

Company No. 01490238

ARTICLES OF ASSOCIATION

OF

NG BAILEY GROUP LIMITED

Incorporated 11th April 1980

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF
NG BAILEY GROUP LIMITED

(Adopted by special resolution passed on 5 July 2022)

Introduction

1. Interpretation

1.1 In these Articles, unless the context otherwise requires:

Act: means the Companies Act 2006;

Application Notice: has the meaning given in article 54;

Application Period: has the meaning given in article 54;

Annual Accounts: means the audited consolidated annual accounts for the Company and its subsidiaries;

Articles: means the company's articles of association for the time being in force;

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;

Board: the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles;

business day: means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

capitalised sum: has the meaning given in article 40;

chairman: has the meaning given in article 12;

chairman of the meeting: has the meaning given in article 43;

child or children: shall include legally adopted children (but not step children);

Company: NG Bailey Group Limited (company registered number: 01490238);

Conflict: has the meaning given in article 15;

director: means a director of the Company, and includes any person occupying the position of director, by whatever name called;

Discounted Fair Value: means the value of the Shares determined in accordance with article 57.5;

distribution recipient: has the meaning given in article 35;

document: includes, unless otherwise specified, any document sent or supplied in electronic form;

electronic form: has the meaning given in section 1168 of the Act;

eligible director: means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);

Executive Director: means a director holding any employment or executive office with the Company or one of its subsidiaries;

Fair Value: means the value of the Shares determined in accordance with article 57;

Family Council: the NG Bailey Family Council operated by Qualifying Lineal Descendants pursuant to a constitution, as amended from time to time in accordance with its terms.

Family Director: means a director who is also a Qualifying Lineal Descendent, or the spouse of a Qualifying Lineal Descendent;

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 Act;

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;

Interested Director: has the meaning given in article 15;

lineal descendant: shall include legally adopted children;

Model Articles: means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*);

Non-Executive Director: means a director who is not an Executive Director;

Offer Notice: has the meaning given in article 54;

ordinary resolution: has the meaning given in section 282 of the Act;

Ownership Council: the NG Bailey Ownership Council operated by Qualifying Lineal Descendants pursuant to a constitution, as amended from time to time in accordance with its terms;

paid: means paid or credited as paid;

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

Permitted Individual Shareholder: has the meaning given in article 53;

Permitted Shareholder: means a Permitted Individual Shareholder or a Permitted Trustee Shareholder;

Permitted Trust: has the meaning given in article 53;

Permitted Trustee Shareholder: has the meaning given in article 53;

persons entitled: has the meaning given in article 40;

proxy notice: has the meaning given in article 47;

Qualifying Lineal Descendant: means a lineal descendant of Noel Grimshaw Bailey and Beryl Edwina Bailey;

Registered Charity: means a "charity" as defined in the Charities Act 2011 which is registered with the Charity Commission for England and Wales;

Retiring Directors: has the meaning given in article 21;

Share: means a share in the Company;

Shareholder: means a registered holder of Shares;

Share Purchase Pool: has the meaning given in article 54.

special resolution: has the meaning given in section 283 of the Act;

spouse: means a person's partner in marriage recognised under the law of England and Wales which shall include a civil partnership or formal union between partners of the same sex;

subsidiary: has the meaning given in section 1159 of the Act;

takeover offer: has the meaning given in section 974 of the Act;

transmittee: means a person entitled to a Share by reason of the death or bankruptcy of a Shareholder or otherwise by operation of law;

Taskforces: such taskforces as may be set up by the Family Council and Ownership Council from time to time;

Withdrawal Period: has the meaning given in article 54; and

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

- 1.2 Unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:

- 1.5.1 any subordinate legislation from time to time made under it; and
 - 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms **"including", "include", "in particular"** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 No regulations or articles set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies (including the Model Articles) shall apply as the articles of the Company. These Articles shall be the articles of association of the Company.

2. Liability of Members

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

DIRECTORS

3. Directors' general authority

The directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

4. Shareholders' reserve power

- 4.1 The Shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- 4.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

5. Directors may delegate

- 5.1 The directors may delegate any of the powers which are conferred on them under the Articles:
 - 5.1.1 to such person or committee;
 - 5.1.2 by such means (including by power of attorney);
 - 5.1.3 to such an extent;
 - 5.1.4 in relation to such matters or territories; and
 - 5.1.5 on such terms and conditions;as they think fit.
- 5.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 5.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions

6. Committees

- 6.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by directors.
- 6.2 The directors may make rules of procedure for all or any committees, provided such rules are consistent with the Articles.

7. 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.
- 7.2 If:
 - 7.2.1 the Company only has one director for the time being; and
 - 7.2.2 no provision of the Articles requires it to have more than one director,the general rule does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.

8. 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.
- 8.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 8.3 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.

9. 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. Notice of any directors' meeting must indicate:
 - 9.1.1 its proposed date and time;
 - 9.1.2 where it is to take place; and
 - 9.1.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 9.2 Notice of a directors' meeting must be given to each director, but need not be in writing.
- 9.3 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 at any time before the date on which the meeting is held.

10. Participation in directors' meetings

10.1 Directors participate in a directors' meeting, or part of a directors' meeting, when:

10.1.1 the meeting has been called and takes place in accordance with the Articles; and

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

10.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

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

11. Quorum for directors' meetings

11.1 The quorum for the transaction of business at a meeting of directors is any three eligible directors provided that:

11.1.1 at least one of the directors present is a Family Director; and

11.1.2 at least one of the directors present is a Non-Executive Director (but not a Family Director).

11.2 If the number of directors in office for the time being is insufficient to constitute the required quorum, the directors must not take any decision other than a decision:

11.2.1 to appoint further directors; or

11.2.2 to call a general meeting so as to enable those Shareholders with voting rights to appoint further directors.

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

12. Chairing of directors' meetings

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

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

12.3 The directors may terminate the chairman's appointment at any time.

12.4 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.

13. CASTING VOTE

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

14. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way,

whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- 14.1.1 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;
- 14.1.2 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;
- 14.1.3 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;
- 14.1.4 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;
- 14.1.5 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
- 14.1.6 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 Act)) 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 Act.

15. **Conflicts of interest**

- 15.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 15.2 Any authorisation under this article 15 will be effective only if:
 - 15.2.1 the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles;
 - 15.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
 - 15.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 15.3 Any authorisation of a Conflict under this article 15 may (whether at the time of giving the authorisation or subsequently):

- 15.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 15.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
 - 15.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - 15.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - 15.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and
 - 15.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 15.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 15.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 15.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 16. Records of decisions to be kept**
- 16.1 Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.
- 16.2 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.
- 17. Directors' discretion to make further rules**
- 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.

18. Number of directors

Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum but shall not be less than three.

19. Appointment of directors

19.1 In any case where, as a result of death or bankruptcy, the Company has no Shareholders and no directors, the transmittee(s) of the last Shareholder to have died or to have a bankruptcy order made against him (as the case may be) has the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

19.2 Subject to article 19.3 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:

19.2.1 by ordinary resolution, or

19.2.2 by a decision of the directors.

19.3 No person may be appointed act as a director if their spouse is already a director.

19.4 For the purposes of article 19.1, 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.

20. Termination of directors' appointment

20.1 A person ceases to be a director as soon as:

20.1.1 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;

20.1.2 a bankruptcy order is made against that person;

20.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;

20.1.4 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;

20.1.5 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;

20.1.6 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.

21. Retirement of directors by rotation

21.1 At every annual general meeting of the Company each director shall retire from office and may offer himself for re-appointment by the members.

21.2 A director who retires at an annual general meeting (whether by rotation or otherwise) may, if willing to act, be re-appointed. If he is not re-appointed or deemed to have been re-appointed under article 21.4, he shall retain office until

the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

- 21.3 With the notice of annual general meeting each year the Chairman shall provide his recommendation as to whether each director offering himself for re-appointment should, in the view of the Chairman, be re-appointed.

- 21.4 If:

21.4.1 at the annual general meeting in any year any resolution or resolutions for the appointment or re-appointment of the persons eligible for appointment or re-appointment as directors are put to the meeting and lost; and

21.4.2 at the end of that meeting the number of directors is fewer than any minimum number of directors required under article 18,

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

- 21.5 The Retiring Directors shall convene a general meeting as soon as reasonably practicable following the meeting referred to in Article 21.4 and they shall be deemed to retire from office with effect from the end of that meeting. If at the end of any meeting convened under this article the number of directors is fewer than any minimum number of directors required under Article 18, the provisions of articles 21.4 and 21.5 shall also apply to that meeting.

22. **Directors' remuneration**

- 22.1 Directors may undertake any services for the Company that the directors decide.

- 22.2 Subject to article 22.4, directors are entitled to such remuneration as the directors determine:

22.2.1 for their services to the Company as directors; and

22.2.2 for any other service which they undertake for the Company.

- 22.3 A director's remuneration may:

22.3.1 take any form (other than Shares); and

22.3.2 in relation to Executive Directors only, 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.

- 22.4 Each of the directors may be paid a fee, for their role as director, at such rate as may from time to time be determined by the Board. The aggregate of all fees payable to the directors (other than Executive Directors) for their role as directors for the financial year ending in February 2023 shall be capped at £370,000. For each subsequent financial year, this cap will increase annually at the same percentage rate as the annual group staff pay review as agreed by the Remuneration Committee, so that directors' fees for their role as directors cannot increase at a higher percentage than group staff. Any fees payable under this article shall be distinct from any salary, remuneration or other amounts payable.

- 22.5 Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 22.6 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.
- 22.7 The Company shall provide Shareholders with an annual report setting out details of all remuneration paid to each of the directors (and former directors) in each financial year by the Company and its subsidiaries. Such report shall be sent to Shareholders no later than the same date as the notice of annual general meeting in each year.

23. Directors' expenses

- 23.1 The Company may pay any reasonable expenses which the directors and the secretary properly incur in connection with their attendance at:

23.1.1 meetings of directors or committees of directors;

23.1.2 general meetings; or

23.1.3 separate meetings of the holders of any class of Shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

SHARES

24. All shares to be fully paid up

- 24.1 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.
- 24.2 This does not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum.

25. Powers to issue different classes of share

- 25.1 Subject to these 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.
- 25.2 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.

26. Company not bound by less than absolute interests

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

27. Share certificates

- 27.1 The Company must issue each Shareholder, free of charge, with one or more

certificates in respect of the Shares which that Shareholder holds.

27.2 Every certificate must specify:

- 27.2.1 in respect of how many Shares, of what class, it is issued;
- 27.2.2 the nominal value of those Shares;
- 27.2.3 that the Shares are fully paid; and
- 27.2.4 any distinguishing numbers assigned to them.

27.3 No certificate may be issued in respect of Shares of more than one class.

27.4 If more than one person holds a Share, only one certificate may be issued in respect of it.

27.5 Certificates must:

- 27.5.1 have affixed to them the Company's common seal; or
- 27.5.2 be otherwise executed in accordance with the Act.

28. Replacement share certificates

28.1 If a certificate issued in respect of a Shareholder's Share is:

- 28.1.1 damaged or defaced, or
- 28.1.2 said to be lost, stolen or destroyed,

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

28.2 A Shareholder exercising the right to be issued with such a replacement certificate:

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

29. Share transfers

29.1 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.

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

29.3 The Company may retain any instrument of transfer which is registered.

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

29.5 The directors shall register the transfer of a Share made both in accordance with

the Act and the provisions of articles 51 to 57.

- 29.6 The directors must refuse to register the transfer of a Share not made both in accordance with the Act and the provisions of articles 51 to 57, 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.

30. Transmission of shares

- 30.1 If title to a Share passes to a transmittee, the Company may only recognise the transmittee as having any title to that Share.

- 30.2 A transmittee who produces such evidence of entitlement to Shares as the directors may, subject always to being a Permitted Shareholder, properly require:

30.2.1 may, choose either to become the holder of those Shares or to have them transferred to another person; and

30.2.2 subject to any pending transfer of the Shares to another person, has the same rights as the holder had.

- 30.3 But subject to article 19.1, 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.

31. Exercise of transmittees' rights

- 31.1 Transmittees who wish to become the holders of Shares to which they have become entitled must notify the Company in writing of that wish.

- 31.2 If the transmittee wishes to have a Share transferred to another person, the transmittee must execute an instrument of transfer in respect of it. Articles 51 to 53 (inclusive) shall apply to any proposed transfer.

- 31.3 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.

32. Transmittees bound by prior notices

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, or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 31.2 has been entered in the register of members.

33. Purchase of Own Shares

Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) with cash up to any amount in a financial year not exceeding the lower of:

- 33.1 £15,000; and

- 33.2 the value of 5% of the Company's share capital.

DIVIDENDS AND OTHER DISTRIBUTIONS

34. **Procedure for declaring dividends**

- 34.1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 34.2 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.
- 34.3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights.
- 34.4 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.
- 34.5 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.
- 34.6 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.
- 34.7 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.

35. **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:
- 35.1.1 transfer to a bank or building society account specified by the distribution recipient in writing;
- 35.1.2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the Share), or (in any other case) to an address specified by the distribution recipient in writing;
- 35.1.3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified in writing; or
- 35.1.4 any other means of payment as the directors agree with the distribution recipient in writing.
- 35.2 In these Articles, the **distribution recipient** means, in respect of a Share in respect of which a dividend or other sum is payable:
- 35.2.1 the holder of the Share; or
- 35.2.2 if the Share has two or more joint holders, whichever of them is named first in the register of members; or
- 35.2.3 if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

36. **No interest on distributions**

36.1 The Company may not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by:

36.1.1 the terms on which the Share was issued; or

36.1.2 the provisions of another agreement between the holder of that Share and the Company.

37. Unclaimed distributions

37.1 All dividends or other sums which are:

37.1.1 payable in respect of Shares; and

37.1.2 unclaimed after having been declared or become payable,

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

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

37.3 If:

37.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment; and

37.3.2 the distribution recipient has not claimed it,

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

38. 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).

38.2 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:

38.2.1 fixing the value of any assets;

38.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

38.2.3 vesting any assets in trustees.

39. Waiver of distributions

39.1 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:

39.1.1 the Share has more than one holder, or

39.1.2 more than one person is entitled to the Share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

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

CAPITALISATION OF PROFITS

40. Authority to capitalise and appropriation of capitalised sums

40.1 The directors may, if they are so authorised by an ordinary resolution:

40.1.1 decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and

40.1.2 appropriate any sum which they so decide to capitalise (a **capitalised sum**) to the persons who would have been entitled to it if it were distributed by way of dividend (the **persons entitled**) and in the same proportions.

40.2 Capitalised sums must be applied:

40.2.1 on behalf of the persons entitled; and

40.2.2 in the same proportions as a dividend would have been distributed to them.

40.3 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.

40.4 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.

40.5 The directors may:

40.5.1 apply capitalised sums in accordance with articles 40.3 and 40.4 partly in one way and partly in another;

40.5.2 make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and

40.5.3 authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of Shares and debentures to them under this article.

DECISION MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

41. 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.

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

- 41.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - 41.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 41.3 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.
- 41.4 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.
- 41.5 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.
- 42. **Quorum for general meetings**

No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
- 43. **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.
 - 43.2 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:
 - 43.2.1 the directors present; or
 - 43.2.2 (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.
 - 43.3 The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".
- 44. **Attendance and speaking by directors and non-shareholders**
 - 44.1 Directors may attend and speak at general meetings, whether or not they are Shareholders.
 - 44.2 The chairman of the meeting may permit other persons who are not:
 - 44.2.1 Shareholders; or
 - 44.2.2 otherwise entitled to exercise the rights of Shareholders in relation to general meetings,to attend and speak at a general meeting.
- 45. **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.

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

45.2.1 the meeting consents to an adjournment; or

45.2.2 it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

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

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

45.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and

45.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

45.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

45.5.1 to the same persons to whom notice of the Company's general meetings is required to be given; and

45.5.2 containing the same information which such notice is required to contain.

45.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

46. **Voting**

46.1 Subject to article 56, Shares in the Company shall confer on each holder of Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company, and each Share shall carry one vote per share.

46.2 Where Shares confer a right to vote, votes may be exercised:

46.2.1 on a show of hands by every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case each Shareholder holding Shares with votes shall have one vote); or

46.2.2 on a poll by every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case, each Shareholder holding Shares with votes shall have one vote for every Share of which he is the holder).

46.3 Subject to article 46.4 and provided that they hold in aggregate at least 33.3% of

the the total voting rights of all the Shareholders having the right to vote, two persons entitled to vote upon the business to be transacted, each being a Shareholder or a proxy for a Shareholder or duly authorised representative of a corporation, shall be a quorum.

- 46.4 If and for so long as the Company has only one Shareholder, that Shareholder present in person or by proxy or if the Shareholder is a corporation by a duly authorised representative shall be a quorum.
- 46.5 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 article 46.8.
- 46.6 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.
- 46.7 Any such objection must be referred to the chairman of the meeting, whose decision is final.
- 46.8 In addition to the rights to demand a poll under the Act, a poll on a resolution may be demanded in accordance with article 46.9 by:
 - 46.8.1 not less than 3 Shareholders having the right to vote on the resolution; or
 - 46.8.2 a Shareholder or Shareholders holding at least 5% of the total voting rights of all the Shareholders having the right to vote on the resolution.
- 46.9 A poll on a resolution may be demanded:
 - 46.9.1 in advance of the general meeting where it is to be put to the vote; or
 - 46.9.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 46.10 A demand for a poll may be withdrawn if:
 - 46.10.1 the poll has not yet been taken; and
 - 46.10.2 the chairman of the meeting consents to the withdrawal,a demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.
- 46.11 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

47. **Proxies**

- 47.1 Proxies may only validly be appointed by a notice in writing (a **proxy notice**) which:
 - 47.1.1 states the name and address of the Shareholder appointing the proxy;
 - 47.1.2 identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed;
 - 47.1.3 is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and

47.1.4 is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate,

and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting.

47.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

47.3 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.

47.4 Unless a proxy notice indicates otherwise, it must be treated as:

47.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and

47.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

48. Delivery of proxy notices

48.1 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.

48.2 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.

48.3 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.

48.4 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.

49. Amendments to resolutions

49.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

49.1.1 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

49.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

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

49.2.1 the chairman of the meeting proposes the amendment at the general

meeting at which the resolution is to be proposed; and

49.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

49.3 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.

50. Annual general meeting and minutes

50.1 The Company must hold a general meeting as its annual general meeting in each period of 9 months beginning with the day following its accounting reference date (in addition to any other meetings held during that period).

50.2 The Company shall circulate minutes of each general meeting to all Shareholders within 1 month of that annual meeting. Shareholders may raise comments or questions in relation to such minutes with the Company secretary of the Company at any time within the following month.

TRANSFER OF SHARES

51. In these Articles, references to a transfer of a Share include the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.

52. Prohibited transfers

No Shareholder or other person becoming entitled to any Share shall effect a transfer of Shares except in accordance with articles 53 to 56 (inclusive) or following a takeover offer which has been accepted by the number of Shareholders required under section 979 of the Act.

53. Permitted transfers

53.1 Any Shareholder may at any time transfer any Shares to:

53.1.1 a Permitted Shareholder; or

53.1.2 a Registered Charity in accordance with article 53.6.

53.2 For the purposes of these Articles, a **Permitted Individual Shareholder** means any of the following:

53.2.1 any natural person (not being the trustee of a trust) who is a Shareholder as at the date of adoption of these Articles;

53.2.2 any natural person who is at least 18 years of age and a Qualifying Lineal Descendant, where:

53.2.2.1 one of that person's parents has at any time been employed by the Company (or one of its subsidiaries) on a full time basis for not less than 5 continuous years (including parental leave); or

53.2.2.2 that person's parents have at any time done any of the following for a combined period of 8 years (which, for the avoidance of doubt, may run concurrently):

- 53.2.2.2.1 been employed by the Company (or one of its subsidiaries) on a full time or part time basis;
 - 53.2.2.2.2 served on the Board; or
 - 53.2.2.2.3 served on the Family Council, Ownership Council or taskforces; or
 - 53.2.2.3 that person has at any time been employed by the Company (or one of its subsidiaries) on a full time basis for not less than 5 continuous years (including parental leave); or
 - 53.2.2.4 that person has at any time done any of the following for a combined period of 8 years each:
 - 53.2.2.4.1 been employed by the Company (or one of its subsidiaries) on a full time or part time basis;
 - 53.2.2.4.2 served on the Board; or
 - 53.2.2.4.3 served on the Family Council, Ownership Council or taskforces.
- 53.3 For the purposes of these Articles, a **Permitted Trustee Shareholder** means the trustees of a trust (a **Permitted Trust**) which complies with the following:
 - 53.3.1 at least one of the trustees of such trust is a Permitted Individual Shareholder;
 - 53.3.2 any Shares forming part of the settled property of such trust are held (and income from them is applied) for:
 - 53.3.2.1 the benefit of one or more Permitted Individual Shareholders; and/or
 - 53.3.2.2 the lifetime benefit of a spouse of a Permitted Individual Shareholder; and/or
 - 53.3.2.3 the lifetime benefit of any child of any Permitted Individual Shareholder
 but no other person;
 - 53.3.3 the voting rights conferred by any Shares forming part of the settled property of such trust are controlled by the trustees of such trust; and
 - 53.3.4 the trust permits the relevant beneficiaries to request that the trustees:
 - 53.3.4.1 seek to dispose of the Shares (or any of them) in accordance with these Articles provided that the sale proceeds are applied for the benefit of the relevant beneficiaries;
 - 53.3.4.2 dispose of the Shares to a specified Permitted Shareholder; and
 - 53.3.4.3 gift the Shares to a specified Permitted Shareholder.
- 53.4 Following the death of a beneficiary of a Permitted Trust, if within 6 months of the date of death:
 - 53.4.1.1 such trust does not remain or become a Permitted Trust; or

- 53.4.1.2 the relevant Shares are not transferred to a Permitted Shareholder

the Company shall have the right (but not the obligation) to acquire the relevant Shares at any time at the most recently determined Fair Value.

- 53.5 Where any Shares are held by Permitted Trustee Shareholders, those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that trust, provided that such transfer would not cause the trust to cease to be a Permitted Trust.

- 53.6 The Board shall register a transfer of Shares to a Registered Charity if either:

- 53.6.1 the instrument of transfer transferring the Shares to the Registered Charity is lodged with the Board for registration together with an instrument of transfer executed by the Registered Charity and duly stamped by HM Revenue and Customs (if applicable) transferring all such Shares to a Permitted Shareholder; or

- 53.6.2 subject to the provisions of Part 18 of the Act being capable of being complied with, the instrument of transfer transferring the Shares to the Registered Charity is lodged with the Board for registration together with:

- 53.6.2.1 a buyback agreement in respect of such Shares in a form and on terms approved by the Board, duly executed by the Registered Charity;

- 53.6.2.2 a written ordinary resolution of the members of the Company approving the buyback of the Shares signed by the requisite number of members in accordance with the Act; and

- 53.6.2.3 any other documentation or information reasonably requested by the Board,

and, for the avoidance of doubt, the Board may refuse to register any proposed transfer to a Registered Charity that does not comply with article 53.6.1 or 53.6.2.

- 53.7 For the purpose of ensuring that a transfer of Shares is in accordance with these Articles, the Board may from time to time require any Shareholder or any person named as transferee in any transfer lodged for registration to furnish to the Board such information and evidence as they reasonably deem relevant for such purpose.

- 53.8 Failing information or evidence being furnished to their reasonable satisfaction within a reasonable time after request under article 53.7, the Board may in their absolute discretion refuse to register the transfer in question.

- 53.9 Prior to the registration of any transfer of Shares the Board may, in its absolute discretion, request that a legal opinion, in a form satisfactory to the Board, is provided to the Board at the proposed transferee's cost confirming the legal status of the proposed transferee.

54. **Annual buyback procedure**

- 54.1 Following the Annual Accounts being approved by the Board each year, the Fair Value and the Discounted Fair Value shall be determined in accordance with article 57.
- 54.2 Within 45 days of the determination of the Fair Value and Discounted Fair Value each year, the Board shall, in its absolute discretion, determine the amount of cash to be made available for the Company to acquire Shares pursuant to this article 54 (the **Share Purchase Pool**).
- 54.3 As soon as reasonably practicable following the determination of the Share Purchase Pool, the Board shall notify all Shareholders in writing of the Discounted Fair Value, the Share Purchase Pool and the maximum number of Shares that may be purchased by the Company using the Share Purchase Pool.
- 54.4 During the 21 days following a notice being served under article 54.3 (the **Application Period**), each Shareholder may notify the Company in writing that he is willing to sell Shares held by him at the Discounted Fair Value (an **Application Notice**) and shall specify in the Application Notice the number of Shares he is willing to sell.
- 54.5 As soon as reasonably practicable following the expiry of the Application Period, the Board shall notify all Shareholders of the details of all Application Notices received, including the identity of the relevant Shareholders and the numbers of Shares they are willing to sell (the **Offer Notice**).
- 54.6 During the 21 days following the serving of the Offer Notice (the **Withdrawal Period**), each Shareholder who has served an Application Notice may withdraw their Application Notice or reduce the number of Shares to which their Application Notice applies (it being acknowledged that such Shareholder may during such period agree to transfer Shares to Permitted Shareholders).
- 54.7 If, following the expiry of the Withdrawal Period, the remaining number of Shares subject to Application Notices is equal to or less than the maximum number of Shares that may be purchased as determined under article 54.3, those Shares shall (subject to article 54.9) be purchased by the Company on a date to be determined by the Board no later than 120 days after the date of the Withdrawal Notice and notified to the relevant Shareholders.
- 54.8 If, following the expiry of the Withdrawal Period, the remaining number of Shares subject to Application Notices is greater than the maximum number of Shares that may be purchased as determined under article 54.3, the Share Purchase Pool (and number of Shares to be purchased) shall be allocated proportionately to the relevant Shareholders based on the ratio that the number of Shares subject to Allocation Notices (or as nearly as may be without allocating any fractions of shares). Shares so allocated shall (subject to article 54.9) be purchased by the Company on a date to be determined by the Board no later than 120 days after the date of the Withdrawal Notice and notified to the relevant Shareholders. Any Shares remaining unallocated will cease to be subject to the buyback process for that year.
- 54.9 Completion of the purchase of Shares under this article 54 shall take place at the registered office of the Company on the date determined by the Board under articles 54.7 or 54.8 subject always to the provisions of Part 18 of the Act being complied with. If the provisions of Part 18 of the Act are not capable of being complied with by the date set for completion, the buyback process for that year shall not proceed and the relevant Shares shall cease to be subject to the buyback process for that year.

54.10 On Completion of the purchase of Shares under this article 54, upon payment to the relevant Shareholders of the purchase price, they shall deliver the relevant share certificates to the Company and the relevant Shares shall be cancelled. Each Shareholder who becomes bound to transfer Shares under this article 54 shall execute and deliver such documents to the Company as the Board shall reasonably require. If a Shareholder fails for any reason (including death) to transfer any Shares when required pursuant to this article 54, the Board may authorise any director (who shall be deemed to be irrevocably appointed as the agent of the Shareholder for the purpose) to execute documents and deliver them on the Shareholder's behalf. The Company shall hold the purchase money in a separate bank account on trust for the relevant Shareholder 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, and after the relevant Shares have been cancelled the validity of the proceedings shall not be questioned by any person.

55. Buyback of small shareholdings

55.1 If the total number of Shares held by any Shareholder at any time represents 0.1% or less of the total number of Shares in issue, the Company may (at the absolute discretion of the Board) determine to buyback all (but not some) of such Shareholder's Shares. Upon such determination being made, the Company shall notify the relevant Shareholder and determine a date for completion of such buyback which shall be no longer than 120 days after the date of such notice.

55.2 The price to be paid for any Shares to be acquired under this article 55 shall be the latest determined Discounted Fair Value and completion of the purchase shall take place in accordance with the provisions of articles 54.9 and 54.10 as if they were set out in full in this article 55 with such changes as are necessary to give effect to those provisions.

56. Unpermitted shareholders

56.1 If a transmittee who is not a Permitted Shareholder or a Registered Charity becomes entitled to any Shares at any time or any Shares are at any time held in a trust (whether created on death or otherwise and whether or not Shares are held in such trust at the date of adoption of these Articles) which ceases to comply with the provisions of article 53.3, the following provisions shall apply to those Shares until a Permitted Shareholder is entered in the register of members of the Company in accordance with the Articles as the holder of those Shares:

56.1.1 the Company may (at the absolute discretion of the Board) determine to buyback all (but not some) of such Shares in accordance with article 56.2;

56.1.2 the relevant Shareholder shall not be entitled to attend any general or class meeting or to exercise any voting rights at general or class meetings of the Company or execute any written resolution in respect of those Shares (and any Shares received thereafter by way of rights or on a capitalisation in respect of those Shares); and

56.1.3 the relevant Shareholder shall not be entitled to participate in any new issue of Shares or in any dividend or other distribution of profits of the Company to Shareholders.

56.2 Upon a determination being made to acquire Shares under article 56.1.1, the Company shall notify the relevant Shareholder(s) and determine a date for completion of such buyback which shall be no longer than 120 days after the date of such notice. The price to be paid for any Shares to be acquired under this

article 56 shall be the latest determined Discounted Fair Value and completion of the purchase shall take place in accordance with the provisions of articles 54.9 and 54.10 as if they were set out in full in this article 56 with such changes as are necessary to give effect of those provisions.

57. Fair Value and Discounted Fair Value

If determination of Fair Value of the Shares is required pursuant to these articles, the provisions set out below will apply.

- 57.1 Subject to article 57.3 the Fair Value of all of the Shares will be determined by an independent firm of chartered accountants appointed by the Board for these purposes and instructed in accordance with article 57.2. The independent accountants will act as expert and not as arbiter. The written certificate of independent accountants will (except in the case of fraud or manifest error) be conclusive and binding on the Company and the Shareholders.
- 57.2 The independent accountants shall be instructed to proceed on the basis that the open market value of the Shares shall be the sum which a willing purchaser would agree with a willing vendor to be the purchase price for all the Shares taking no account of any premium or any discount by reference to the size of the holding.
- 57.3 Subject to having the prior approval of the holders of not less than 75% of the Shares and for so long as such approval remains in place, the Board may substitute the valuation procedure set out in articles 57.1 and 57.2 and use an approved valuation process, which has been provided by a firm of independent accountants used to determine the Fair Value under article 57.1, to calculate the Fair Value. If required by the Board or the holders of not less than 75% of the Shares, the independent accountants will be requested to provide a written certificate verifying that the valuation has been arrived at in accordance with the approved valuation process.
- 57.4 The written certificate of the Company's finance director (if independent accountants have not been requested to provide a certificate under article 57.3) or the independent accountants (where they have been requested to provide a certificate under article 57.3) will (except in the case of fraud or manifest error) be conclusive and binding on the Company and the Shareholders.
- 57.5 The Discounted Fair Value shall be the value of the Shares obtained by applying a 15% discount to the Fair Value.

ADMINISTRATIVE ARRANGEMENTS

58. Means of Communication to be used

- 58.1 Anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Act 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.
- 58.2 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.
- 58.3 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.

58.4 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

58.4.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;

58.4.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

58.4.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

58.4.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a business day.

58.5 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

59. **Company seals**

59.1 Any common seal may only be used by the authority of the directors.

59.2 The directors may decide by what means and in what form any common seal is to be used.

59.3 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.

59.4 For the purposes of this article, an authorised person is:

59.4.1 any director of the Company;

59.4.2 the company secretary (if any); or

59.4.3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

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

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

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

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

62. **Indemnity**

62.1 Subject to article 62.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

62.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated Company's) affairs; and

62.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 62.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

62.2 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.

62.3 In this article:

62.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

62.3.2 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act)).

63. **Insurance**

63.1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

63.2 In this article:

63.2.1 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act));

63.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer'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

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