

**THE COMPANIES ACT 2006**

**A PUBLIC COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**(Adopted on 26 April 2018)**

**MAESTRANO GROUP PLC**

The logo for MemeryCrystal, featuring the company name in a serif font. The text is white and is set against a yellow rectangular background that is slightly tilted.

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**MAESTRANO GROUP PLC**

**PART 1**

**INTERPRETATION AND LIMITATION OF LIABILITY**

**1. Defined terms and Interpretation**

1.1 In the articles, unless the context requires otherwise-

|  |   |
|--|---|
| <b>alternate or alternate director</b> | has the meaning given in article 30;  |
| <b>appointor</b>                       | has the meaning given in article 30;  |
| <b>articles</b>                        | means the company's articles of association;  |
| <b>associated company</b>              | companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate;   |
| <b>bankruptcy</b>                      | includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy; |
| <b>board</b>                           | the board of directors of the company from time to time;  |
| <b>call</b>                            | has the meaning given in article 70;  |
| <b>call notice</b>                     | has the meaning given in article 70;  |
| <b>certificate</b>                     | a paper certificate (other than a share warrant) evidencing a person's title to specified shares or other securities;   |

|                                |  |
|--------------------------------|--|
| <b>certificated</b>            | in relation to a share, means that it is not an uncertificated share or a share in respect of which a share warrant has been issued and is current;  |
| <b>chairman</b>                | has the meaning given in article 12;   |
| <b>chairman of the meeting</b> | has the meaning given in article 40;   |
| <b>Companies Acts</b>          | means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;  |
| <b>company's lien</b>          | has the meaning given in article 68;   |
| <b>director</b>                | a director of the company, and includes any person occupying the position of director, by whatever name called;  |
| <b>distribution recipient</b>  | has the meaning given in article 91;   |
| <b>document</b>                | includes, unless otherwise specified, any document sent or supplied in electronic form;  |
| <b>DTR</b>                     | the Disclosure Guidance and Transparency Rules sourcebook of the Financial Conduct Authority;  |
| <b>electronic form</b>         | has the meaning given in section 1168 of the Companies Act 2006;   |
| <b>employees' share scheme</b> | has the meaning given in section 1166 of the Companies Act 2006;   |
| <b>fully paid</b>              | in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;   |
| <b>hard copy form</b>          | has the meaning given in section 1168 of the Companies Act 2006;   |
| <b>holder</b>                  | in relation to shares means the person whose name is entered in the register of members as the holder of the shares, or, in the case of a share in respect of which a share warrant has been issued (and not |

|                                       |  |
|---------------------------------------|--|
|                                       | cancelled), the person in possession of that warrant;  |
| <b>group</b>                          | means the company and each and any of its subsidiaries from time to time and “ <b>group company</b> ” shall be construed accordingly;  |
| <b>instrument</b>                     | a document in hard copy form;  |
| <b>lien enforcement notice</b>        | has the meaning given in article 69;   |
| <b>member</b>                         | has the meaning given in section 112 of the Companies Act 2006;  |
| <b>ordinary resolution</b>            | has the meaning given in section 282 of the Companies Act 2006;  |
| <b>ordinary shares</b>                | ordinary shares of £0.01 each in the capital of the Company;   |
| <b>paid</b>                           | paid or credited as paid;  |
| <b>participate</b>                    | in relation to a directors’ meeting, has the meaning given in article 9;   |
| <b>partly paid</b>                    | in relation to a share means that part of that share’s nominal value or any premium at which it was issued has not been paid to the company;   |
| <b>proxy notice</b>                   | has the meaning given in article 51;   |
| <b>recognised investment exchange</b> | has the meaning given by section 285 of the Financial Services and Markets Act 2000 (as amended, consolidated, restated and re-enacted from time to time);   |
| <b>record date</b>                    | has the meaning given in article 103;  |
| <b>relevant officer</b>               | any director or other officer or former director or other officer of the company or an associated company but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or |

|                           |   |
|---------------------------|---|
|                           | other officer to the extent he acts in his capacity as auditor);  |
| <b>relevant system</b>    | any system used for holding shares in uncertificated form permitted by article 66;  |
| <b>securities seal</b>    | has the meaning given in article 63;  |
| <b>shares</b>             | shares in the company;  |
| <b>special resolution</b> | has the meaning given in section 283 of the Companies Act 2006;   |
| <b>subsidiary</b>         | has the meaning given in section 1159 of the Companies Act 2006;  |
| <b>transfer office</b>    | the place where the register of members of the company is situated;   |
| <b>transmittee</b>        | a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law;  |
| <b>treasury shares</b>    | any shares in the company held in treasury pursuant to the Companies Acts;  |
| <b>uncertificated</b>     | in relation to a share means that, by virtue of legislation (other than section 778 of the Companies Act 2006) permitting title to shares to be evidenced and transferred without a certificate, title to that share is evidenced and may be transferred without a certificate; |
| <b>United Kingdom</b>     | Great Britain and Northern Ireland;   |
| <b>working days</b>       | has the meaning given in section 1173 of the Companies Act 2006; and  |
| <b>writing</b>            | the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.  |

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

- 1.2 Headings in these articles are used for convenience only and shall not affect the construction or interpretation of these articles.
- 1.3 A reference in these articles to an “**article**” is a reference to the relevant article of these articles unless expressly provided otherwise.
- 1.4 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:-
  - (a) any subordinate legislation from time to time made under it; and
  - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.5 Any phrase introduced by the terms “**including**”, “**include**”, “**in particular**” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.6 Neither the model articles for public companies contained in Schedule 3 of The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the date of adoption of these articles, nor any other articles of association (whether prescribed pursuant to the Companies Acts or set out in any other statute, statutory instrument or other subordinate legislation concerning companies) shall apply to the Company.

## **2. Liability of members**

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

## **PART 2 DIRECTORS AND SECRETARY**

### **DIRECTORS' POWERS AND RESPONSIBILITIES**

## **3. Directors' general authority**

Subject to the Companies Act 2006 and the articles, the directors are responsible for

the management of the company's business, for which purpose they may exercise all the powers of the company.

**4. Members' reserve power**

4.1 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.

4.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

**5. Directors may delegate**

5.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:-

- (a) to such person or committee;
- (b) by such means (including by power of attorney);
- (c) to such an extent;
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions,

as they think fit.

5.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

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

**6. Committees**

6.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

6.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

## **DECISION-MAKING BY DIRECTORS**

### **7. Directors to take decisions collectively**

Decisions of the directors may be taken:

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

### **8. Calling a directors' meeting**

8.1 Any director may call a directors' meeting by giving not less than 5 working days' notice of the meeting or such shorter notice as all the directors shall agree or may authorise the company secretary to give such notice.

8.2 A directors' meeting is called by giving notice of the meeting to the directors.

8.3 Notice of any directors' meeting must indicate:-

- (a) its proposed date and time;
- (b) where it is to take place; and
- (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

8.4 Notice of a directors' meeting must be given to each director, but need not be in writing.

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

### **9. Participation in directors' meetings**

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

- (a) the meeting has been called and takes place in accordance with the articles, and

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

9.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other and, for the avoidance of doubt, directors may attend and vote at meetings via telephonic communication.

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

**10. Quorum for directors' meetings**

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

10.2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors and unless otherwise fixed it is two. An alternate director who is not himself a director shall be counted in a quorum.

**11. Meetings where total number of directors less than quorum**

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

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

11.3 If there is more than one director:-

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

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

**12. Chairing directors' meetings**

12.1 The directors may appoint a director to chair their meetings.

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

- 12.3 The directors may appoint other directors as deputy or assistant chairmen to chair directors' meetings in the chairman's absence.
- 12.4 The directors may terminate the appointment of the chairman, deputy or assistant chairman at any time.
- 12.5 If neither the chairman nor any director appointed generally to chair directors' meetings in the chairman's absence is participating in a meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

**13. Voting at directors' meetings: general rules**

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

**14. Chairman's casting vote at directors' meetings**

- 14.1 If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting does not have a casting vote.

**15. Alternates voting at directors' meetings**

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

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

**16. Conflicts of interest**

- 16.1 Subject to the provisions of article 16.2, if a directors' meeting, or part of a directors' meeting, is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in that meeting, or part of a meeting, for quorum or voting purposes.
- 16.2 A director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in a decision at a directors' meeting, or part of a directors' meeting, relating to it for quorum and voting purposes, when:-
- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in, or voting at, a directors' meeting;
  - (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
  - (c) the director's conflict of interest arises from a permitted cause.
- 16.3 For the purposes of this article, the following are permitted causes:-
- (a) any security, guarantee or indemnity given to a director in respect of money lent by him or obligations undertaken by him at the request of or for the benefit of the company or any of its subsidiary undertakings;
  - (b) any security given by the company to a third party in respect of a debt or obligation of the company or any of its subsidiary undertakings which the director has himself guaranteed or secured in whole or in part;
  - (c) any contract or arrangement by a director to subscribe for shares, debentures or other securities of the company issued or to be issued pursuant to any offer or invitation to members or debenture holders of the company or any class thereof or to the public or any section thereof, or to underwrite any shares, debentures or other securities of the company;
  - (d) any contract or arrangement 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;
  - (e) any contract or arrangement concerning any other company in which he is interested directly or indirectly as a shareholder holding less than 1% of any class of the equity share capital of, or the voting rights in such company as an

officer, shareholder, creditor or otherwise howsoever;

- (f) any proposal concerning the adoption, modification or operation of an Employees' Share Scheme, a pension fund or retirement death or disability benefits scheme which relates both to directors and employees of the company or of any of its subsidiaries and does not provide in respect of any director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates;
- (g) any arrangement for the benefit of employees of the company or of any of its subsidiaries under which the director benefits in a similar manner as the employees and which does not accord to any director as such any privilege or advantage not accorded to the employees to whom such arrangement relates;  
or
- (h) any proposal, contract, transaction or arrangement concerning (a) the purchase or maintenance of insurance for the benefit of the directors or for the benefit of persons who include directors, or (b) indemnities in favour of directors, or (c) the funding of expenditure by one or more directors in defending proceedings against him or them or (d) doing anything to enable such director or directors to avoid incurring such expenditure.

16.4 Subject to article 16.5, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive, unless the nature and extent of the interest of the director concerned has not been fairly disclosed to the directors.

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

## **17. Authorisation of Conflicts**

17.1 The directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director under section 175 of the Companies Act 2006 to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the

company; save that such authorisation of the directors shall be effective only if the required quorum at the meeting at which the matter is considered is met without counting the interested director and the matter was agreed to without such director voting or would have been agreed to if their vote had not been counted.

17.2 Subject to article 17.3, a director shall be under no duty to the company with respect to any information which he obtains or has obtained otherwise than as a director of the company and in respect of which he has a duty of confidentiality to another person. In particular, the director shall not be in breach of the general duties he owes to the company under the Companies Act 2006 because he fails:

- (a) to disclose any such information to the directors or to any director or other officer or employee of the company; and/or
- (b) to use or apply any such information in performing his duties as a director of the company.

17.3 To the extent that the relationship between a director and a person to whom he owes a duty of confidentiality gives rise to a conflict of interest or possible conflict of interest, Article 17.2 applies only if the existence of that relationship has been authorised by the directors pursuant to Article 17.1.

17.4 Where the existence of a director's relationship with another person is authorised by the directors pursuant to Article 17.1 and his relationship with that person gives rise to a conflict of interest or possible conflict of interest, the director shall not be in breach of the general duties he owes to the company under the Companies Act 2006 because he:

- (a) absents himself from meetings of the directors at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed or from the discussion of any such matter at a meeting or otherwise; and/or
- (b) makes arrangements not to receive documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by the company and/or makes arrangements for such documents and information to be received and read by a professional adviser, for so long as he reasonably believes such conflict of interest or possible conflict of interest subsists.

17.5 The provisions of articles 17.1 and 17.4 are without prejudice to any equitable principle or rule of law which may excuse the director from:

- (a) disclosing information in circumstances where disclosure would otherwise be required under these articles; or
- (b) attending meetings or discussions or receiving documents and information as referred to in article 17.4, in circumstances where such attendance or receiving such documents and information would otherwise be required under these Articles.

17.6 For the purpose of articles 17.1 to 17.5:

- (a) a “**conflict of interest**” includes a conflict of interest and duty and a conflict of duties;
- (b) an “**interest**” means a direct or an indirect interest; and
- (c) an “**interest, transaction or arrangement of which a director is aware**” includes an interest, transaction or arrangement of which that director ought reasonably to be aware.

## **18. Authorisation of Group Interests**

18.1 Subject to compliance by him with his duties as a director under Part 10 of the Companies Act 2006 (other than the duty in section 175(1) of the Companies Act 2006 which is the subject of this article 18.1), a director (including the chairman (if any) and any other non-executive director) may, at any time:

- (i) be an officer of, employed by, or hold shares or other securities (whether directly or indirectly) in, the company; or
- (ii) be a director or other officer of, employed by or hold shares or other securities (whether directly or indirectly) in or otherwise be interested whether directly or indirectly, in any other group company,

(in either case a “**group company interest**”) and notwithstanding his office or the existence of an actual or potential conflict between any group company interest and the interests of the company which would fall within the ambit of section 175(1) of the Companies Act 2006, the relevant director:

- (a) shall be entitled to attend any meeting or part of a meeting of the directors or a committee of the directors at which any matter which may be relevant to the group company interest may be discussed, and to vote on any resolution of the Directors or a committee thereof relating to such matter, and any board papers relating to such matter shall be provided to the relevant director at the same

time as the other directors (save that a director may not vote on any resolution in respect of matters relating to his employment with the company or other group company);

- (b) shall not, save as otherwise agreed by him, be accountable to the company for any benefit which he (or a person connected with him) derives in consequence of any group company interest and any contract, transaction or arrangement relating to a group company interest shall not be liable to be avoided on the grounds of any such benefit; and
- (c) will not, save as required by any rule of law, be obliged to disclose to the company or use for the benefit of the company any confidential information received by him by virtue of his group company interest and otherwise than by virtue of his position as a director, if to do so would breach any duty of confidentiality to any other group company or third party.

18.2 Any director who has a group company interest shall, as soon as reasonably practicable following the relevant interest arising, disclose to the Board the existence of such interest and the nature and extent of such interest so far as the relevant director is able at the time the disclosure is made provided that no such disclosure is required to be made of any matter in respect of which the relevant director owes any duty of confidentiality to any third party. A disclosure made to the board under this article 18.2 may be made either at a meeting of the board or by notice in writing to the company marked for the attention of the directors.

18.3 Notwithstanding the provisions of article 18.1, the directors (excluding the interested directors) may at any time impose conditions or limitations on the authorisations given under article 18.1 and may vary or terminate any such authorisations in respect of a particular group company interest.

## **19. Proposing directors' written resolutions**

19.1 Any director may propose a directors' written resolution.

19.2 The company secretary must propose a directors' written resolution if a director so requests.

19.3 A directors' written resolution is proposed by giving notice of the proposed resolution to the directors.

19.4 Notice of a proposed directors' written resolution must indicate:-

- (a) the proposed resolution, and
- (b) the time by which it is proposed that the directors should adopt it.

19.5 Notice of a proposed directors' written resolution must be given in writing to each director.

19.6 Any decision which a person giving notice of a proposed directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith.

## **20. Adoption of directors' written resolutions**

20.1 A proposed directors' written resolution is adopted when all the directors who would have been entitled to vote on the resolution at a directors' meeting have signed one or more copies of it, provided that those directors would have formed a quorum at such a meeting.

20.2 It is immaterial whether any director signs the resolution before or after the time by which the notice proposed that it should be adopted.

20.3 Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the articles.

## **21. Records of decisions to be kept**

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

## **22. Directors' discretion to make further rules**

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

## **23. Borrowing Powers**

23.1 Subject to these articles and the Companies Acts, the board may exercise all the powers of the company to:

- (a) borrow money;
- (b) indemnify and guarantee;

- (c) mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company;
- (d) create and issue debentures and other securities; and
- (e) give security either outright or as collateral security for any debt, liability or obligation of the company or of any third party.

23.2 For the purpose of this article:

- (a) **relevant balance sheet** means the most recent audited consolidated balance sheet of the group at the relevant time;
- (b) **adjusted capital and reserves** means a sum equal to the aggregate, as shown by the relevant balance sheet, of the amount paid up or credited or deemed to be paid up on the issued or allotted share capital of the company and the amount standing to the credit of the reserves (including, without limitation, the profit and loss account and any share premium account or capital redemption reserve) of the company and its subsidiary undertakings included in the consolidation in the relevant balance sheet but after:
  - (i) making such adjustment as may be appropriate to reflect the profit or loss of the company since the relevant balance sheet;
  - (ii) excluding any amount set aside for taxation (including any deferred taxation) or any amounts attributable to outside shareholders in subsidiary undertakings of the company;
  - (iii) deducting any amounts attributable to goodwill or other intangible assets shown in the relevant balance sheet;
  - (iv) making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital and or any reserves (other than the profit and loss account) after the date of the relevant balance sheet. For this purpose, if any issue or proposed issue of shares by the company for cash has been underwritten then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription monies paid for them (other than money to be paid more than six months after the allotment date) shall to the extent so underwritten be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became

unconditional);

- (v) making such adjustments as may be appropriate in respect of any distribution declared, recommended, made or paid by the company or its subsidiary undertakings (to the extent not attributable directly or indirectly to the company) out of profits earned up to and including the date of the relevant balance sheet to the extent such distribution is not provided for in such balance sheet;
- (vi) making such adjustments as may be appropriate in respect of any variation in the interests of the company in its subsidiary undertakings (including a variation where an undertaking ceases to be a subsidiary undertaking) since the date of the relevant balance sheet; and
- (vii) making such adjustments as the auditors of the company may consider appropriate.

- (c) **minority proportion** means a proportion equal to the proportion of the issued share capital of a partly-owned subsidiary undertaking which is not attributable to a member of the group.

23.3 Borrowings shall be deemed to include the following except in so far as otherwise taken into account:

- (a) the nominal amount of any issued and paid up share capital (other than equity share capital) of any subsidiary undertaking of the company owned otherwise than by a member of the group;
- (b) the nominal amount of any other issued and paid up share capital and the principal amount of any debentures or borrowed moneys which is not at the relevant time beneficially owned by a member of the group, the redemption or repayment of which is the subject of a guarantee or indemnity by a member of the group or which any member of the group may be required to buy;
- (c) the principal amount of any debenture (whether secured or unsecured) of a member of the group beneficially owned otherwise than by a member of the group;
- (d) the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened by or on behalf of any member of the group;

- (e) the minority proportion of moneys borrowed by a member of the group and owing to a partly-owned subsidiary undertaking.

23.4 Borrowings shall not include and shall be deemed not to include:

- (a) borrowings incurred by any member of the group for the purpose of repaying within six months of the borrowing the whole or any part (with or without premium) of any borrowings of that or other member of the group then outstanding, pending their application for such purpose within such period;
- (b) the minority proportion of moneys borrowed by a partly owned subsidiary undertaking and not owing to another member of the group.

23.5 When the aggregate principal amount of borrowings required to be taken into account on any particular date is being ascertained, any particular borrowing then outstanding which is denominated or repayable in a currency other than sterling shall be notionally converted into sterling at the rate of exchange prevailing in London on the last business day before that date or, if it would result in a lower figure, at the rate of exchange prevailing in London on the last business day six months before that date. For these purposes the rate of exchange shall be taken to be the spot rate in London recommended by a London clearing bank, selected by the board, as being the most appropriate rate for the purchase by the company of the currency in question for sterling on the day in question.

## **APPOINTMENT OF DIRECTORS**

### **24. Methods of appointing directors**

24.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:-

- (a) by ordinary resolution, or
- (b) by a decision of the directors.

24.2 At any general meeting no person other than a director retiring at the meeting shall, unless recommended by the directors for election, be eligible for appointment as a director, unless not less than 28 nor more than 35 days before the date of the meeting:

- (a) a notice in writing, authenticated by a member (other than the person to be proposed) who is qualified to attend and vote at that meeting containing his intention to propose the person for election; and

- (b) a notice in writing authenticated by the person proposed as director of his willingness to be elected,

have been left at the transfer office or sent to the company secretary.

**25. Retirement of directors by rotation**

- 25.1 At the first annual general meeting all the directors must retire from office.
- 25.2 At every subsequent annual general meeting:
  - (a) any directors who have been appointed by the directors since the last annual general meeting must retire from office and may offer themselves for reappointment by the members; and
  - (b) one third of all directors shall retire by rotation but if that number is not a multiple of three, then the number shall be rounded down to the nearest whole number.
- 25.3 Subject to the provisions of the Companies Acts, the directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 25.4 A Director who retires at an annual general meeting shall (unless he is removed from office or his office is vacated in accordance with these Articles) retain office until the close of the meeting at which he retires or (if earlier) when a resolution is passed at that meeting not to fill the vacancy or to elect another person in his place or the resolution to re-appoint him is put to the meeting and lost.
- 25.5 If the Company, at any meeting at which a Director retires in accordance with these Articles does not fill the office vacated by such Director, the retiring Director, if willing to act, shall be deemed to be re-appointed unless at that meeting a resolution is passed not to fill the vacancy or elect another person in his place or unless the resolution to re-appoint him is put to the meeting and lost.
- 25.6 If:
  - (a) at the annual general meeting in any year any resolution or resolutions for the appointment or re-appointment of the persons eligible for appointment or re-appointment as Directors are put to the meeting and lost; and

- (b) at the end of that meeting the number of Directors is fewer than any minimum number of Directors required under article 10.2,

all retiring Directors who stood for re-appointment at that meeting (“**Retiring Directors**”) shall be deemed to have been re-appointed as Directors and shall remain in office but the Retiring Directors may only act for the purpose of filling vacancies, convening general meetings of the Company and performing such duties as are essential to maintain the Company as a going concern, and not for any other purpose.

The Retiring Directors shall convene a general meeting as soon as reasonably practicable following the meeting referred to in article 25.6 and they shall retire from office at that meeting. If at the end of any meeting convened under this article the number of Directors is fewer than any minimum number of Directors required under article 10.2, the provisions of this article shall also apply to that meeting.

## **26. Termination of director’s appointment**

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

- (a) a resolution is passed unanimously by the board (excluding the affected director) for the removal of that director;
- (b) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (c) a bankruptcy order is made against that person;
- (d) a composition is made with that person’s creditors generally in satisfaction of that person’s debts;
- (e) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (f) by reason of that person’s mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (g) notification is received by the company from the director that the director is resigning from office as director, and such resignation has taken effect in accordance with its terms; or

(h) he is absent from meetings of the directors for more than six consecutive months without permission from the directors and his alternate director (if any) has not during such period attended in his place and the directors have resolved that his office be vacated.

26.2 Where a director ceases to hold office pursuant to these articles such cessation shall have effect notwithstanding any agreement between the company and the director, but will not affect any claim the director may have for damages for breach of that agreement.

26.3 If a person ceases to be a director, he shall cease to be a member of any committee of the board.

**27. Directors' remuneration**

27.1 Directors may undertake any services for the company that the directors decide.

27.2 Each of the directors may be paid a fee at such rate as may from time to time be determined by the board, or any validly constituted committee of the board. Any fees payable under this Article shall be distinct from any salary, remuneration or other amounts payable to a director under any other provisions of these Articles and shall accrue from day to day.

27.3 Subject to the articles, a director's remuneration may:-

(a) take any form, and

(b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

27.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.

27.5 Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

**28. Directors' expenses**

The company must pay any reasonable expenses which the directors (including alternate directors) and the secretary properly incur in connection with their

attendance at:-

- (a) meetings of directors or committees of directors,
- (b) general meetings, or
- (c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

**29. Other Positions**

A director, including an alternate director, may hold any other office or place of profit under the company (other than the office of auditor of the company or any subsidiary of the company) in conjunction with his office of director for such period and upon such terms as the directors may determine, and may act in a professional capacity to the company, on such terms as to tenure of office, remuneration and otherwise as the directors may determine.

**ALTERNATE DIRECTORS**

**30. Appointment and removal of alternates**

30.1 Any director (the “**appointor**”) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:-

- (a) exercise that director’s powers, and
- (b) carry out that director’s responsibilities, in relation to the taking of decisions by the directors in the absence of the alternate’s appointor,

(an “**alternate**” or “**alternate director**”).

30.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.

30.3 The notice must:-

- (a) identify the proposed alternate, and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

**31. Rights and responsibilities of alternate directors**

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

31.2 Except as the articles specify otherwise, alternate directors:-

- (a) are deemed for all purposes to be directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their appointors; and
- (d) are not deemed to be agents of or for their appointors.

31.3 A person who is an alternate director but not a director:-

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and
- (b) may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).

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

31.4 An alternate director is not entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

**32. Termination of alternate directorship**

An alternate director's appointment as an alternate terminates:-

- (a) when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
- (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- (c) on the death of the alternate's appointor; or
- (d) when the alternate's appointor's appointment as a director terminates, except that an alternate's appointment as an alternate does not terminate when the

appointor retires by rotation at a general meeting and is then re-appointed as a director at the same general meeting.

## **SECRETARY**

### **33. Secretary to be appointed by Board**

The secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they think fit and any secretary so appointed may be removed by the directors.

### **34. Delegation of Secretary's function**

Anything by the Companies Acts required or authorised to be done by or to the secretary may, if the office is vacant or there is for any other reason no secretary capable of acting, be done by or to any assistant or deputy secretary or, if there is no assistant or deputy secretary capable of acting, by or to any officer of the company authorised generally or specially in that behalf by the directors: provided that any provision of the Companies Acts or of these articles requiring or authorising a thing to be done by or to a director and secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in the place of, the secretary.

## **PART 3**

### **DECISION-MAKING BY MEMBERS**

#### **ORGANISATION OF GENERAL MEETINGS**

### **35. Members can call general meeting if not enough directors**

#### **35.1 If:-**

- (a) the company has fewer than two directors, and
- (b) the director (if any) is unable or unwilling to appoint sufficient directors to make up a quorum or to call a general meeting to do so,

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

### **36. Notice of General Meeting**

Subject to the provisions of the Companies Acts, an annual general meeting shall be called by twenty-one days' notice at the least, and all general meetings shall be called by fourteen days' notice at the least. The notice shall be exclusive of the day on

which it is served, or deemed to be served, and of the day of the meeting.

**37. Rights to receive notice of General Meeting**

The directors may determine that persons entitled to receive notices of meetings are those persons entered on the register of members at the close of business on a day determined by the directors being not more than 21 days before the day that the notices are sent and may specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the register of members in order to have the right to attend or vote at the meeting. Changes to entries on the register of members after the time so specified shall be disregarded in determining the rights of any person to attend or vote at the meeting.

**38. Attendance and speaking at general meetings**

38.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

38.2 A person is able to exercise the right to vote at a general meeting when:-

(a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

(b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

38.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

38.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

38.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

**39. Quorum for general meetings**

No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

**40. Chairing general meetings**

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

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

(a) the directors present, or

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

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

40.3 The person chairing a meeting in accordance with this article is referred to as “**the chairman of the meeting**”.

**41. Attendance and speaking by directors and non-members**

41.1 Directors may attend and speak at general meetings, whether or not they are members.

41.2 The chairman of the meeting may permit other persons who are not:-

(a) members of the company, or

(b) otherwise entitled to exercise the rights of members in relation to general meetings,

to attend and speak at a general meeting.

**42. Orderly conduct of meetings**

Each director shall take such action as he thinks fit to promote the orderly conduct of the business of the meeting as laid down in the notice of the meeting and the chairman’s decision on matters of procedure or arising incidentally from the business of the meeting shall be final as shall be his determination as to whether any matter is of such a nature.

**43. Security arrangements**

The board may direct that members or proxies wishing to attend any general meeting

should submit to such searches or other security arrangements or restrictions as the board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to refuse entry to, or eject from, such general meeting any member or proxy who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

**44. Postponement of general meetings**

If the board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time or place specified in the notice calling the general meeting, it may postpone the general meeting to another date, time and place. When a meeting is so postponed, notice of the date, time and place of the postponed meeting shall be placed in at least two national newspapers in the United Kingdom. Notice of the business to be transacted at such postponed meeting shall not be required.

**45. Adjournment**

45.1 If the persons attending a general meeting within five minutes of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it, unless the meeting was convened on the requisition of, or by members, in which case it shall be dissolved.

45.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:-

- (a) the meeting consents to an adjournment,
- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner, or
- (c) it appears to the chairman that an adjournment is otherwise necessary so that the business of the meeting may be properly concluded.

45.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

45.4 When adjourning a general meeting, the chairman of the meeting must:-

- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and

- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 45.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):-
- (a) to the same persons to whom notice of the company's general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain.
- 45.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

### **VOTING AT GENERAL MEETINGS**

**46. Voting: general**

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

**47. Errors and disputes**

47.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

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

**48. Incapacity of a member**

48.1 A member in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote, whether on a show of hands or on a poll, by his receiver or other person authorised in that behalf and such person may vote on a poll by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office or at such other place or address as is specified in accordance with the articles for the deposit or receipt of forms of appointments of a proxy, 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 and in default the right to vote shall not be exercisable.

**49. Demanding a poll**

49.1 A poll on a resolution may be demanded:-

- (a) in advance of the general meeting where it is to be put to the vote, or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

49.2 A poll may be demanded by:-

- (a) the chairman of the meeting;
- (b) the directors;
- (c) two or more persons having the right to vote on the resolution; or
- (d) a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.

49.3 A demand for a poll may be withdrawn if:-

- (a) the poll has not yet been taken, and
- (b) the chairman of the meeting consents to the withdrawal.

**50. Procedure on a poll**

50.1 Subject to the articles, polls at general meetings must be taken when, where and in such manner as the chairman of the meeting directs.

50.2 The chairman of the meeting may appoint scrutineers (who need not be members) and decide how and when the result of the poll is to be declared.

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

50.4 A poll on:-

- (a) the election of the chairman of the meeting, or
- (b) a question of adjournment,

must be taken immediately.

- 50.5 Other polls must be taken within 30 days of their being demanded.
- 50.6 A demand for a poll does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded.
- 50.7 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded.
- 50.8 In any other case, at least 7 days' notice must be given specifying the time and place at which the poll is to be taken.

**51. Content of proxy notices**

- 51.1 Proxies may only validly be appointed by a notice in writing (a “**proxy notice**”) which:-
- (a) states the name and address of the member appointing the proxy;
  - (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
  - (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
  - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- 51.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 51.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 51.4 Unless a proxy notice indicates otherwise, it must be treated as:-
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
  - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

**52. Delivery of proxy notices**

- 52.1 Any notice of a general meeting must specify the address or addresses (“**proxy notification address**”) at which the company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.
- 52.2 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- 52.3 Subject to articles 52.4 and 52.5, a proxy notice must be delivered to a proxy notification address not less than 48 hours (disregarding any part of a day that is not a working day) before the general meeting or adjourned meeting to which it relates and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time prior to the meeting.
- 52.4 In the case of a poll taken more than 48 hours after it is demanded, the notice must be delivered to a proxy notification address not less than 24 hours (disregarding any part of a day that is not a working day) before the time appointed for the taking of the poll and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time prior to the meeting.
- 52.5 In the case of a poll not taken during the meeting but taken not more than 48 hours (disregarding any part of a day that is not a working day) after it was demanded, the proxy notice must be delivered:-
- (a) in accordance with article 52.3, or
  - (b) at the meeting at which the poll was demanded to the chairman, secretary or any director.
- 52.6 An appointment under a proxy notice may be revoked by delivering a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given to a proxy notification address.
- 52.7 A notice revoking a proxy appointment only takes effect if it is delivered before:-
- (a) the start of the meeting or adjourned meeting to which it relates, or
  - (b) (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll to which it relates.

52.8 If a proxy notice is not signed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

**53. Amendments to resolutions**

53.1 In the case of an ordinary resolution to be proposed at a general meeting no amendment (other than an amendment to correct a grammatical or other substantive error in the resolution) may be considered unless:-

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

53.2 A special resolution to be proposed at a general meeting may only be amended by ordinary resolution, if:-

- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
- (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

53.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

**RESTRICTIONS ON MEMBERS' RIGHTS**

**54. No voting of shares on which money owed to company**

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

**APPLICATION OF RULES TO CLASS MEETINGS**

**55. Class meetings**

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

**PART 4  
SHARES AND DISTRIBUTIONS  
ISSUE OF SHARES**

**56. Powers to issue different classes of share**

56.1 Subject to the provisions of the Companies Acts, the articles, and 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.

56.2 Subject to the provisions of the Companies Acts and these articles, the company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

**57. Allotment**

57.1 Subject to the provisions of the Companies Acts, these articles and to any resolution of the company and without prejudice to any rights attached to any existing shares, the Board may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise deal with or dispose of any shares to such persons (including the directors themselves), at such times, for such consideration and upon such terms as the directors may decide provided always that no share shall be issued at a discount to its nominal value.

**58. Renunciation of allotment**

58.1 The directors may, at any time after the allotment of any share but before any person has been entered in the register of members as the holder, recognise a renunciation of that allotment by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation on and subject to such terms and conditions as the directors may think fit to impose.

**59. Payment of commissions on subscription for shares**

59.1 The company may pay any person a commission in consideration for that person:-

(a) subscribing, or agreeing to subscribe, for shares, or

- (b) procuring, or agreeing to procure, subscriptions for shares.

59.2 Any such commission may be paid:-

- (a) in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other, and
- (b) in respect of a conditional or an absolute subscription.

## **INTERESTS IN SHARES**

### **60. Company not bound by less than absolute interests**

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

### **61. Disclosure of interest**

61.1 No member holding shares representing 0.25 per cent or more in nominal value of the issued shares of any class of capital in the company, excluding treasury shares, shall, unless the directors otherwise determine, be entitled:-

- (a) in respect of any such shares, to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares, or to exercise any other right conferred by membership in relation to any such meeting; or
- (b) to receive payment of any dividend (including shares in lieu of dividend) or other distribution payable in respect of any such shares; or
- (c) to transfer any such shares otherwise than:-
  - (i) pursuant to acceptance of a take-over offer;
  - (ii) through a recognised investment exchange or other recognised market; or
  - (iii) in any other manner which the directors are satisfied is bona fide and at arm's length (in each case hereinafter referred to as an "**arm's length sale**")

if he or any person appearing to be interested in such shares has been given a section

793 notice and has failed to give the company the information thereby required within 14 days from the date of the notice provided that upon receipt by the company of notice that the shares have been transferred pursuant to any arm's length sale or upon all information required by the section 793 notice being given, such restrictions shall cease to apply in respect of such shares and any dividend withheld shall be paid.

61.2 For the purposes of this Article:-

- (a) a person other than the member holding a share shall be treated as appearing to be interested in that share if the member has informed the company that the person is, or may be, so interested, or if the company (after taking account of any information obtained from the member or, pursuant to a section 793 notice, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;
- (b) **“interested”** shall be construed as it is for the purpose of section 793 of the Companies Act 2006;
- (c) **“take-over offer”** shall have the meaning ascribed to it in Section 974 of the Companies Act 2006;
- (d) **“recognised investment exchange”** shall have the meaning ascribed to it in Section 285 of the Financial Services and Markets Act 2000;
- (e) **“at arm's length”** means a transfer to a person who is unconnected with the members and with any other person appearing to be interested in the shares;
- (f) **“section 793 notice”** means a notice served pursuant to section 793A of the Companies Act 2006;
- (g) reference to a person having failed to give the company the information required by a section 793 notice includes (i) reference to his having failed or refused to give all or any part of it and (ii) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular.

61.3 Where on the basis of information obtained from a member in respect of any share held by him, the company gives a section 793 notice to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of sub-clauses 61.1 and 61.2 of this article.

- 61.4 Any sanctions imposed upon a shareholding in respect of a person having failed to give the company the information required by a section 793 notice will cease to apply 7 days after the earlier of:-
- (a) receipt by the company of notice that the shareholding has been sold to a third party in the manner described above; and
  - (b) due compliance to the satisfaction of the company with the notice under Section 793.
- 61.5 Nothing in these articles shall limit the powers of the company under Section 794 of the Companies Act 2006 or any other powers whatsoever.

## **SHARE CERTIFICATES**

### **62. Certificates to be issued except in certain cases**

- 62.1 The company must issue each member with one or more certificates in respect of the shares which that member holds.
- 62.2 This article does not apply to:-
- (a) uncertificated shares;
  - (b) shares in respect of which a share warrant has been issued; or
  - (c) shares in respect of which the Companies Acts permit the company not to issue a certificate.
- 62.3 Except as otherwise specified in the articles, all certificates must be issued free of charge.
- 62.4 No certificate may be issued in respect of shares of more than one class.
- 62.5 If more than one person holds a share, only one certificate may be issued in respect of it.

### **63. Contents and execution of share certificates**

- 63.1 Every certificate must specify:-
- (a) in respect of how many shares, of what class, it is issued;
  - (b) the nominal value of those shares;

- (c) the amount paid up on them; and
- (d) any distinguishing numbers assigned to them.

63.2 Certificates must:-

- (a) have affixed to them the company's common seal or an official seal which is a facsimile of the company's common seal with the addition on its face of the word "Securities" (a "securities seal"), or
- (b) be otherwise executed in accordance with the Companies Acts. The directors may determine, either generally or in particular cases, that any signature on share certificates need not be autographic but may be affixed mechanically, electronically, by laser printing or by such other means.

**64. Consolidated share certificates**

64.1 When a member's holding of shares of a particular class increases, the company may issue that member with:-

- (a) a single, consolidated certificate in respect of all the shares of a particular class which that member holds, or
- (b) a separate certificate in respect of only those shares by which that member's holding has increased.

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

- (a) all the shares which the member no longer holds as a result of the reduction, and

(b) none of the shares which the member retains following the reduction, were, immediately before the reduction, represented by the same certificate.

64.3 A member may request the company, in writing, to replace:-

- (a) the member's separate certificates with a consolidated certificate, or
- (b) the member's consolidated certificate with two or more separate certificates representing such proportion of the shares as the member may specify.

64.4 When the company complies with such a request it may charge such reasonable fee as the directors may decide for doing so.

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

**65. Replacement share certificates**

65.1 If a certificate issued in respect of a member's shares is:-

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed,

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

65.2 A member exercising the right to be issued with such a replacement certificate:-

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

**SHARES NOT HELD IN CERTIFICATED FORM**

**66. Uncertificated shares**

66.1 In this article, "**the relevant rules**" means:-

- (a) any applicable provision of the Companies Acts about the holding, evidencing of title to, or transfer of shares other than in certificated form, and
- (b) any applicable legislation, rules or other arrangements made under or by virtue of such provision.

66.2 The provisions of this article have effect subject to the relevant rules.

66.3 Any provision of the articles which is inconsistent with the relevant rules must be disregarded, to the extent that it is inconsistent, whenever the relevant rules apply.

- 66.4 Any share or class of shares of the company may be issued or held on such terms, or in such a way, that:-
- (a) title to it or them is not, or must not be, evidenced by a certificate, or
  - (b) it or they may or must be transferred wholly or partly without a certificate.
- 66.5 The directors have power to take such steps as they think fit in relation to:-
- (a) the evidencing of and transfer of title to uncertificated shares (including in connection with the issue of such shares);
  - (b) any records relating to the holding of uncertificated shares;
  - (c) the conversion of certificated shares into uncertificated shares; or
  - (d) the conversion of uncertificated shares into certificated shares.
- 66.6 The company may by notice to the holder of a share require that share:-
- (a) if it is uncertificated, to be converted into certificated form, and
  - (b) if it is certificated, to be converted into uncertificated form,
- to enable it to be dealt with in accordance with the articles.
- 66.7 If:-
- (a) the articles give the directors power to take action, or require other persons to take action, in order to sell, transfer or otherwise dispose of shares, and
  - (b) uncertificated shares are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument,
- the directors may take such action as is necessary or expedient to achieve the same results when exercising that power in relation to uncertificated shares.
- 66.8 In particular, the directors may take such action as they consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it.
- 66.9 Unless the directors otherwise determine, shares which a member holds in uncertificated form must be treated as separate holdings from any shares which that member holds in certificated form.

66.10 A class of shares must not be treated as two classes simply because some shares of that class are held in certificated form and others are held in uncertificated form.

**67. Share warrants**

67.1 The directors may issue a share warrant in respect of any fully paid share.

67.2 Share warrants must be:-

- (a) issued in such form, and
- (b) executed in such manner,

as the directors decide.

67.3 A share represented by a share warrant may be transferred by delivery of the warrant representing it.

67.4 The directors may make provision for the payment of dividends in respect of any share represented by a share warrant.

67.5 Subject to the articles, the directors may decide the conditions on which any share warrant is issued. In particular, they may:-

- (a) decide the conditions on which new warrants are to be issued in place of warrants which are damaged or defaced, or said to have been lost, stolen or destroyed;
- (b) decide the conditions on which bearers of warrants are entitled to attend and vote at general meetings;
- (c) decide the conditions subject to which bearers of warrants may surrender their warrant so as to hold their shares in certificated or uncertificated form instead; and
- (d) vary the conditions of issue of any warrant from time to time,

and the bearer of a warrant is subject to the conditions and procedures in force in relation to it, whether or not they were decided or specified before the warrant was issued.

67.6 Subject to the conditions on which the warrants are issued from time to time, bearers of share warrants have the same rights and privileges as they would if their names had been included in the register as holders of the shares represented by their warrants.

- 67.7 The company must not in any way be bound by or recognise any interest in a share represented by a share warrant other than the absolute right of the bearer of that warrant to that warrant.

## **PARTLY PAID SHARES**

### **68. Company's lien over partly paid shares**

- 68.1 The company has a lien (“**the company's lien**”) over every share which is partly paid for any part of:-

- (a) that share's nominal value, and
- (b) any premium at which it was issued,

which has not been paid to the company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it.

- 68.2 The company's lien over a share:-

- (a) takes priority over any third party's interest in that share, and
- (b) extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.

- 68.3 The directors may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part.

### **69. Enforcement of the company's lien**

- 69.1 Subject to the provisions of this article, if:-

- (a) a lien enforcement notice has been given in respect of a share, and
- (b) the person to whom the notice was given has failed to comply with it,

the company may sell that share in such manner as the directors decide.

- 69.2 A lien enforcement notice:-

- (a) may only be given in respect of a share which is subject to the company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;

- (b) must specify the share concerned;
- (c) must require payment of the sum payable within 14 days of the notice;
- (d) must be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and
- (e) must state the company's intention to sell the share if the notice is not complied with.

69.3 Where shares are sold under this article:-

- (a) the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and
- (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

69.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:-

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice,
- (b) second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice.

69.5 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been sold to satisfy the company's lien on a specified date:-

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
- (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

## **70. Call notices**

70.1 Subject to the articles and the terms on which shares are allotted, the directors may send a notice (a “**call notice**”) to a member requiring the member to pay the company a specified sum of money (a “**call**”) which is payable in respect of shares which that member holds at the date when the directors decide to send the call notice.

70.2 A call notice:-

- (a) may not require a member to pay a call which exceeds the total sum unpaid on that member’s shares (whether as to the share’s nominal value or any amount payable to the company by way of premium);
- (b) must state when and how any call to which it relates it is to be paid; and
- (c) may permit or require the call to be paid by instalments.

70.3 A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 14 days have passed since the notice was sent.

70.4 Before the company has received any call due under a call notice the directors may:-

- (a) revoke it wholly or in part, or
- (b) specify a later time for payment than is specified in the notice,

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

## **71. Liability to pay calls**

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

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

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

- (a) to pay calls which are not the same, or
- (b) to pay calls at different times.

**72. When call notice need not be issued**

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

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

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

**73. Failure to comply with call notice: automatic consequences**

73.1 If a person is liable to pay a call and fails to do so by the call payment date:-

- (a) the directors may issue a notice of intended forfeiture to that person,
- (b) until the call is paid, that person must pay the company interest on the call from the call payment date at the relevant rate; and
- (c) the company may also recover any costs, charges and expenses secured by reason of the non-payment of any call.

73.2 For the purposes of this article:-

- (a) the “**call payment date**” is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the “**call payment date**” is that later date;
- (b) the “**relevant rate**” is:-
  - (i) the rate fixed by the terms on which the share in respect of which the call is due was allotted;
  - (ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
  - (iii) if no rate is fixed in either of these ways, 10 per cent per annum.

73.3 The relevant rate must not exceed by more than 10 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998(a).

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

**74. Notice of intended forfeiture**

A notice of intended forfeiture:-

- (a) may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;
- (b) must be sent to the holder of that share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;
- (c) must require payment of the call and any accrued interest by a date which is not less than 14 days after the date of the notice;
- (d) must state how the payment is to be made; and
- (e) must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

**75. Directors' power to forfeit shares**

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

**76. Effect of forfeiture**

76.1 Subject to the articles, the forfeiture of a share extinguishes:-

- (a) all interests in that share, and all claims and demands against the company in respect of it, and
- (b) all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company.

76.2 Any share which is forfeited in accordance with the articles:-

- (a) is deemed to have been forfeited when the directors decide that it is forfeited;
- (b) is deemed to be the property of the company; and
- (c) may be sold, re-allotted or otherwise disposed of as the directors think fit.

76.3 If a person's shares have been forfeited:-

- (a) the company must send that person notice that forfeiture has occurred and record it in the register of members;
- (b) that person ceases to be a member in respect of those shares;
- (c) that person must surrender the certificate for the shares forfeited to the company for cancellation;
- (d) that person remains liable to the company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and
- (e) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

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

**77. Procedure following forfeiture**

77.1 If a forfeited share is to be disposed of by being transferred, the company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.

77.2 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date:-

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
- (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

77.3 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.

77.4 If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the company the proceeds of such sale, net of any commission, and excluding any amount which:-

(a) was, or would have become, payable, and

(b) had not, when that share was forfeited, been paid by that person in respect of that share,

but no interest is payable to such a person in respect of such proceeds and the company is not required to account for any money earned on them.

## **78. Surrender of shares**

78.1 A member may surrender any share:-

(a) in respect of which the directors may issue a notice of intended forfeiture;

(b) which the directors may forfeit; or

(c) which has been forfeited.

78.2 The directors may accept the surrender of any such share.

78.3 The effect of surrender on a share is the same as the effect of forfeiture on that share.

78.4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

## **TRANSFER AND TRANSMISSION OF SHARES**

### **79. Transfer of shares**

Subject to the provisions of these articles and the Companies Acts, any member may transfer all or any of his shares.

### **80. Transfers of certificated shares**

80.1 Certificated shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on

behalf of:-

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

80.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

80.3 The company may retain any instrument of transfer which is registered.

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

80.5 The directors may refuse to register the transfer of a certificated share if:-

- (a) the share is not fully paid;
- (b) the transfer is not lodged at the company's registered office or such other place as the directors have appointed;
- (c) the transfer is not duly stamped;
- (d) the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;
- (e) the transfer is in respect of more than one class of share; or
- (f) the transfer is in favour of more than four transferees.

80.6 If the directors refuse to register the transfer of a share, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

### **81. Transfer of uncertificated shares**

A transfer of an uncertificated share must not be registered if it is in favour of more than four transferees.

### **82. Director discretion to register uncertificated shares**

In respect of a share held in uncertificated form, the directors may only register or

refuse to register the transfer of such a share in accordance with the Uncertificated Securities Regulations 2001 (as amended, consolidated, and restated from time to time).

**83. Procedure upon refusal of registration**

If the directors refuse to register the transfer of a share, they shall as soon as practicable and in any event within two months after the date on which the transfer was lodged with the company (in the case of a transfer of a share in certified form) or the date on which the operator instruction was received by the company (in the case of shares held in uncertificated form) give notice of refusal to the transferee together with reasons for the refusal and (in the case of a transfer of share in certificated form) the instrument of transfer, unless they suspect that the proposed transfer may be fraudulent. The directors shall send to the transferee such further information about the reasons for the refusal as the transferee may reasonably request.

**84. Transmission of shares**

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

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

**85. Transmittees' rights**

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

(a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and

(b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

85.2 But transmittees do not have the right to attend or vote at a general meeting in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares

**86. Exercise of transmittees' rights**

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

- 86.2 If the share is a certificated share and a transmittee wishes to have it transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 86.3 If the share is an uncertificated share and the transmittee wishes to have it transferred to another person, the transmittee must—
- (a) procure that all appropriate instructions are given to effect the transfer, or
  - (b) procure that the uncertificated share is changed into certificated form and then execute an instrument of transfer in respect of it.
- 86.4 Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.
- 86.5 The directors may at any time give notice requesting any transmittee to elect either to be registered himself or to transfer the share to another person and, if the notice is not complied with within 60 days of service, the directors may withhold payment of any dividend and other moneys payable upon or in respect of the share until the requirements of the notice have been complied with.

**87. Transmittees bound by prior notices**

If a notice is given to a member in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the member before the transmittee's name (or the name of any person(s) named as the trustee(s) in an instrument of transfer executed under article 86.2 or 86.3) has been entered in the register of members.

## **CONSOLIDATION OF SHARES**

**88. Procedure for disposing of fractions of shares**

- 88.1 This article applies where:-
- (a) there has been a consolidation or division of shares, and
  - (b) as a result, members are entitled to fractions of shares.
- 88.2 The directors may:-
- (a) sell the shares representing the fractions to any person including the company for the best price reasonably obtainable;

- (b) in the case of a certificated share, authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
- (c) distribute the net proceeds of sale in due proportion among the holders of the shares.

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

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

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

## **DISTRIBUTIONS**

### **89. Procedure for declaring dividends**

89.1 Subject to the provisions of the Companies Acts and of these articles, the company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

89.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

89.3 No dividend may be declared or paid unless it is in accordance with members' respective rights.

89.4 Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.

89.5 If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.

89.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to

them that the profits available for distribution justify the payment.

- 89.7 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

**90. Calculation of dividends**

- 90.1 Except as otherwise provided by the articles or the rights attached to shares, all dividends must be:-

- (a) declared and paid according to the amounts paid up on the shares on which the dividend is paid, and
- (b) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

- 90.2 If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.

- 90.3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

**91. Payment of dividends and other distributions**

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

- (a) transfer to a bank or building society account specified by the distribution recipient in writing;
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient in writing;
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified in writing; or
- (d) any other means of payment as the directors agree with the distribution recipient in writing.

91.2 In the articles, “**the distribution recipient**” means, in respect of a share in respect of which a dividend or other sum is payable:-

- (a) the holder of the share; or
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

91.3 Unless the terms of issue of a share provide otherwise, dividends may be paid or declared in any currency. The directors may agree with a member:

- (a) that dividends declared or which become due on his shares in one currency will be paid or satisfied in another currency;
- (b) the basis of conversion is to be applied;
- (c) how and when the amount to be paid in the other currency will be calculated and paid; and
- (d) whether the company or any other person will bear the costs of conversion.

**92. Payment as good discharge**

Payment of a cheque or similar financial instrument by the banker upon whom it is drawn or debiting of the company's account in respect of a bank or funds transfer or, in the case of shares in uncertificated form, the making of payment in accordance with the facilities and requirements of a relevant system shall be a good discharge to the company.

**93. Cheques etc to be at sole risk**

Every cheque, bank, building society or funds transfer or payment made by any other method will be sent out at the sole risk of the distribution recipient.

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

94.1 If:-

- (a) a share is subject to the company's lien, and
- (b) the directors are entitled to issue a lien enforcement notice in respect of it,

they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the company in respect of that share to the extent that they are entitled to require payment under a lien enforcement notice.

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

94.3 The company must notify the distribution recipient in writing of:-

- (a) the fact and amount of any such deduction;
- (b) any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction; and
- (c) how the money deducted has been applied.

**95. No interest on distributions**

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

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the company.

**96. Unclaimed distributions**

96.1 All dividends or other sums which are:-

- (a) payable in respect of shares, and
- (b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

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

96.3 If:-

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and

(b) the distribution recipient has not claimed it,

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

**97. Non-cash distributions**

97.1 Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

97.2 If the shares in respect of which such a non-cash distribution is paid are uncertificated, any shares in the company which are issued as a non-cash distribution in respect of them must be uncertificated.

97.3 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution (including, where fractional entitlements cease):-

- (a) fixing the value of any assets;
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- (c) vesting any assets in trustees.

97.4 In the event that any member is entitled to a fractional entitlement of any non-cash assets, the directors may:-

- (a) sell the shares representing the fractions to any person including the company for the best price reasonably obtainable;
- (b) in the case of a certificated share, authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
- (c) distribute the net proceeds of sale in due proportion among the holders of the shares.

Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that member's portion may be

distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland.

**98. Dividends may be satisfied in shares**

- 98.1 The directors may, with the sanction of an ordinary resolution of the company, offer members the right to elect to receive in respect of all or part of their holdings of shares additional shares in the company, credited as fully paid, instead of cash in respect of all or part of such dividend or dividends whether interim or final and (subject to the following provisions of this article) upon such terms and conditions and in such manner as may be specified in such ordinary resolution and otherwise as the directors may determine. Any such resolution may specify a particular dividend and/or all of any dividends (or part of such dividends) declared or paid within a specified period, but no such period may end later than the beginning of the annual general meeting in the calendar year next following the date on which such ordinary resolution is passed.
- 98.2 When any such right of election is offered to members pursuant to this article, the directors shall make such offer to such holders in writing (conditionally if the necessary ordinary resolution has yet to be passed, upon such resolution being passed) and shall make available to or provide such holders with forms of election (in such form as the directors may approve) whereby such holders may exercise such right and shall notify such holders of the procedure to be followed and of the place at which and the latest date and time by which, duly completed forms of election must be lodged in order to be effective.
- 98.3 Each member who elects to receive additional shares under a right offered to him pursuant to this article shall be entitled to receive such whole number of additional shares as is as nearly as possible equal in value (calculated on the basis of the market value of an additional share) to (but not in excess of) the cash amount that such holder would otherwise have received by way of dividend. For the purposes of this article, the "Market Value" of an additional share shall be the average of the prices at which business is done in the shares (derived from the London Stock Exchange) on such five consecutive dealing days as the directors shall determine (save that the first of such dealing days shall be on or after the day when the issued ordinary shares in the company are first quoted "ex" the relevant dividend, unless no business is done during such dealing days, when in that case the first of such dealing days should be the latest practicable date at least five days prior to the date when the issued shares are first quoted "ex" the relevant dividend when business is done in the shares) or the nominal value of a share (whichever is the higher).

- 98.4 Following an election by members in accordance with this article, the relevant dividend (or that part of a dividend in respect of which a right of election has been offered) shall not be payable on the shares issued pursuant to the election but in lieu thereof, the directors shall capitalise out of any undistributed profits of the company not required for paying any preferential dividend (whether or not they are available for distribution) or out of any sum standing to the credit of the company's share premium account or capital reserves (including any capital redemption reserve), as the directors may determine a sum equal to the aggregate nominal value of the number of additional shares required to be allotted to the holders of shares who have made such election and shall apply such sum in paying up in full such number of additional shares and shall allot and distribute the same to and amongst such holders on the basis set out in article 98.3 of this article save that the foregoing provisions of this paragraph shall be subject to any right of the directors under these articles to retain any dividend or other monies payable on or in respect of the shares of a particular member.
- 98.5 The additional shares so allotted shall rank pari passu with the fully paid shares in the company then in issue save that they shall not be entitled to participate in the dividend in relation to which the relevant election was made.
- 98.6 A resolution of the directors capitalising any part of the reserves or profits hereinbefore mentioned shall have the same effect as if such capitalisation had been declared by ordinary resolution of the company in accordance with these articles and in relation to any such capitalisation the directors may exercise all the powers, other than the powers to allot fractional shares, conferred on them by article 98.4 without the need for any such ordinary resolution.
- 98.7 The directors may at their discretion make any rights of election offered pursuant to this article subject to such exclusions or arrangements as they may consider necessary or expedient to deal with any legal or other difficulties which would or may otherwise arise under laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory.
- 98.8 Every duly effected election shall be binding on every successor in title to the shares or any of the members who have effected the same.

**99. Waiver of distributions**

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

- (a) the share has more than one holder, or
- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

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

## **CAPITALISATION OF PROFITS**

### **100. Authority to capitalise and appropriation of capitalised sums**

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

- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
- (b) appropriate any sum which they so decide to capitalise (a "**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (the "**persons entitled**") and in the same proportions.

100.2 Capitalised sums must be applied:-

- (a) on behalf of the persons entitled, and
- (b) in the same proportions as a dividend would have been distributed to them.

100.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

100.4 A capitalised sum which was appropriated from profits available for distribution may be applied:-

- (a) in or towards paying up any amounts unpaid on existing shares held by the persons entitled, or
- (b) in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.

100.5 Subject to the articles the directors may:-

- (a) apply capitalised sums in accordance with articles 100.3 and 100.4 partly in one way and partly in another;
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

**PART 5**  
**MISCELLANEOUS PROVISIONS**

**COMMUNICATIONS**

**101. Means of communication to be used**

101.1 Any notice, document or other information, including a share certificate may be delivered or served on the intended recipient:-

- (a) by delivering it by hand;
- (b) by sending it by post or other delivery service in an envelope (with postage or delivery paid);
- (c) by fax (except for share certificates) to a fax number notified to the company;
- (d) by electronic mail (except a share certificate) to an address notified to the company in writing;
- (e) by a website (except a share certificate) the address of which shall be notified to the recipient in writing;
- (f) by a relevant system; or
- (g) by advertisement in at least two national newspapers.

This article does not affect any provision in any relevant legislation or the articles requiring notices or documents to be delivered in a particular way.

101.2 Notices or documents shall be deemed to be delivered in accordance with the following provisions:-

- (a) if delivered by hand, it is treated as being delivered at the time it is handed to or left for the intended recipient;
- (b) if sent by post or other delivery service not referred to below, it is treated as being delivered:-
  - (i) 24 hours after it was posted, if first class post was used; or
  - (ii) 72 hours after it was posted or given to delivery agents, if first class post was not used.

provided it can be proved conclusively that a notice or document was delivered by post or other delivery service by showing that the envelope containing the notice or document was properly addressed and put into the post system or given to delivery agents with postage or delivery paid;

- (c) if sent by fax, it is treated as being delivered at the time it was sent;
- (d) if sent by electronic mail, it is treated as being delivered at the time it was sent;
- (e) if sent by a website, it is treated as being delivered when the material was first made available on the website, or if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website;
- (f) if sent by a relevant system, it is treated as being delivered when the company (or a sponsoring system participant acting on its behalf) sends the issuer instructions relating to the notice or document; or
- (g) if a notice is given by advertisement, it is treated as being delivered at midday on the day when the last advertisement appears in the newspapers.

101.3 Any notice, document or other information to be sent to a member pursuant to article 101.1(a) or 101.1(b) shall be sent to the address recorded for the member on the register of members.

101.4 Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

101.5 A director may agree with the company that notices or documents sent to that director

in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than the time set out in 101.2.

101.6 A member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the company.

101.7 In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders;

101.8 If at any time by reason of the suspension or curtailment of postal services or an electronic communication system within the United Kingdom or any part thereof the company is unable effectively to convene a general meeting by notices sent through the post or by electronic communication, a general meeting may be convened by a notice advertised on the same date in at least one leading national daily newspaper with appropriate circulation and such notice shall be deemed to have been duly served on all members entitled thereto and persons entitled by transmission who are entitled to have notice of the meeting served upon them at noon on the day when the advertisement appears. In any such case the company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom or such part thereof again becomes practicable.

101.9 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 company shall be deemed to have received notice of the meeting.

## **102. Death or bankruptcy of a member**

102.1 Subject to the provisions of articles 85.2 and 101, a person entitled to a share as a result of the death or bankruptcy of a member is entitled to service or delivery of any notice or document to which the member would have been entitled provided that he has supplied to the company:

- (a) evidence, reasonably required by the directors, to show his title to the shares; and
- (b) an address for service within the United Kingdom or, if the board in its absolute discretion permits, subject to and in accordance with the Companies Acts, an address to which notices or documents may be sent in electronic

form.

102.2 Service or delivery in accordance with article 102.1 will be deemed to be sufficient service on or delivery to any person who is interested in the shares whether jointly with or claiming through or under the person entitled under article 102.1.

102.3 Except for in articles 102.1 and 102.2 any notice or document delivered or sent by post or in electronic form to or left at the registered address of any member named on the register of members shall be deemed to have been duly served or delivered despite the member's death or bankruptcy and whether or not the company had notice of his death or bankruptcy.

**103. Directors may specify record date**

Subject always to the Companies Acts, the company or the directors may by resolution specify any date (“**the record date**”) as the date at the close of business (or such other time as the directors may determine) on which persons registered as the holders of shares or other securities shall be entitled to receipt of any dividend, distribution, interest, allotment, issue notice, information, document or circular and such record date may be on or at any time before the date on which the same is paid or made or (in the case of any dividend, distribution, interest, allotment or issue) at any time after the same is recommended, resolved, declared or announced, but without prejudice to the rights inter se in respect of the same of transferors and transferees of any such shares or other securities.

**104. Failure to notify contact details**

104.1 If:-

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

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

104.2 A member who has ceased to be entitled to receive notices from the company becomes entitled to receive such notices again by sending the company:-

- (a) a new address to be recorded in the register of members, or
- (b) if the member has agreed that the company should use a means of

communication other than sending things to such an address, the information that the company needs to use that means of communication effectively.

## **ADMINISTRATIVE ARRANGEMENTS**

### **105. Company seals**

- 105.1 Any common seal may only be used by the authority of the directors.
- 105.2 The directors may decide by what means and in what form any common seal or securities seal is to be used.
- 105.3 Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 105.4 For the purposes of this article, an authorised person is:-
- (a) any director of the company;
  - (b) the company secretary; or
  - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.
- 105.5 If the company has an official seal for use abroad, it may only be affixed to a document if its use on that document, or documents of a class to which it belongs, has been authorised by a decision of the directors.
- 105.6 If the company has a securities seal, it may only be affixed to securities by the company secretary or a person authorised to apply it to securities by the company secretary.
- 105.7 For the purposes of the articles, references to the securities seal being affixed to any document include the reproduction of the image of that seal on or in a document by any mechanical or electronic means which has been approved by the directors in relation to that document or documents of a class to which it belongs.

### **106. Destruction of documents**

- 106.1 The company is entitled to destroy:-
- (a) all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entries are made in the register of

members, from six years after the date of registration;

- (b) all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address, from two years after they have been recorded;
- (c) all share certificates which have been cancelled from one year after the date of the cancellation;
- (d) all paid dividend warrants and cheques from one year after the date of actual payment; and
- (e) all proxy notices from one year after the end of the meeting to which the proxy notice relates.

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

- (a) entries in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed were duly and properly made;
- (b) any instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
- (c) any share certificate so destroyed was a valid and effective certificate duly and properly cancelled; and
- (d) any other document so destroyed was a valid and effective document in accordance with its recorded particulars in the books or records of the company.

106.3 This article does not impose on the company any liability which it would not otherwise have if it destroys any document before the time at which this article permits it to do so.

106.4 In this article, references to the destruction of any document include a reference to its being disposed of in any manner.

**107. No right to inspect accounts and other records**

Except as provided by law or authorised by the directors or an ordinary resolution of

the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a member.

**108. Provision for employees on cessation of business**

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

**DIRECTORS' INDEMNITY AND INSURANCE**

**109. Indemnity**

109.1 Subject to 109.3, each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer, including, without limitation:-

- (i) in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
- (ii) in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
- (iii) including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs.

109.2 The company shall provide a director or former director of the company with funds to meet expenditure incurred or to be incurred by him:-

- (a) in defending any criminal or civil proceedings which relate to anything done or omitted or alleged to have been done or omitted by him as such a director of the company in the actual or purported execution and/or discharge of his duties; or
- (b) in connection with any application under the provisions mentioned in Section 205(5) of the Companies Act 2006,

or do anything to enable a director to incurring any expenditure in relation to 109.2(a) and 109.2(b) provided that the terms on which it is made or done will result in the loan falling to be repaid, or any liability of the company under any transaction connected with the thing done falls to be discharged, not later than:-

- (c) in the event of a director being convicted in proceedings, on the date when the conviction becomes final; or
- (d) in the event of judgment being given against him in the proceedings, the date when the judgment becomes final, or
- (e) in the event of the court refusing to grant him relief on the application, the day when the refusal of relief becomes final.

109.3 A relevant officer shall not be indemnified pursuant to articles 109.1 and 109.2 against any liability:-

- (a) to the company or any associate company of the company;
- (b) to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (howsoever arising);
- (c) in defending any criminal proceedings in which he is convicted or any civil proceedings brought by the company or an associated company in which judgment is given against the director; or
- (d) in connection with any application under section 661(3), 661(4) or section 1157 of the Companies Act 2006 in which the court refuses to grant him relief, or
- (e) which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

## **110. Insurance**

The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company.

## **ELECTRONIC COMMUNICATION**

### **111. Electronic Communication**

- 111.1 The company be authorised, subject to and in accordance with the provisions of the Companies Acts to send, convey or supply all types of notices, documents or information to the shareholders by means of electronic equipment for the processing (including digital compression), storage and transmission of data, employing wires, radio optical technologies, or any other electromagnetic means, including by making such notices, documents or information available on a website.