

The Companies Act 2006

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**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION  
OF  
POTTER OYLER LIMITED**

Adopted by Special Resolution dated 18<sup>th</sup> November 2022

Certificate Number:  
00193050

Incorporated on:  
12th October 1923

MONDAY



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MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

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PART 1  
INTERPRETATION AND LIMITATION OF LIABILITY

**Defined terms**

**1. In the articles, unless the context requires otherwise—**

- "A ordinary shares" means the A ordinary share of £1 each in the capital of the Company;
- "agreement period" means the period of three months from the determination of the open market value;
- "articles" means the company's articles of association;
- "bankruptcy" 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 ordinary shares" means the B ordinary share of £1 each in the capital of the Company;
- "CA 2006" means the Companies Act 2006;
- "called shares" the shares held by a called shareholder subject to the drag along option;
- "called shareholder" a shareholder receiving a drag along notice;
- "change in control" a third party buyer or buyers holding fifty percent or more of the nominal value of the issued shares in the company from time to time;
- "chairman" has the meaning given in article 12;
- "chairman of the meeting" has the meaning given in article 43;
- "company's accountants" means the company's accountants from time to time;
- "Companies Acts" means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;
- "director" means a director of the company, and includes any person occupying the position of director, by whatever name called;
- "distribution recipient" has the meaning given in article 35;
- "document" includes, unless otherwise specified, any document sent or supplied in electronic form;
- "drag along notice" notice given by the selling shareholders to the shareholders in exercise of the drag along option and specifying that the called shareholders are required to transfer their shares pursuant to the drag along option to a third party buyer at the drag sale price as well as giving the proposed date of transfer (if known) and identity of the third party buyer;
- "drag along option" the option contained in article 32(1);
- "drag sale price" means the purchase price payable for each called share, to be an amount at least equal to the price per share offered by the third party buyer to the selling shareholder for their shares;
- "electronic form" has the meaning given in section 1168 of the Companies Act 2006;
- "fully paid" in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;
- "hard copy form" has the meaning given in section 1168 of the Companies Act 2006;
- "holder" in relation to shares means the person whose name is entered in the register of members as the holder of the shares;
- "instrument" means a document in hard copy form;
- "open market value" means the value determined in accordance with article 31(2)(a);
- "ordinary resolution" has the meaning given in section 282 of the Companies Act 2006;
- "paid" means paid or credited as paid;
- "participate", in relation to a directors' meeting, has the meaning given in article 10;

“purchasing shareholder” means a shareholder agreeing the purchase shares pursuant to article 31(2)(d);  
“proxy notice” has the meaning given in article 45;  
“selling shareholder” means a shareholder or shareholders acting together who wishes to transfer their shares who individually or together hold fifty percent or more of the nominal value of the issued shares in the company from time to time;  
“shareholder” means a person who is the holder of a share;  
“shares” means shares in the company;  
“special resolution” has the meaning given in section 283 of the Companies Act 2006;  
“subsidiary” has the meaning given in section 1159 of the Companies Act 2006;  
“third party buyer” means an arms-length buyer who does not have an interest in the company;  
“transfer notice” means written notice by the vendor given to the shareholders notifying them of the vendor’s intention to transfer any B ordinary share(s);  
“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law;  
“vendor” means a shareholder desiring to transfer any B ordinary share; and  
“writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

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

#### **Liability of members**

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

### **PART 2**

#### **DIRECTORS**

##### **DIRECTORS’ POWERS AND RESPONSIBILITIES**

#### **Directors’ general authority**

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

#### **Shareholders’ reserve power**

- 4.—(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.  
(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

#### **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.  
(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.  
(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

#### **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.

(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

### Directors to take decisions collectively

7.—(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

(2) If—

(a) the company only has one director, and

(b) no provision of the articles requires it to have more than one director,

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

### Unanimous decisions

8.—(1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

(4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

### Calling a directors' meeting

9.—(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

(2) 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.

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

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

### Participation in directors' meetings

10.—(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.

(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.

(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.

### Quorum for directors' meetings

11.—(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

(2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

(3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—

(a) to appoint further directors, or

(b) to call a general meeting so as to enable the shareholders to appoint further directors.

### **Chairing of directors' meetings**

- 12.—(1) The directors may appoint a director to chair their meetings.  
(2) The person so appointed for the time being is known as the chairman.  
(3) The directors may terminate the chairman's appointment at any time.  
(4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

### **Casting vote**

- 13.—(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.  
(2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

### **Conflicts of interest**

- 14.—(1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.  
(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.  
(3) This paragraph applies 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 the decision-making process;  
(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.  
(4) For the purposes of this article, the following are permitted causes—  
(a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;  
(b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and  
(c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.  
(5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.  
(6) Subject to paragraph (7), 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.  
(7) 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.

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

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

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

16. 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.

## **APPOINTMENT OF DIRECTORS**

### **Methods of appointing directors**

- 17.—(1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—  
(a) by ordinary resolution, or  
(b) by a decision of the directors.

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

(3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

#### **Termination of director's appointment**

**18.** A person ceases to be a director as soon as—

- (a) 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;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) 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;
- (e) 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;
- (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

#### **Directors' remuneration**

**19.—**(1) Directors may undertake any services for the company that the directors decide.

(2) Directors are entitled to such remuneration as the directors determine—

- (a) for their services to the company as directors, and
- (b) for any other service which they undertake for the company.

(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.

(4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.

(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.

#### **Directors' expenses**

**20.** The company may pay any reasonable expenses which the directors 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.

### **PART 3**

### **SHARES AND DISTRIBUTIONS**

#### **SHARES**

#### **Share Capital**

**21.** (1) The issued share capital of the Company at the date of the adoption of these Articles is £11998 divided into:

- (a) 9000 A ordinary shares; and
- (b) 2998 B ordinary shares.



(2) The A ordinary shares and the B ordinary shares shall constitute different classes of shares for the purposes of the CA 2006 but, save as otherwise provided in these Articles, the A ordinary shares and the B ordinary shares shall rank pari passu in all respects.

(3) The rights conferred on each of the holders of the A ordinary shares and on each of the holders of the B ordinary shares shall be deemed to be varied by:

- (a) the creation or issue of any further shares (whether ranking equally, in priority to them or subsequent to them);
- (b) any reduction, subdivision, consolidation, redenomination, purchase, redemption or other alteration by the Company of the Company's share capital; or
- (c) any amendment to these Articles.

(4) The rights attached to any class of Shares may from time to time, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of not less than 75% in nominal value of the issued Shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of that class of Shares, but not otherwise.

(5) The provisions of these Articles relating to general meetings of the Company or to their proceedings (and adjournments) shall, with the necessary changes being made, apply to every separate meeting of the holders of any class of Share, except that:

- (a) the necessary quorum shall be one person holding or representing by proxy at least one third in nominal amount of the issued Shares of that class;
- (b) every holder of Shares of the class present in person or by proxy shall be entitled on a poll to one vote for every such Share held by it; and
- (c) any holder of Shares of the class present in person or by proxy may demand a poll.

(6) The voting rights attached to A ordinary shares and B ordinary shares shall be:

- (a) on a written resolution, every shareholder holding one or more A ordinary shares or B ordinary shares shall have one vote for each A ordinary share and one vote for each B ordinary share held by them; and
- (b) on a resolution to be passed at a general meeting of the company, every shareholder (being an individual) present in person or by proxy or (being a corporation) present by a representative or by proxy shall have:
  - (i) on a show of hands, one vote each; and
  - (ii) on a poll, one vote for each A ordinary Share and one vote for each B ordinary share of which they are the holder.

(7) On a return of capital on liquidation or otherwise (except on a redemption or purchase by the Company of any shares), the surplus assets of the Company remaining after the payment of its liabilities, the balance of such assets (if any) shall be distributed amongst the holders of the A ordinary shares and the B ordinary shares (pari passu as if the same constituted one class of shares) according to the amount paid up or credited as paid up on each such share.

#### **All shares to be fully paid up**

**22.—**(1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.

(2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

#### **Powers to issue different classes of share**

**23.—**(1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

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

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

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

### **Share certificates**

- 25.—(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- (2) 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) that the shares are fully paid; and
  - (d) any distinguishing numbers assigned to them.
- (3) No certificate may be issued in respect of shares of more than one class.
- (4) If more than one person holds a share, only one certificate may be issued in respect of it.
- (5) Certificates must—
- (a) have affixed to them the company's common seal, or
  - (b) be otherwise executed in accordance with the Companies Acts.

### **Replacement share certificates**

- 26.—(1) If a certificate issued in respect of a shareholder's shares is—
- (a) damaged or defaced, or
  - (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- (2) A shareholder 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.

### **Share transfers**

- 27.—(1) 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 the transferor.
- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The company may retain any instrument of transfer which is registered.
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- (5) The directors may refuse to register the transfer of a share, and if they do so, 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.

### **Transmission of shares**

- 28.—(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- (2) 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.
- (3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

### **Exercise of transmittees' rights**

- 29.—(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.
- (2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- (3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

### **Transmittees bound by prior notices**

30. If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

**Pre-emption on transfer of B ordinary shares**

31.—(1) Subject to the provisions of this article 31, the transfer of B ordinary shares or any interest therein shall be regulated in accordance with the provisions contained in these articles of association.

(2) No share shall be transferred to any person unless and until the rights of pre-emption hereinafter conferred shall have been exhausted:

(a) the vendor shall give the transfer notice stating the sum which he fixes as the open market value of the share. Upon service of the transfer notice the company shall be constituted as the vendor's agent for the sale of the share to a shareholder as herein provided at the open market value to be fixed by the company's accountants and certified by them in writing provided that if the company's accountants do not within one month of the transfer notice certify that they consider the value so specified as the open market value the shares shall be valued by an Independent Chartered Accountant with experience in the valuation of shares in companies of a similar nature appointed at the joint and equal cost of the parties by agreement between the vendor and the company or in the absence of agreement such accountant appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales such Accountant to act as an expert and not an arbitrator and his determination shall be final and binding upon the parties;

(b) upon determination of the open market value, payment shall be made to the vendor by the purchasing shareholder within three months of the company's accountant's issuing a certificate confirming the open market value or the determination of the Independent Chartered Accountant (as the case may be) whichever shall be the later;

(c) the offer made in the transfer notice shall not be revocable except with the agreement of the directors;

(d) if the company shall within the agreement period (within which period the notice shall not be permitted to be withdrawn) find a shareholder willing to purchase the B ordinary shares and shall give notice thereof to the vendor, he shall be bound to sell to said shareholder at the price as determined pursuant to article 31(2)(a) being paid or secured as hereinafter mentioned to transfer the share to the relevant purchasing shareholder;

(e) if the company shall not within the agreement period find a purchaser for the share and give notice as aforesaid, the vendor shall at any time within three months after the expiration of the agreement period be at liberty subject to compliance with regulations hereunder to sell the share to any person and at any price and transfer the same accordingly;

(f) shares comprised in any such transfer notice shall first be offered to shareholders on a pro rata basis, provided that:

(i) if and so far as any such offers as aforesaid shall not be accepted by a shareholder those not accepted shall be offered to any other shareholder;

(ii) B ordinary shares offered to other shareholders pursuant to article 31(2)(f)(i) shall be offered to them collectively and individually but so that in case of competition they shall rank pari-passu for acceptance and the shares shall so far as possible be distributed equally among them and the destination of any balance which cannot be so distributed shall be decided by lot;

(iii) every such offer made in accordance with article 31(2)(f)(i) shall be personal to the individual entitled thereto and not transferable or transmissible and shall be open for acceptance for fourteen days only and if not accepted within that time shall be deemed to be declined,

(3) The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the vendor and unless the share is fully paid by or on behalf of the purchasing shareholder.

(4) Shares comprised in a transfer notice under this article 31 shall be dealt with in accordance with the provisions of article 31(2)(f).

(5) If in any case the vendor refuses or neglects on tender of the purchase money to transfer any shares to a purchasing shareholder pursuant to this article 31, the chairman for the time being of the directors of the company or failing him one of the directors duly nominated by resolution of the board for that purpose shall forthwith be deemed to be the duly appointed attorney of the vendor with full power to execute complete and deliver in the name and on behalf of the vendor a transfer of the shares to the purchasing shareholder and the company may receive and give a good discharge for the purchase money on behalf of the vendor and enter the name of the purchaser in the register of shareholders as the holder by transfer of the shares so purchased by him.

(6) Subject to the foregoing sections a person becoming entitled to a B ordinary share in consequence of the death or bankruptcy of a shareholder may upon such evidence being produced as the directors may properly require elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer signed by the member and the death or bankruptcy of the member had not occurred.

(7) Subject to the foregoing sections a person becoming entitled to a share by reason of the death or bankruptcy of a shareholder shall have the rights to which he would be entitled if he were the holder of the share except that he shall not before being registered as the holder of the share be entitled in respect of it to attend or vote at any meeting of the company or at any separate meeting of the holders of any class of shares in the company.

(8) If a shareholder dies his personal representatives where he was a sole holder or the only survivor of joint holders shall be the only persons recognised by the company as having any title to his interest but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.

(9) On the death of any shareholder, the company may within three months after his death require his personal representatives to serve a transfer notice relating to the whole of the deceased's shares and if the personal representatives do not comply forthwith with such request they shall be deemed to have served the Company with a transfer notice relating to the whole of the said shares specifying therein a sum which they consider to be the market value thereof provided that if the Company's accountants do not within one month thereof certify in writing that they consider the value so specified in the Transfer Notice is the market value of the shares then the shares shall be valued by an Independent Chartered Accountant appointed by mutual agreement at the joint costs but in the absence of such agreement appointed by the President for the time being of the Institute of Chartered Accountants such Accountant acting as an expert and his decision shall be final and binding upon the parties and payment to the personal representatives shall be made in full within three months of the certification by the Company's accountants or one month of the fixing of the valuation thereof by the Independent Accountant (as the case may be) whichever shall be the later.

### Drag along rights

32.—(1) If a selling shareholder desires to sell all their shares to a third party buyer, the selling shareholder shall have the option to require any or all of the other holders of shares to transfer all their shares with full title guarantee to said third party buyer or as the third party buyer shall direct in accordance with this article 32. (2) The selling shareholders may exercise the drag along option at any time before the registration of the transfer of the shares held by the selling shareholders by issuing to drag along notice. A copy of the drag along notice shall, for information only, also be given to the company at its registered office (but so that any failure or delay in giving such copy shall in no way prejudice the operation of this article 32). A drag along notice shall be deemed served such working days following the envelope correctly addressed to the relevant called shareholder containing it being placed in the first-class post.

(3) A drag along notice may be revoked at any time prior to completion of the sale of the called shares and any such revocation notice shall be served in the manner prescribed for a drag along notice in article 32(2).

(4) Completion of the sale of the called shares shall take place on the same date as the date of actual completion of the sale of the shares being sold by the selling shareholder to the third party buyer and payment of the drag sale price to the called shareholders, unless all of the called shareholders and the selling shareholder agree otherwise. (5) Each called shareholder shall on service of the drag along notice be deemed to have irrevocably appointed each of the selling shareholders jointly and severally to be his attorney to execute any stock transfer and covenant for full title guarantee in respect of the called shares registered in the name of such called shareholders and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the called shares pursuant to this article 32.

(6) The rights of pre-emption and other restrictions contained at article 31 shall not apply on any sale and transfer of shares by the selling shareholders, the called shareholders or any other shareholder to the third party buyer named in a drag along notice.

(7) The provisions of article 32 shall prevail over any contrary provisions of these articles. Any transfer notice in respect of any share which has not been allocated in accordance with article 31 shall automatically be revoked by the service of a drag along notice.

(8) Upon any person, following the issue of a drag along notice, becoming a holder of shares pursuant to the exercise of pre-existing options to acquire shares in the company (whether pursuant to a share option scheme or otherwise howsoever), a drag along notice, on the same terms as the previous drag along notice, shall be deemed to have been served upon such shareholder immediately upon such acquisition and such person shall thereupon be bound to sell and transfer all such shares acquired by him to the third party buyer or as the third party buyer may direct and the provisions of this agreement shall apply mutatis mutandis to such shareholder save that completion of the sale of such shares shall take place forthwith upon the drag along notice being deemed served on such member or, if later, upon the date of completion under the previous drag along notice

### Tag along rights

33.—(1) Subject to the drag along option, but otherwise notwithstanding any other provision in this agreement, no sale or other disposition of any shares shall have any effect if it would result in a change of control, unless before the transfer is lodged for registration the third party buyer has made a bona fide offer in accordance with this agreement to purchase at the specified price (as determined in article 33(3)) all the shares held by shareholders who are not acting in concert or otherwise connected with the third party buyer. Such offer shall be deemed served two working days following the envelope correctly addressed to the relevant shareholder containing it being placed in the first-class post.

- (2) An offer made under article 33(1) shall be in writing and shall be open for acceptance for at least five (5) working days, and shall be deemed to be rejected by any shareholder who has not accepted it in accordance with its terms within the time period prescribed for acceptance and the consideration thereunder shall be settled in full on completion of the purchase and within fifteen (15) working days of the date of the offer.
- (3) For the purposes of article 33(1), the expression specified price means:
- (a) the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the third party buyer or its nominees for the shares being sold resulting in a change of control; plus
  - (b) the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the shares being disposed to the third party buyer which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for such shares.
- (4) If the specified price or its cash equivalent cannot be agreed within fifteen (15) working days of the proposed sale or transfer referred to in article 33(1) between the third party buyer and the shareholders of any shares not subject to the sale, such matter shall be referred to the company accountants or an Independent Chartered Accountant with experience in the valuation of shares in companies of a similar nature appointed by the relevant shareholder and the third party buyer at the parties' equal cost or in the absence of agreement such accountant appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales such Accountant to act as an expert and not an arbitrator and his determination shall be final and binding upon the parties by any member for determination and, pending such determination, the sale or transfer referred to in article 33(1) shall have no effect.
- (5) The rights contained at article 31 and other restrictions contained in these articles shall not apply on any sale or transfer to a third party buyer provided that the provisions of this article 33 have been complied with.

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **Procedure for declaring dividends**

- 34.—**(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- (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.
- (3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- (4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- (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 arrear.
- (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.
- (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.
- (8) Where there is more than one share class with equal rights, the directors have the discretion to issue dividends at different rates on separate share classes.

### **Payment of dividends and other distributions**

- 35.—**(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 either in writing or as the directors may otherwise decide;
  - (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 either in writing or as the directors may otherwise decide;
  - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
  - (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- (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 transferee.

#### **No interest on distributions**

36. 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.

#### **Unclaimed distributions**

37.—(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.

(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.

(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.

#### **Non-cash distributions**

38.—(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).

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

- (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.

#### **Waiver of distributions**

39. 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**

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

40.—(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.

(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.

(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.

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

(5) Subject to the articles the directors may—

- (a) apply capitalised sums in accordance with paragraphs (3) and (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 4**

#### **DECISION-MAKING BY SHAREHOLDERS**

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

##### **Attendance and speaking at general meetings**

- 41.—**(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.
- (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.
- (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.
- (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.
- (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.

##### **Quorum for general meetings**

- 42.** 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.

##### **Chairing general meetings**

- 43.—**(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- (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 shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- (3) The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

##### **Attendance and speaking by directors and non-shareholders**

- 44.—**(1) Directors may attend and speak at general meetings, whether or not they are shareholders.
- (2) The chairman of the meeting may permit other persons who are not—
- (a) shareholders of the company, or
  - (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,
- to attend and speak at a general meeting.

##### **Adjournment**

- 45.—**(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- (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, or
  - (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.

- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (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.
- (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.
- (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

### Voting: general

46. 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.

### 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.
- (2) Any such objection must be referred to the chairman of the meeting, whose decision is final.

### Poll votes

- 48.—(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.
- (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 shareholders having the right to vote on the resolution.
- (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.
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

### Content of proxy notices

- 49.—(1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which—
  - (a) states the name and address of the shareholder appointing the proxy;
  - (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
  - (c) is signed by or on behalf of the shareholder 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.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (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.
- (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.

#### **Delivery of proxy notices**

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

#### **Amendments to resolutions**

- 51.—(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
  - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (2) A special resolution to be proposed at a general meeting may 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.
- (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

### **PART 5**

#### **ADMINISTRATIVE ARRANGEMENTS**

##### **Means of communication to be used**

- 52.—(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.
- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- (3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

##### **Company seals**

- 53.—(1) Any common seal may only be used by the authority of the directors.
- (2) The directors may decide by what means and in what form any common seal is to be used.
- (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.
- (4) For the purposes of this article, an authorised person is—
- (a) any director of the company;
  - (b) the company secretary (if any); or
  - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

##### **No right to inspect accounts and other records**

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

##### **Provision for employees on cessation of business**

55. 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

### Indemnity

56.—(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—

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

(2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

(3) In this article—

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant director" means any director or former director of the company or an associated company.

### Insurance

57.—(1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

(2) In this article—

- (a) a "relevant director" means any director or former director of the company or an associated company,
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.