocation in accordance with the terms of such authority.

## 30.2. **Other conflicts of interest**

30.2.1. If a Director is in any way directly or indirectly interested in a proposed contract with the Company or a contract that has been entered into by the Company, he must declare the nature and extent of that interest to the Directors in accordance with the Act and Article 28.1.

**30.2.2.** If his Conflict has been authorised by the Board a Director may:

- (a) be party to, or otherwise interested in, any contract with the Company or in which the Company has a direct or indirect interest;
- (b) hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director for such period and upon such terms, including as to remuneration, as the Board may decide;
- (c) act by himself or through a firm with which he is associated in a professional capacity for the Company or any other company in which the Company may be interested (otherwise than as an auditor);
- (d) be or become a Director or other officer of, or employed by or otherwise be interested in any Subsidiary Undertaking company of the Company or any other company in which the Company may be interested; and
- (e) be or become a Director of any other company in which the Company does not have an interest and which cannot reasonably be regarded as giving rise to a Conflict at the time of his appointment as a Director of that other company.

**30.3. Benefits arising from Conflicts**

A Director shall not, by reason of his office or of the fiduciary relationship thereby established, be liable to account to the Company for any remuneration, profit or other benefit which he derives from any matter which involves a Conflict and no contract shall be liable to be avoided on the grounds of a Director having any type of Conflict if, in either case, that Conflict has been authorised by the Board.

**30.4. Quorum and voting requirements**

**30.4.1.** Director shall not be counted in the quorum in relation to any resolution of the Board concerning any situation in which he has a Conflict or his own appointment, or the settlement or variation of the terms or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested.

**30.4.2.** Where proposals are under consideration concerning the appointment, or the settlement or variation of the terms or the termination of the appointment, of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in that case each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution unless it concerns his own appointment or the settlement or variation of the terms or the termination of his own appointment or the appointment of another Director to an



office or place of profit with a company in which the Company is interested and the Director seeking to vote or be counted in the quorum has a Relevant Interest in it.

30.4.3. A Director shall not vote on any resolution of the Board concerning any situation in which he has a Conflict (including in respect of any contract in which he has an interest) and, if he shall do so, his vote shall not be counted, but this prohibition shall not apply to any resolution where that Conflict or interest arises only from one or more of the following matters:

- (a) the giving to him of any guarantee, indemnity or security in respect of money lent or obligations undertaken by him or by any other person at the request of or for the benefit of the Company or any of its Subsidiary Undertakings;
- (b) the giving to a third party of the guarantee, indemnity or security in respect of a debt or obligation of the Company or any of its Subsidiary Undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) the giving to him of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;
- (d) the funding by the Company of his expenditure on defending proceedings or the doing by the Company of anything to enable him to avoid incurring such expenditure where all other Directors are being offered substantially the same arrangements;
- (e) where the Company or any of its Subsidiary Undertakings is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;
- (f) any contract in which he is interested by virtue of his interest in Shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;
- (g) any contract concerning any other company (not being a company in which the Director has a Relevant Interest as defined in Article 28.5) in which he is interested directly or indirectly whether as an officer, Member, creditor or otherwise;
- (h) any contract concerning the adoption, modification or operation of a pension fund, superannuation or similar scheme or retirement, death or disability benefits scheme or Employee Share Scheme which relates both to Directors and employees of the Company or of any of its Subsidiary Undertakings and does not provide in respect of any Director as such any

privilege or advantage not accorded to the employees to which the fund or scheme relates;

- (i) any contract for the benefit of employees of the Company or of any of its Subsidiary Undertakings under which he benefits in a similar manner to the employees and which does not accord to any Director as such any privilege or advantage not accorded to the employees to whom the contract relates; and
- (j) any contract for the purchase or maintenance of insurance against any liability for the benefit of any Director or Directors or for the benefit of any persons who include a Director or Directors; and

30.4.4. In relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.

30.4.5. Where a company in which a Director has a Relevant Interest as defined in Article 28.5.2, is interested in a contract, he also shall be deemed interested in that contract.

30.4.6. If any question shall arise at any meeting of the Board as to the interest of a Director (other than the chairman of the meeting) in a contract and whether it is likely to give rise to a Conflict or as to the entitlement of any Director (other than the chairman of the meeting) to vote or be counted in the quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, the question shall be referred to the chairman of the meeting and his ruling in relation to the Director concerned shall be conclusive except in a case where the nature or extent of the Director's interest (so far as it is known to him) has not been fairly disclosed to the Board. If any question shall arise in respect of the chairman of the meeting, the question shall be decided by a resolution of the Board (on which the chairman of the meeting shall not vote) and the resolution 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 Board.

30.4.7. Subject to these Articles, the Board may also cause any voting power conferred by the Shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit, including the exercise of the voting power or power of appointment in favour of the appointment of the Directors or any of them as Directors or officers of the other company, or in favour of the payment of remuneration to the Directors or officers of the other company. Subject to these Articles, a Director may also vote on and be counted in the quorum in relation to any of such matters.

## 30.5. General

30.5.1. References in these Articles to a “**contract**” include references to any proposed contract and to any transaction or arrangement or proposed transaction or arrangement whether or not constituting a contract.

30.5.2. A “**Relevant Interest**” means an interest held by a Director in one per cent or more of any classes of Shares in the capital of a company (calculated exclusive of any Shares of that class in that company held as treasury Shares) or of the voting rights available to Members of that company if and so long as the Director is to his knowledge (either directly or indirectly) the holder of or beneficially interested in such an interest.

30.5.3. The Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any contract not properly authorised by reason of a contravention of these Articles.

## **31. PROCEEDINGS OF THE BOARD**

### **31.1. Convening meetings**

Subject to the provisions of these Articles, the Board may regulate its proceedings as it thinks fit. A Director may and the Secretary at the request of a Director shall, call a meeting of the Board. Notice of a Board meeting shall be deemed to be properly sent to a Director if it is given to him personally or by word of mouth or sent by instrument to him, at his last known address or such other address (if any) or sent by electronic means to such address (if any) as may for the time being be notified by him or on his behalf to the Company for that purpose. It shall not be necessary to send notice of a Board meeting to a Director who is for the time being absent from his last known address or such other address (if any) for the time being notified by him or on his behalf to the Company and who has provided no forwarding address or who, having provided such address, cannot be contacted after reasonable attempts to do so. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. Any Director may waive notice of a meeting and any such waiver may be retrospective. Any communication by electronic means pursuant to this Article need not comprise writing if the Board so determines.

### **31.2. Quorum**

The quorum for the transaction of the business of the Board may be determined by the Board and unless so determined at any other number shall be two. A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum. Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board or committee meeting if no Director objects.

### **31.3. Powers of Directors if number falls below minimum**

The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number determined to be the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a General Meeting.

**31.4. Chairman and deputy chairman**

The Board may appoint one of the Directors to be the chairman, and one of the Directors to be the deputy chairman, of the Board and may at any time remove either of them from such office. Unless he is unwilling to do so, the Director appointed as chairman, or in his stead the Director appointed as deputy chairman, shall preside at every meeting of the Board at which he is present. If there is no Director holding either of those offices, or if neither the chairman nor the deputy chairman is willing to preside or if neither of them is present within five minutes after the time appointed for the meeting, the Directors present may appoint one of the present Directors to be chairman of the meeting.

**31.5. Validity of acts of the Board**

All acts done by a meeting of the Board or of a committee of the Board or by a person acting as a Director or alternate Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or any Member of the committee or alternate Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or, as the case may be, an alternate Director and had been entitled to vote.

**31.6. Resolutions in writing**

31.6.1. A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Board or of a committee of the Board (not being less than the number of Directors required to form a quorum of the Board) shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held.

31.6.2. For this purpose:

- (a) a resolution may be by means of an instrument or a communication in electronic form sent to such address (if any) for the time being notified by the Company for that purpose;
- (b) a resolution may consist of several instruments or communications in electronic form, each signed by one or more Directors, or a combination of both;

- (c) a resolution signed by an alternate Director need not also be signed by his appointor; and
- (d) a resolution signed by a Director who has appointed an alternate Director need not also be signed by the alternate Director in that capacity.

**31.7. Meetings by telephone etc.**

A person entitled to be present at a meeting of the Board or of a committee of the Board shall be deemed to be present for all purposes if he is able (directly or by telephone) to speak to and be heard by all those present or deemed to be present simultaneously. A Director so deemed to be present shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where it is convened to be held or (if no Director is present in that place) where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is located. The word **meeting** in these Articles shall be construed accordingly.

**32. BORROWING POWERS**

The Board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures (whether secured, unsecured or subordinated and whether convertible into Shares of any class) and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

**33. GRATUITIES PENSION AND INSURANCE**

**33.1. Gratuities and pensions**

Without prejudice to the general powers conferred by Article 22.1 and so as not to limit or restrict those powers, the Board may, subject to such conditions as they may determine (by establishment of, or maintenance of, schemes or otherwise) establish and support or aid in the establishment of such associations, institutions, clubs, trusts, funds or provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present Director or employee or ex-employee of the Company or any of its Subsidiary Undertakings or any body corporate associated with, or any business acquired by, any of them, and for any Member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

**33.2. Insurance**

The Board may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any person who is or was:

- (a) a Director, officer, or employee of the Company, or any body which is or was the holding company or Subsidiary Undertaking of the Company, or in which the Company or such holding company or Subsidiary Undertaking has or had any interest (whether direct or indirect) or with which the Company or such holding company or Subsidiary Undertaking is or was in any way allied or associated; or
- (b) a trustee of any pension fund in which employees of the Company or any other body referred to in Article 31.4 is or has been interested,

including insurance against any liability incurred by such person in respect of any act or omission in the actual or purported execution or discharge of his duties or in the exercise or purported exercise of his powers or otherwise in relation to his duties, powers or offices in relation to the relevant body or fund.

### **33.3. Directors not liable to account**

No Director or former Director shall be accountable to the Company or the Members for any benefit provided pursuant to Articles 33.1 and 33.2. The receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

### **33.4. Provision for employees**

The Board is hereby authorised to make such provision as may seem appropriate for the benefit of any persons employed or formerly employed by the Company or any of its Subsidiary Undertakings in connection with the cessation or the transfer of the whole or part of the undertaking of the Company or any Subsidiary Undertaking. Any such provision shall be made by a resolution of the Board in accordance with the Act.

## **34. REGISTERS**

### **34.1. Overseas and local registers**

Subject to the provisions of the Act and the uncertificated securities rules, the Company may keep an overseas or local or other Register in any place, and the Board may make, amend and revoke any regulations it thinks fit about the keeping of that Register.

### **34.2. Authentication and certification of copies and extracts**

34.2.1. Any Director or any other person appointed by the Board for the purpose, shall have power to authenticate and certify as true copies of and extracts from:

- (a) any document comprising or affecting the constitution of the Company, whether in physical form or electronic form;

- (b) any resolution passed by the Company, the Holders of any class of Shares in the capital of the Company, the Board or any committee of the Board, whether in physical form or electronic form; and
- (c) any book, record or document relating to the business of the Company, whether in physical form or electronic form (including the accounts).

34.2.2. If certified in this way, a document purporting to be a copy of a resolution, or the minutes or an extract from the minutes of a meeting of the Company, the Holders of any class of Shares in the capital of the Company, the Board or a committee of the Board, whether in physical form or electronic form, shall be conclusive evidence in favour of all persons dealing with the Company in reliance on it or them that the resolution was duly passed or that the minutes are, or the extract from the minutes is, a true and accurate record of proceedings at a duly constituted meeting.

### **34.3. Certificates for Shares and debentures**

The Board may by resolution determine either generally or in any particular case that any certificate for Shares or debentures or representing any other form of security may have any signature affixed to it by some mechanical or electronic means, or printed on it

## **35. CAPITALISATION OF PROFITS AND RESERVES**

### **35.1. Power to transfer profits to reserves**

The Directors may before making any such distribution out of the profits of the Company deduct and set aside such sums or sums as they may think fit as a reserve or reserves (including retained earnings) which shall at the discretion of the Directors be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may at the like discretion be invested or employed in the business of the Company as the Directors may decide. The Board may divide the reserve into such special funds as it thinks fit and may consolidate into one fund such special funds or any parts of any special funds into which the reserve may have been divided as it thinks fit. Any sum which the Directors may carry to reserve out of unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Directors may also, without placing the same to reserve, carry forward any profits which they may think prudent not to distribute.

### **35.2. Power to capitalise**

35.2.1. The Board may with the authority of an ordinary resolution of the Company:

- (a) subject to the provisions of this Article, resolve to capitalise any undistributed profits of the Company not required to pay for any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or other fund (including retained

earnings) including the Company's Share premium account and capital redemption reserve, if any;

- (b) appropriate the sum resolved to be capitalised to the Members or any class of Members on the record date specified in the relevant resolution who would have been entitled to it if it were distributed by way of dividend and in the same proportions;
- (c) (if the amount of the net assets of the Company at that time is not less than the aggregate of its called up Share capital and undistributable reserves as shown in its latest audited accounts or such other accounts as may be relevant and would not be reduced below that aggregate by the payment) apply and pay that sum on their behalf either in or towards paying up the amounts if any, for the time being unpaid on any Shares, debentures or other obligation of the Company of a nominal amount equal to that sum but the Share premium account, the capital redemption reserve, and any profits which are not available for distribution may only be applied in paying up unissued Shares to be allotted to Members credited as fully paid and where the amount capitalised is applied in paying up in full unissued Shares, the Company will also be entitled to participate in the relevant distribution in relation to any Shares of the relevant class held by it as treasury Shares and the proportionate entitlement of the relevant class of Members to the distribution will be calculated accordingly;
- (d) allot the Shares, debentures or other obligations credited as fully paid to those Members, or as they may direct, in those proportions, or partly in one way and partly in the other;
- (e) where Shares or debentures become, or would otherwise become, distributable under this Article in fractions, make such provision as they think fit for any fractional entitlements including authorising their sale and transfer to any person, resolving that the distribution be made as nearly as practicable in the correct proportion but not exactly so, ignoring fractions altogether or resolving that cash payments be made to any Members in order to adjust the rights of all parties;
- (f) authorise any person to enter into an agreement with the Company on behalf of all the Members concerned providing for either:
  - (i) the allotment to the Members respectively, credited as fully paid, of any Shares, debentures or other obligations to which they are entitled on the capitalisation; or
  - (ii) the payment up by the Company on behalf of the Members of the amounts, or any part of the amounts, remaining unpaid on their



existing Shares by the application of their respective proportions of the sum resolved to be capitalised,

(iii) and any agreement made under that authority shall be binding on all such Members; and

(g) generally do all acts and things required to give effect to the ordinary resolution.

## **36. RECORD DATES**

### **36.1. Record dates for dividends etc.**

36.1.1. Notwithstanding any other provision of these Articles, the Company or the Board may:

- (a) determine the date as the record date for any dividend, distribution, allotment or issue, which may, on or at any time before or after any date on which the dividend, distribution, allotment or issue is recommended, be paid or made;
- (b) for the purpose of determining which persons are entitled to attend and vote at a General Meeting of the Company, or a separate General Meeting of the Holders of any class of Shares in the capital of the Company, and how many votes such persons may cast, specify in the notice of meeting a time, not more than 48 hours before the time determined for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting: changes to the Register after the time specified by virtue of this Article 35 shall be disregarded in determining the rights of any person to attend or vote at the meeting; and
- (c) for the purpose of sending any notice or other document or information pursuant to these Articles, the Act or other rules and regulations applicable to the Company, determine that the persons entitled to receive such notices, documents or information are those entered on the Register at the close of business on a day determined by the Company or the Board, which day shall not be more than 21 days before the day that such the relevant notice, document or information is sent.

## **37. ACCOUNTS**

### **37.1. Rights to inspect records**

No Member shall have any right under the Articles to inspect any accounting records or other book or document of the Company except as conferred by statute or authorised by the Board or by ordinary resolution of the Company or order of a court of competent jurisdiction.

## **38. NOTICES**

### **38.1. Methods of Company sending notice**

38.1.1. The Company shall send any notice or other document or information pursuant to these Articles, the Act or other Legislation, rules and regulations applicable to the Company to a Member by whichever of the following methods it may in its absolute discretion determine:

- (a) personally; or
- (b) by posting the notice or other document in a pre-paid envelope addressed, in the case of a Member, to his Registered address, or in any other case, to the person's usual address; or
- (c) by leaving the notice or other document at that address; or
- (d) if the Member has agreed (generally or specifically) that the document or information may be sent or supplied using electronic means (and has not revoked that agreement), by sending the notice or other document using electronic means to such address (if any) for the time being notified to the Company by or on behalf of the Member for that purpose (generally or specifically); or
- (e) in accordance with Article 37.2; or
- (f) by any other method approved by the Board.

### **38.2. Website publication by Company**

38.2.1. The Company may also send any notice or other document or information pursuant to these Articles, the Act or other Legislation, rules and regulations applicable to the Company to a Member by publishing that notice or other document or information on a website where:

- (a) the Member has agreed (or is taken to have agreed in accordance with the Act) to him having access to the notice or document or information on a website (instead of it being sent to him);
- (b) the notice or document is one to which that agreement applies;
- (c) the Member is notified, in writing, of:
  - (i) the publication of the notice or document on a website;

- (ii) the address of that website;
- (iii) the place on that website where the notice or document may be accessed, and how it may be accessed; and
- (d) the notice or document is published on that website throughout the publication period, provided that, if the notice or document is published on that website for part but not all of the publication period, the notice or document shall be treated as being published throughout that period if the failure to publish that notice or document throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.

### **38.3. Publication period**

#### **38.3.1. In Article 38.2 means:**

- (a) in the case of a notice of an adjourned meeting a period of not less than seven Clear Days before the date of the adjourned meeting, beginning on the day following that on which the notification referred to in Article 37.2(c) above is sent or (if later) is deemed sent;
- (b) in the case of a notice of a poll a period of not less than seven Clear Days before the taking of the poll, beginning on the day following that on which the notification referred to in Article 37.2(c) above is sent or (if later) is deemed sent;
- (c) otherwise, for the applicable notice period specified in these Articles or any applicable provision of the Act; and
- (d) in any other case, a period of not less than 28 days, beginning on the day following that on which the notification referred to in Article 37.2(c) above is sent or (if later) is deemed sent.

### **38.4. Methods of Member etc. sending notice**

#### **38.4.1. Unless otherwise provided by these Articles, a Member or a person entitled by transmission to a Share shall send any notice or other document pursuant to these Articles to the Company by whichever of the following methods he may in his absolute discretion determine:**

- (a) by posting the notice or other document in a pre-paid envelope addressed to the Office; or
- (b) by leaving the notice or other document at the Office; or

- (c) by sending the notice or other document by electronic means to such address (if any) for the time being notified by or on behalf of the Company for that purpose.

**38.5. Notice to joint Holders**

In the case of joint Holders of a Share, all notices or other documents shall be sent to the joint Holder whose name stands first in the Register in respect of the joint holding. Any notice or other document so sent shall be deemed for all purposes sent to all the joint Holders. Anything to be agreed or specified in relation to any notice, document or other information to be served on or sent or supplied to joint Holders and the agreement or specification of the senior shall be accepted to the exclusion of that of the other joint Holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.

**38.6. Registered address of Member outside UK**

38.6.1. A Member whose Registered address is not within the United Kingdom, Channel Islands or the Isle of Man and who sends to the Company an address within the United Kingdom, Channel Islands or the Isle of Man at which a notice or other document may be sent to him by instrument, or an address to which a notice or other document may be sent to him by electronic means, shall be entitled to have notices or other documents sent to him at that address, or, where applicable, by making them available on a website and notifying the Holder at that address, but otherwise:

- (a) no such Member shall be entitled to receive any notice or other document from the Company; and
- (b) any notice of a General Meeting of the Company which is in fact sent or purports to be sent to such Member shall be ignored for the purpose of determining the validity of the proceedings at such General Meeting.

**38.7. Deemed receipt of notice**

A Member present, either in person or by proxy, at any meeting of the Company or of the Holders of any class of Shares in the capital of the Company shall be deemed to have been sent notice of the meeting and of the purposes for which it was called.

**38.8. Terms and conditions for electronic communications**

The Board may from time to time issue, endorse or adopt terms and conditions relating to the sending of notices, other documents and proxy appointments by the Company in electronic form to Members or persons entitled by transmission and by Members or persons entitled by transmission to the Company.

**38.9. Notice to persons entitled by transmission**

A notice or other document may be sent by the Company to the person or persons entitled by transmission to a Share by sending it in any manner the Company may choose, as authorised by these Articles, for the sending of a notice or other document to a Member, addressed to them by name, or by the title of a representative of the deceased, or trustee of the bankrupt, or by any similar description at the address (if any) in the United Kingdom as may be supplied for that purpose by or on behalf of the person or persons claiming to be so entitled. Until such an address has been supplied, a notice or other document may be sent in any manner in which it might have been sent if the death or bankruptcy or other event giving rise to the transmission had not occurred.

**38.10. Transferees etc. bound by prior notice**

Every person who becomes entitled to a Share shall be bound by any notice in respect of that Share which, before his name is entered in the Register, has been sent to a person from whom he derives his title, provided that no person who becomes entitled by transmission to a Share shall be bound by any direction notice sent under Article 37.9 to a person from whom he derives his title.

**38.11. Proof of sending/when notices etc. deemed sent by post**

38.11.1. Proof that an envelope containing a notice or other document was properly addressed, prepaid and posted shall be conclusive evidence that the notice or document was sent. Proof that a notice or other document contained in electronic form was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators current at the date of adoption of these Articles, or, if the Board so resolves, any subsequent guidance so issued, shall be conclusive evidence that the notice or document was sent. A notice or other document sent by the Company to a Member by post shall be deemed to be sent:

- (a) if sent by first class post or special delivery post from an address in the United Kingdom to another address in the United Kingdom, the Channel Islands or the Isle of Man, or by a postal service similar to first class post or special delivery post from an address in another country to another address in that other country, on the day following that on which the envelope containing it was posted; or
- (b) if sent by airmail from an address in the United Kingdom, or from an address in another country to an address outside that country (including an address in the United Kingdom), on the third day following that on which the envelope containing it was posted; or
- (c) in any other case, on the second day following that on which the envelope containing it was posted.

**38.12. When notices etc. deemed sent by electronic means**

A notice or other document sent by the Company to a Member by electronic means shall be deemed sent to the Member on the same day on which it was sent to the Member. Such a notice or other document shall be deemed sent by the Company to the Member on that day notwithstanding that the Company becomes aware that the Member has failed to receive the relevant notice or other document for any reason and notwithstanding that the Company subsequently sends a hard copy of such notice or other document by post to the Member. Any notice, document or other information made available on a website shall be deemed to have been received on the first day of the publication period (as defined in Article 37.3) or, if later, when a notice of availability is received or deemed to have been received pursuant to this Article.

**38.13. Notice includes website notification**

Except when the subject or context otherwise requires, in Articles 2, and Article 37, references to a notice include without limitation references to any notification required by the Act or these Articles in relation to the publication of any notices or other documents on a website.

**38.14. Notice during disruption of services**

If at any time the Company is unable effectively to convene a General Meeting by notices sent through the post in the United Kingdom, by electronic means or by making it available on the website, as a result of the suspension or curtailment of postal services in the United Kingdom or of the relevant communication system in the United Kingdom, notice of a General Meeting may be sufficiently given to the Members affected by advertisement in the United Kingdom. Any notice given by advertisement for the purpose of this Article shall be advertised in at least one newspaper having a national circulation. If advertised in more than one newspaper, the advertisements shall appear on the same date. Such notice shall be deemed to have been sent to all persons who are entitled to have notice of meetings sent to them on the day when the advertisement appears. In any such case, the Company shall send confirmatory copies by post or by electronic means to the persons entitled to receive them or, where applicable, notify the affected Members of availability on the website, if at least five Business Days before the meeting the sending or supply of notices by post, by electronic means or by making it available on a website has again become generally possible.

**38.15. Untraced Members: notices**

If on three consecutive occasions notices sent through the post to any Member at his Registered address or his address for the service of notices have been returned undelivered, or if, after any one such occasion, the Board or any committee authorised by the Board on their behalf are of the opinion, after making all reasonable enquiries, that any further notices to such Member would, if sent as aforesaid, likewise be returned undelivered, such Member shall not thereafter be entitled to receive notices from the Company until he shall have communicated with the Company in respect of his Shares and supplied in writing to the

transfer office a new Registered address or address within the United Kingdom, Channel Islands or the Isle of Man for the service of notices.

**38.16. Request for hard copy notice**

Where a Member has been sent a notice, document or other information by the Company otherwise than in hard copy form, the Company will, without charge, send a copy of such notice, document or other information in hard copy form to the Member concerned within 21 days after receipt by the Company of a request in writing from such Member.

**39. DESTRUCTION OF DOCUMENTS**

**39.1. Power of Company to destroy documents**

39.1.1. The Company shall be entitled to destroy:

- (a) all instruments of transfer of Shares which have been Registered, and all other documents on the basis of which any entry is made in the Register, at any time after the expiration of six years from the date of registration;
- (b) all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address at any time after the expiration of two years from the date of recording;
- (c) all Share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation;
- (d) all paid dividend warrants and cheques at any time after the expiration of one year from the date of actual payment;
- (e) all proxy appointments which have been used for the purpose of a poll at any time after the expiration of one year from the date of use; and
- (f) all proxy appointments which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the proxy appointment relates and at which no poll was demanded.

**39.2. Presumption in relation to destroyed documents**

39.2.1. It shall conclusively be presumed in favour of the Company that:

- (a) every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document destroyed in accordance with Article 39.1 was duly and properly made;

- (b) every instrument of transfer destroyed in accordance with Article 39.1 was a valid and effective instrument duly and properly Registered;
- (c) every Share certificate destroyed in accordance with Article 39.1 was a valid and effective certificate duly and properly cancelled; and
- (d) every other document destroyed in accordance with Article 39.1 was a valid and effective document in accordance with its recorded particulars in the books or records of the Company,

but:

- (e) the provisions of this Article and Article 39.1 apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties) to which the document might be relevant;
- (f) nothing in this Article or Article 39.1 shall be construed as imposing on the Company any liability in respect of the destruction of any document earlier than the time specified in Article 39.1 or in any other circumstances which would not attach to the Company in the absence of this Article or Article 39.1; and
- (g) any reference in this Article or Article 40.1 to the destruction of any document includes a reference to its disposal in any manner.

#### **40. UNTRACED MEMBERS**

##### **40.1. Power to dispose of Shares of untraced Members**

40.1.1. The Company shall be entitled to sell, at the best price reasonably obtainable, the Shares of a Member or the Shares to which a person is entitled by transmission if:

- (a) during the period of 12 years before the date of the publication of the advertisements referred to in Article 39.1.1(b) (or, if published on different dates, the first date) (the “**relevant period**”) at least three dividends in respect of the Shares in question have become due for payment and all dividend warrants and cheques which have been sent in the manner authorised by these Articles in respect of the Shares in question have remained uncashed;
- (b) the Company shall as soon as practicable after expiry of the relevant period have inserted advertisements both in a national daily newspaper and in a newspaper circulating in the area of the last known address of such Member or other person giving notice of its intention to sell the Shares;



- (c) during the relevant period and the period of three months following the publication of the advertisements referred to in Article 39.1.1(b) (or, if published on different dates, the first date) the Company has received no indication either of the whereabouts or of the existence of such Member or person; and
- (d) if the Shares are listed, notice has been sent to the relevant listing authority of the Company's intention to make such sale before the publication of the advertisements.

40.1.2. The Company shall also be entitled to sell at the best price reasonably obtainable at the time of sale any additional Shares in the Company issued either in certificated form or as uncertificated Shares during the relevant period in right of any Share to which paragraph (a) of this Article applies (or in right of any Share so issued), if the criteria in paragraph (a) to (d) are satisfied in relation to the additional Shares.

#### **40.2. Transfer on sale**

40.2.1. To give effect to any sale pursuant to Article 40.1, the Board may:

- (a) where the Shares are held in certificated form, authorise any person to sign an instrument of transfer of the Shares to, or in accordance with the directions of, the buyer; or
- (b) where the Shares are held in uncertificated form, do all acts and things it considers necessary or expedient to effect the transfer of the Shares to, or in accordance with the directions of, the buyer.

#### **40.3. Effectiveness of transfer**

An instrument of transfer signed by that person in accordance with Article 39.2 shall be as effective as if it had been signed by the Holder of, or person entitled by transmission to, the Shares. An exercise by the Company of its powers in accordance with Article 39.2(a) shall be as effective as if exercised by the Registered Holder of or person entitled by transmission to the Shares. The transferee shall not be bound to see to the application of the purchase money, and his title to the Shares shall not be affected by any irregularity in, or invalidity of, the proceedings in reference to the sale.

#### **40.4. Proceeds of sale**

The net proceeds of sale shall belong to the Company which shall be obliged to account to the former Member or other person previously entitled for an amount equal to the proceeds. The Company shall enter the name of such former Member or other person in the books of the Company as a creditor for that amount. In relation to the debt, no trust is created and no interest is payable. The Company shall not be required to account for any money earned on

the net proceeds of sale, which may be used in the Company's business or invested in such a way as the Board from time to time thinks fit.

**41. WINDING UP**

**41.1. Power of Board to petition**

The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

**41.2. Power of liquidator**

If the Company is wound up (whether the liquidation is voluntary, under supervision or by the court), the liquidator may, with the authority of an special resolution, divide among the Members in specie or kind the whole or any part of its assets, and whether or not those assets may consist of property of one kind or of property of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator with the like authority may think fit, and the winding-up may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any Shares or other property in respect of which there is a liability. Subject to the terms of issue, in any winding-up, Shares which are not fully paid shall entitle the Holder only to participate in any surplus assets according to the amounts paid up on such Shares.

**42. INDEMNITY**

**42.1. Indemnity to Directors and officers**

The Company may indemnify any Director, officer or employee of the Company or of any Associated Company against any liability and may purchase and maintain for any Director, officer or employee of the Company or of any associated company insurance against any liability. No Director of the Company or of any Associated Company shall be accountable to the Company or the Members for any benefit provided pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

**43. DISPUTE RESOLUTION**

**43.1. Dispute Resolution**

43.1.1. Any proceeding, suit or action:

- (a) between a Member in that Member's capacity as such and the Company and/or its Directors arising out of or in connection with these Articles or otherwise; and/or
- (b) to the fullest extent permitted by law, between the Company and any of its Directors in their capacities as such or as employees of the Company, including all claims made by or on behalf of the Company against its Directors; and/or
- (c) between a Member in that Member's capacity as such and the Company's professional service providers; and/or
- (d) between the Company and the Company's professional service providers arising in connection with any claim within the scope of this Article 43.1,

may only be brought in the courts of England and Wales, for this purpose "court" shall mean any court of competent jurisdiction or other competent authority including, for the avoidance of doubt, a court or authority in any jurisdiction which is not a signatory to the New York Convention.

- 43.1.2. Damages alone may not be an adequate remedy for any breach of Article 43 so that in the event of a breach or anticipated breach, the remedies of injunction and/or an order for specific performance would in appropriate circumstances be available.