

COMPANY NUMBER 00288446

THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION

OF

CATHOLIC HERALD LIMITED

adopted by special resolution passed on 5 August 2021

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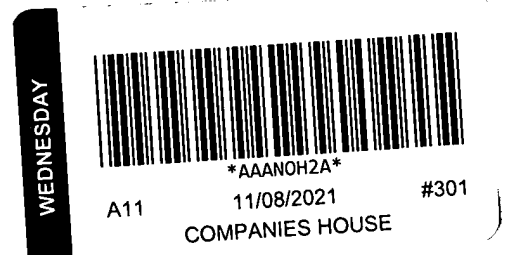
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PART 1  
INTERPRETATION AND LIMITATION OF LIABILITY

**Defined terms**

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

“**Accepting Shareholder**” has the meaning given in article 29(5);

“**Acquirer**” has the meaning given in article 29(1);

“**Allocation Notice**” has the meaning given in article 26(12);

“**articles**” means the company’s articles of association;

“**Bad Leaver**” means an employee or director of the company who ceases to be an employee or director where that cessation occurs in circumstances where the employee or director is guilty of any fraud or dishonesty;

“**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;

“**business day**” means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;

“**Buyer**” has the meaning given in article 26(12);

“**Called Shareholders**” has the meaning given in article 28(1);

“**Called Shares**” has the meaning given in article 28(2)(a);

“**chairman**” has the meaning given in article 12;

“**chairman of the meeting**” has the meaning given in article 47;

“**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;

“**controlling interest**” means an interest in shares conferring on the holder or holders control of the company within the meaning of section 1124 of the Corporation Tax Act 2010;

“**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(2);

“**document**” includes, unless otherwise specified, any document sent or supplied in electronic form;

“**Drag Along Notice**” has the meaning given in article 28(2);

“**Drag Along Option**” has the meaning given in article 28(1);

“**electronic form**” has the meaning given in section 1168 of the Companies Act 2006;

“**Excess Shares**” has the meaning given in article 26(11);

“**fully paid**” in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;

“**Good Leaver**” means an employee or director of the company who ceases to be an employee or director and who is not a Bad Leaver;

**"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;

**"independent expert"** means the auditors or the accountants for the time being of the company;

**"instrument"** means a document in hard copy form;

**"investor"** means a holder for the time being of preferred shares;

**"Leaver"** means an employee of the company who is a Bad Leaver or a Good Leaver;

**"Leaver's Shares"** means the shares held by a Leaver and the shares held by a spouse of a Leaver (if any);

**"Leaving Date"** means the date on which a Leaver ceases to be an employee and/or director of the company;

**"Market Value"** has the meaning given in article 26(4);

**"New Shareholder"** has the meaning given in article 28(9);

**"Offer Notice"** has the meaning given in article 26(9);

**"Offer Shares"** has the meaning given in article 29(3)(d);

**"ordinary resolution"** has the meaning given in section 282 of the Companies Act 2006;

**"ordinary shares"** the ordinary shares of £1 each in the capital of the company;

**"paid"** means paid or credited as paid;

**"participate"**, in relation to a directors' meeting, has the meaning given in article 10;

**"preferred shares"** means the preferred shares of £1 each in the capital of the company;

**"privileged relation"** in relation to a shareholder who is an individual (or a deceased or former shareholder who is an individual) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue);

**"Proposed Buyer"** has the meaning given in article 28(1);

**"Proposed Sale Price"** has the meaning given in article 26(2)(c);

**"Proposed Transfer"** has the meaning given in article 29(1);

**"proxy notice"** has the meaning given in article 53;

**"relevant securities"** means any shares or other securities convertible into, or carrying the right to subscribe for shares, issued by the company after the date of adoption of these articles;

**"Sale Price"** has the meaning given in article 26(4) or, following service of a deemed Transfer Notice, the Sale Price referred to in article 27(2)(a);

**"Sale Shares"** has the meaning given in article 26(2)(a);

**"Seller"** has the meaning given in article 26(1);

**"Selling Shareholders"** has the meaning given in article 28(1);

**"shareholder"** means a person who is the holder of a share;

**"Shareholder Consent"** means the written consent of all three of William Cash, Brooks Newmark and Sir Rocco Forte (on behalf of Sir Rocco Forte Limited), whilst they are shareholders of the company;

**"share option scheme"** means any share option scheme of the company which a preferred shareholder identifies in writing as being a share option scheme for the purposes of these articles;

**"share sale"** means the sale of (or the grant of a right to acquire or to dispose of) any shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those shares (or grantee of that right) and persons acting in concert with him together acquiring a controlling interest, except where the identities of the shareholders in the buyer and the proportion of shares of the buyer held by each of them following completion of the sale are the same as the identities of the shareholders and their respective shareholdings in the company immediately before the sale;

**"shares"** means shares (of any class) in the capital of the company;

**"special resolution"** has the meaning given in section 283 of the Companies Act 2006;

**"Specified Price"** has the meaning given in article 29(2);

**"subsidiary"** has the meaning given in section 1159 of the Companies Act 2006;

**"Tag Offer"** has the meaning given in article 29(2);

**"Tag Offer Notice"** has the meaning given in article 29(3);

**"Total Transfer Condition"** has the meaning given in article 26(2)(d);

**"Transfer Notice"** has the meaning given in article 26(2)

**"transmittee"** means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law;

**"Valuers"** means the appointed accountants or auditors for the time being of the company, unless the appointed accountants or auditors give notice to the company that they decline an instruction to report on the matter in question, when the Valuers shall be a firm of chartered accountants agreed between the Seller and the directors or, in default of such agreement within 10 business days following the notice from the appointed accountants or auditors declining to report, as appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of any such party; 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.

#### **Transactions or other arrangements with the company**

**14.** Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Companies Act 2006 and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Act 2006, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
- (b) shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested;
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Companies Act 2006)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Companies Act 2006.

#### **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) 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**

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

- 21.**—(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**

- 22.**—(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**

23. 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**

24.—(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**

25.—(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**

26.—(1) If any member wishes to transfer any shares ("**Seller**") to a third party, such shares must first be offered to the other holders of shares in the manner set out in the remaining provisions of this article 26 before the Seller is able to transfer or agree to transfer such shares to a third party.

(2) A Seller must first serve notice in writing ("**Transfer Notice**") on the company of his/her wish to make a transfer of his/her shares and must set out in the Transfer Notice:

- (a) the number and class of shares ("**Sale Shares**" and each one a "**Sale Share**") which he/she wishes to transfer;
- (b) if there is a specific proposed transferee to whom the Seller wishes to transfer the Sale Shares, the identity of such third party;
- (c) the price per share at which the Seller wishes to transfer the Sale Shares ("**Proposed Sale Price**"); and
- (d) whether the Transfer Notice is conditional upon all (and not some) of the Sale Shares being sold pursuant to the following provisions of this article 26 ("**Total Transfer Condition**").

(3) Each Transfer Notice shall:

- (a) relate to one class of share only;

- (b) constitute the company as the agent of the Seller for the sale of the Sale Shares on the terms of this article 26; and
  - (c) save as provided in article 26(8), be irrevocable.
- (4) After the Transfer Notice is served on the company by the Seller, the Sale Shares shall be offered for purchase in accordance with this article 26 at a price per Sale Share ("**Sale Price**") agreed between the Seller and the directors of the company or, if there is no such agreement by the end of the 15th working day after the date of service of the Transfer Notice:
  - (a) if the directors of the company so elect during that fifteen working day period, the Sale Price shall be the price per Sale Share reported on by the Valuers as their written opinion of the open market value of each Sale Share ("**Market Value**") as at the date of service of the Transfer Notice (in which case for the purposes of these articles the Sale Price shall be deemed to have been determined on the date of the receipt by the company of the Valuer's report); or
  - (b) otherwise the Sale Price shall be the Proposed Sale Price (in which case for the purpose of these articles the Sale Price shall be deemed to have been agreed at the end of that 15th working day).
- (5) If instructed to report on their opinion of Market Value under article 26(4)(a), the Valuers shall:
  - (a) act as expert and not as arbitrator and their written determination shall be final and binding on the members; and
  - (b) proceed on the basis that:
    - (i) the open market value of each Sale Share shall be the sum which a willing buyer would agree with a willing seller to be the purchase price for all the class of shares of which the Sale Shares form part, divided by the number of issued shares then comprised in that class;
    - (ii) there shall be no addition of any premium or subtraction of any discount by reference to the size of the holding the subject of the Transfer Notice or in relation to any restrictions on the transferability of the Sale Shares; and
    - (iii) any difficulty in applying either of the foregoing bases shall be resolved by the Valuers as they think fit in their absolute discretion.
- (6) The company will use its reasonable endeavours to procure that the Valuers deliver their written opinion of the Market Value to the directors and the Seller within twenty-eight days of being requested to do so.
- (7) The Valuers' fees for reporting on their opinion of the Market Value shall be borne as the Valuers shall specify in their valuation having regard to the conduct of the parties and the merit of their arguments in respect of the matters in dispute or otherwise (in the absence of any such specification by the Valuers) as to one half by the Seller and as to the other half by the company unless the Seller revokes the Transfer Notice pursuant to article 26(8), in which case the Seller shall pay all the Valuers' fees.
- (8) If the Market Value is reported on by the Valuers under article 26(4) to be less than the Proposed Sale Price, the Seller may revoke any Transfer Notice which was not stated to be irrevocable by giving written notice to the directors within the period of five business days after the date the Seller is provided the Valuers' written opinion of the Market Value.
- (9) The directors shall, at least ten business days after and no more than twenty Business Days after the Sale Price has been agreed or determined, give an offer notice ("**Offer Notice**") to all members to whom the Sale Shares are to be offered in accordance with this article 26.
- (10) An Offer Notice shall:
  - (a) specify the Sale Price;
  - (b) contain the other details included in the Transfer Notice; and
  - (c) invite each of the members (other than the Seller) to apply in writing within twenty business days after service of such Offer Notice setting out the number of Sale Shares he wishes to acquire and, if he so desires, that he would be willing to purchase a particular proportionate entitlement of such Sale Shares as set out in article 26(11)(a),
 and shall expire twenty business days after its service.
- (11) After the expiry date of the Offer Notice, the directors shall allocate the Sale Shares in accordance with the applications received save that:
  - (a) if there are applications from members for more than the number of Sale Shares available, they shall be allocated to those applicants in proportion (as nearly as

possible but without allocating to any member more Sale Shares than the maximum number applied for by him/her) to the number of shares then held by them respectively; however, if any members indicate that they would be willing to purchase a particular proportionate entitlement ("**Excess Shares**"), applications for Excess Shares shall be allocated in accordance with such applications, or in the event of competition among those members applying for Excess Shares in such proportions as equal (as nearly as may be) to the proportions of all the shares held by such members;

(b) if it is not possible to allocate any of the Sale Shares without involving fractions, they shall be allocated amongst them in such manner as the board of directors of the company shall think fit; and

(c) if the Transfer Notice contained a valid Total Transfer Condition, no allocation of Sale Shares shall be made unless all the Sale Shares are allocated.

(12) The directors shall, within five business days of the expiry date of the Offer Notice, give notice in writing ("**Allocation Notice**") to the Seller and to each person to whom Sale Shares have been allocated (each a "**Buyer**") setting out:

(a) the name and address of each Buyer;

(b) the number and class of Sale Shares agreed to be purchased by each Buyer;

(c) the aggregate price payable for them; and

(d) the date and time when each Buyer must pay the Seller in respect of the Sale Shares allocated to such Buyer and the Seller must deliver the relative share certificate(s) to that Buyer.

(13) Completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the registered office of the company at the date and time specified in the Allocation Notice when the Seller shall, upon payment to him by a Buyer of the Sale Price in respect of the Sale Shares allocated to that Buyer, transfer those Sale Shares and deliver the relative share certificate(s) to that Buyer. In the event that the Seller does not on or before such completion execute and deliver a transfer in respect of the Sale Shares he shall be deemed to have irrevocably appointed any director of the company to be his agent and attorney to execute all necessary transfers on his behalf against payment to the Buyer(s) of the consideration payable for the Sale Shares and to deliver such transfers to the Buyer(s).

(14) The Seller may, during the period of thirty business days immediately following the expiry date of the Offer Notice, sell all or any of these Sale Shares, for which an Allocation Notice has not been given, by way of bona fide sale to the proposed transferee named in the Transfer Notice or, if none was so named, to any transferee, in either case at any price per Sale Share which is not less than the Sale Price, without any deduction, rebate or allowance to the proposed transferee, provided that:

(a) the Seller may not transfer such share and the directors shall not register any transfer to a transferee who is not at that date a member unless such transferee is first approved in writing by the directors; and

(b) if the Transfer Notice contained a Total Transfer Condition, the Seller shall not be entitled, save with the written consent of the directors, to sell only some of the Sale Shares under this article 26(14).

(15) If a Seller fails for any reason (including death) to transfer any Sale Shares when required pursuant to this article 26, the directors may authorise any director of the company (who shall be deemed to be irrevocably appointed as the attorney of the Seller for the purpose) to execute each necessary transfer of such Sale Shares and deliver it on the Seller's behalf. The company may receive the purchase money for such Sale Shares from the Buyer and shall upon receipt (subject, if necessary, to the transfer being duly stamped) register the Buyer as the holder of such Sale Shares. The company shall hold such purchase money in a separate bank account on trust for the Seller but shall not be bound to earn or pay interest on any money so held. The company's receipt for such purchase money shall be a good discharge to the Buyer who shall not be bound to see to the application of it, and after the name of the Buyer has been entered in the register of members in purported exercise of the power conferred by this article 26(15) the validity of the proceedings shall not be questioned by any person.

(16) Subject to this article 26, 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.

- (17) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (18) The company may retain any instrument of transfer which is registered.
- (19) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- (20) 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.

#### **Deemed transfer notice**

- 27.—**(1) A shareholder is deemed to have served a Transfer Notice in respect of his/her shares respectively under article 26(3):
- (a) immediately before his death; or
  - (b) immediately before a bankruptcy order being made against him, or an arrangement or composition being made with his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors; or
  - (c) where notice is served on a shareholder (as the case may be) under article 30(1).
- (2) The deemed Transfer Notice has the same effect as a Transfer Notice, except that:
- (a) the deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the relevant shares and the Sale Price shall (save where article 30(2) applies) be the Market Value of those relevant shares, determined by the Valuers in accordance with article 26(5); and
  - (b) the Seller does not have a right to withdraw the Transfer Notice following a valuation.
- (3) In the event that a Transfer Notice is deemed to have been served pursuant to article 27(1) in respect of any shares and all of such shares are not purchased by the members entitled to receive an Offer Notice then such of the relevant shares as are not so purchased shall (in the case of a deemed Transfer Notice being served pursuant to article 27(1)(a)) devolve under the terms of the shareholder's will provided that no beneficiary shall be registered as a shareholder unless he has entered into a deed of adherence (in such form as the directors of the company may require) with the continuing shareholders agreeing to be bound by the terms of any shareholders' agreement in place from time to time or (in the case of a deemed Transfer Notice being served pursuant to article 27(1)(b)) be transferred as determined by the shareholder's trustee in bankruptcy, provided however that no person to whom the shareholder's trustee in bankruptcy wishes to transfer shares shall be registered as a shareholder unless the potential transferee has entered into a deed of adherence (in such form as the directors of the company may require) with the continuing shareholders agreeing to be bound by the terms of any shareholders' agreement in place from time to time or (in the case of the deemed Transfer Notice being served pursuant to article 27(1)(c)) be transferred to a third party provided that such third party has entered into a deed of adherence (in such form as the directors of the company may require) with the continuing shareholders agreeing to be bound by the terms of any shareholders' agreement in place from time to time.

#### **Drag along**

- 28.—**(1) If the holders of more than 50% of the voting rights attached to the shares ("**Selling Shareholders**") wish to transfer all of their interest in the shares held by them ("**Sellers' Shares**") to a bona fide arm's length purchaser ("**Proposed Buyer**"), the Selling Shareholders may require all other shareholders ("**Called Shareholders**") to sell and transfer all their shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article ("**Drag Along Option**").
- (2) The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect ("**Drag Along Notice**") at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their shares ("**Called Shares**") pursuant to this article 28;
  - (b) the person to whom the Called Shares are to be transferred;

- (c) the consideration payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and
  - (d) the proposed date of the transfer.
- (3) Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 20 business days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- (4) No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 28.
- (5) Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
  - (b) that date is less than 10 business days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 15 business days after service of the Drag Along Notice.
- (6) The rights of pre-emption set out in these articles shall not apply to any transfer of shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- (7) On the Completion Date, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the company. On the Completion Date, the Selling Shareholders shall procure that the Called Shareholders are paid the amounts they are due for their shares pursuant to article 28(2)(c).
- (8) If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the company (on trust for such holder) of the consideration payable for the Called Shares, to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 28(8).
- (9) Following the issue of a Drag Along Notice, on any person becoming a shareholder of the company pursuant to the exercise of a pre-existing option to acquire shares in the company or on the conversion of any convertible security of the company (a New Shareholder), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 28 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

#### **Tag along**

**29.—**(1) Except in the case of transfers pursuant to article 27, and after going through the pre-emption procedure set out in article 26, the provisions of article 29(2) to 29(6) shall apply if, in one or a series of related transactions, one or more Sellers propose to transfer any of their shares ("**Proposed Transfer**") which would, if carried out, result in any person ("**Acquirer**"), and any person Acting in Concert with the Buyer, acquiring a controlling interest in the company.

(2) Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer ("**Tag Offer**") to:

- (a) the other shareholders to purchase all of the shares held by them;
- (b) the holders of any existing options to acquire shares (granted by the company or under any share option arrangements established by the company) that are already

- capable of exercise or that are expected to become capable of exercise before the Proposed Transfer, to purchase any shares acquired on the exercise of options at any time before the Proposed Transfer;
- for a consideration in cash per share that is at least equal to the highest price per share offered or paid by the Acquirer, or any person Acting in Concert with the Acquirer, in the Proposed Transfer or in any related previous transaction in the twelve months preceding the date of the Proposed Transfer ("**Specified Price**").
- (3) The Tag Offer shall be made by written notice ("**Tag Offer Notice**"), at least ten business days before the proposed sale date ("**Sale Date**"). To the extent not described in any accompanying documents, the Tag Offer Notice shall set out:
- (a) the identity of the Acquirer;
  - (b) the Specified Price and other terms and conditions of payment;
  - (c) the Sale Date; and
  - (d) the number of shares proposed to be purchased by the Acquirer ("**Offer Shares**").
- (4) If the Acquirer fails to make the Tag Offer to all of the persons listed in article 29(2) in accordance with articles 29(2) and 29(3), the Seller shall not be entitled to complete the Proposed Transfer and the company shall not register any transfer of shares effected in accordance with the Proposed Transfer.
- (5) If the Tag Offer is accepted by any shareholder ("**Accepting Shareholder**") in writing within ten business days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- (6) The Proposed Transfer is subject to the pre-emption provisions of article 26, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

#### **Good Leaver/ Bad Leaver**

- 30.**—(1) Within a period commencing on the relevant Leaving Date and expiring at midnight on the date following 6 months of such date, the board of directors may serve a notice in writing on the Leaver notifying him that he is, with immediate effect, deemed to have served a Transfer Notice in respect of such number of the Leaver Shares as is specified in the board of director's notice. No Leaver Shares shall be transferred pursuant to article 26 until the Leaver can no longer be bound to transfer them under this article 30.
- (2) The Sale Price shall be:
- (a) in the case of a Good Leaver, the higher of the Market Value (determined by the Valuers) and the price paid by the Leaver for the Leaver's Shares;
  - (b) in the case of a Bad Leaver, the subscription price paid by the Leaver for the Leaver's Shares.

#### **Transmission of shares**

- 31.**—(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**

- 32.**—(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**

33. 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.

### **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.

#### **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 transmittee.

#### **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.

#### **Liquidation preference**

- 40.** On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of shares), the assets of the company remaining after the payment of its liabilities shall be applied (to the extent that the company is lawfully able to do so) in the following order of priority:
- (a) first, in paying to the holders of the preferred shares in respect of each preferred share held the issue price of that preferred share or, where the amount to be distributed is less than the total issue price of all preferred shares in issue, the proceeds shall be distributed to the holders of the preferred shares pro rata to the aggregate amounts due to them under this article 40; and
  - (b) thereafter, in distributing the balance among the holders of the ordinary shares pro rata to the number of ordinary shares held, as if they all constituted shares of the same class.

#### **Exit provisions**

41. On any share sale the sale proceeds shall be distributed in the order of priority set out in article 40.

### **Variation of class rights**

42.—(1) Whenever the share capital of the company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the company is a going concern or during or in contemplation of a winding up) with the consent in writing of the holders of at least 75% in nominal value of the issued shares of that class.

(2) Without prejudice to the generality of article 42(1), the special rights attaching to the preferred shares shall be deemed to be varied by the occurrence of any of the following events:

- (a) the amendment or repeal of any provision of, or addition of any provision to, the constitution of the company;
- (b) the alteration in any manner (including, without limitation, by an increase, reduction, sub-division, consolidation, re-classification or a change in any of the rights attached) of any of the issued share capital or other securities of the company or the creation by the company of any shares or other securities (save as expressly provided otherwise in these articles);
- (c) the grant of any option, warrant or other right to acquire or subscribe for shares in or other securities of the company (whether or not pursuant to a share option scheme);
- (d) the approval of any merger, liquidation, dissolution or acquisition of the company or the sale of all or part of the business, undertaking or assets of the company;
- (e) the acquisition by the company of any shares or other securities, or any option, warrant or other right to acquire or subscribe for any of the same, in any entity (whether or not incorporated);
- (f) save as expressly provided otherwise in these articles, the application by capitalisation of any sum in or towards paying up any shares or other securities of the company, or any other reduction of any amount standing from time to time to the credit of the share premium account or capital redemption reserve of the company;
- (g) the entering into by the company of a voluntary winding up; and
- (h) the redenomination of any of the issued share capital of the company.

(3) The creation of a new class of shares which has preferential rights to one or more existing classes of shares shall not, except as provided in article 42(2), constitute a variation of the rights of those existing classes of shares.

### **Conversion of preferred shares**

43.—(1) Any holder of preferred shares may at any time, by notice in writing to the company, require conversion of all of the preferred shares held by it at any time into ordinary shares. Those preferred shares shall convert automatically on the date of service of such notice on the company (unless such notice states that conversion is to be effective on some later date, or when any conditions specified in the notice have been fulfilled, in which case conversion shall take effect on that later date, or when such conditions have been fulfilled, as the case may be).

(2) In the case of a conversion pursuant to article 43(1), at least 10 business days after the date of conversion each holder of the relevant preferred shares converted or to be converted shall deliver the certificate(s) (or an indemnity in a form reasonably satisfactory to the directors for any lost share certificate) for the preferred shares being converted (together with such other evidence (if any) as the directors may reasonably require to prove good title to those shares) to the company at its registered office for the time being.

(3) On conversion pursuant to this article 43 the relevant preferred shares shall (without any further authority than that contained in these articles) stand converted into ordinary shares on the basis of one ordinary share for each preferred share held (subject to adjustment to take account of any sub-division, consolidation or re-classification of either the preferred shares or the ordinary shares at any time before a conversion in accordance with this article 43) and the ordinary shares resulting from the conversion shall rank *pari passu* in all respects with the existing issued ordinary shares.

(4) Forthwith following a conversion pursuant to this article 43, the company shall enter the holder(s) of the converted preferred shares in the register of shareholders of the company as the holder(s) of the appropriate number of ordinary shares and, subject to the relevant holder of preferred shares delivering the relevant share certificate(s) (or indemnity or other evidence) in respect of the preferred shares in accordance with article 43(3), the company shall, within 20 business days of conversion, forward a definitive share certificate for the appropriate number of fully paid ordinary shares to such holder of converted preferred shares, by post to his address as shown in the company's register of shareholders, at his own risk and free of charge.

## CAPITALISATION OF PROFITS

### Authority to capitalise and appropriation of capitalised sums

**44.—**(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

**45.—**(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**

**46.** 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**

- 47.—**(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**

- 48.—**(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**

- 49.—**(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

50. 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

- 51.—(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

- 52.—(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

- 53.—(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**

**54.—**(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**

**55.—**(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**

**56.—**(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**

**57.—**(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**

**58.** 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**

**59.** 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**

- 60.**—(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**

- 61.**—(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.