

COMPANY NUMBER: 01543842

THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION  
(ADOPTED BY SPECIAL RESOLUTION ON 9<sup>th</sup> January 2023

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SHEPPY LIMITED

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PART 1  
INTERPRETATION AND LIMITATION OF LIABILITY

**Defined terms**

1. In these Articles, unless the context requires otherwise:

- (a) “Articles” means the Company’s articles of association;
- (b) “Associate” has the meaning given by section 435 of the Insolvency Act 1986;
- (c) “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;
- (d) “chairman” has the meaning given in Article 12;
- (e) “chairman of the meeting” has the meaning given in Article 39;
- (f) “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;
- (g) “director” means a director of the Company, and includes any person occupying the position of director, by whatever name called;
- (h) “distribution recipient” has the meaning given in Article 31;
- (i) “document” includes, unless otherwise specified, any document sent or supplied in electronic form;
- (j) “electronic form” has the meaning given in section 1168 of the Companies Act 2006;
- (k) “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;
- (l) “hard copy form” has the meaning given in section 1168 of the Companies Act 2006;
- (m) “holder” in relation to shares means the person whose name is entered in the register of members as the holder of the shares;
- (n) “instrument” means a document in hard copy form;
- (o) “ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;
- (p) “paid” means paid or credited as paid;
- (q) “participate”, in relation to a directors’ meeting, has the meaning given in Article 10;
- (r) “proxy notice” has the meaning given in Article 45;
- (s) “shareholder” means a person who is the holder of a share;
- (t) “shares” means shares in the Company;

- (u) “special resolution” has the meaning given in section 283 of the Companies Act 2006;
- (v) “subsidiary” has the meaning given in section 1159 of the Companies Act 2006;
- (w) “transmittee” means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and
- (x) “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.

### **Liability of shareholders**

2. The liability of the shareholders 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. The directors shall act in accordance with any lawful direction so given.  
(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 and alternate directors**

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.
- (3) (a) Any director (other than an alternate director) may appoint any other director or any other person approved by resolution of the directors to be an alternate director.
- (b) An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of which his appointor is a member, to attend and vote at any such meeting at which his appointor is not present, and generally to perform all the functions of his appointor as a director in his absence.
- (c) An alternate director is not entitled to receive any remuneration from the Company in respect of his appointment.
- (d) An alternate shall cease to be an alternate director if his appointor ceases to be a director.
- (e) Any appointment or removal of an alternate director shall be by a written notice to the Company signed by the director making or revoking the appointment.
- (f) An alternate director shall alone be responsible for his own acts and omissions and he shall not be deemed to be an agent of his appointor.
- (g) An alternate director shall have one vote for every director whom he represents in addition to his own vote (if any) and, when so acting, shall be considered as two directors for the purpose of making a quorum if the quorum exceeds two.

## **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 unanimous 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 in writing 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 (unless there is only one director in which case he may act alone).
- (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 may appoint one of themselves to chair it.

### **Casting vote**

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

### **Conflicts of interest**

14. (1) Without prejudice to the obligation of any director to disclose his interest in accordance with the Companies Acts, a director may vote at any meeting of the directors or of any committee thereof on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution his vote shall be counted; and in relation to any such resolution he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.  
(2) The directors may, in accordance with the requirements set out in this Article 14, authorise any conflict 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 Companies Act 2006 to avoid conflicts of interest.  
(3) Any authorisation under this Article 14 will be effective only if:  
(a) to the extent permitted by the Companies Act 2006, 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 the Articles or in such other matter as the directors may determine;  
(b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and  
(c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.  
(4) Any authorisation of a conflict under this Article 14 may (whether at the time of giving the authorisation or subsequently) impose on the Interested Director such conditions or limitations, or be granted subject to such terms, as the directors may think fit for the purposes of dealing with the conflict and the Interested Director will be obliged to conduct himself in accordance with any such terms and conditions.  
(5) The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, before such revocation or variation, in accordance with the terms of such authorisation.  
(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 that he derives from or in connection with a relationship involving a conflict which has been

authorised by the directors in accordance with the Articles, by the Company or by the Articles (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.

### **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) A shareholder or shareholders holding a majority in number of the issued voting shares of the Company shall have the right at any time:
- (a) To appoint any person or persons as a director or directors; or
  - (b) To remove from office any director howsoever appointed.
- Any such appointment or removal shall be effected by notice in writing signed by the shareholder or shareholders making the same, or in the case of a corporate member signed by one of its directors on its behalf, and shall take effect on and from the date on which the said notice is left or received at the registered office of the Company.
- (3) 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.
- (4) For the purposes of paragraph (3), 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 Acts 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**

#### **Directors authority to allot shares**

21. (1) Subject to the provisions of these Articles and the Companies Acts, the directors shall have unconditional authority to allot, grant options over, alter or otherwise deal with or dispose of any shares of the Company to such persons at such time and generally on such terms and conditions as the directors may determine.
- (2) The rights of pre-emption contained in sections 561 and 562 of the Companies Act 2006 shall not apply to the Company.

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

22. (1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.
- (2) This does not apply to shares taken on the formation of the Company by the subscribers to the Company's memorandum.



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

23. (1) Subject to the Articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- (2) The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

## **Transfers of Shares**

24. (1) Except where the provisions of Article 25, Article 26 apply, no share shall be transferred except in accordance with the provisions set out in this Article 24.
- (2) A shareholder shall be free to transfer all or some of his shares in the Company to a related party. A "related party" of an individual member shall mean his spouse, siblings, children or grandchildren or any trust (a "Family Trust") in which he or his spouse or siblings or children or grandchildren are the only beneficiaries (other than default charitable beneficiaries). In the case of a trustee of a Family Trust a "related party" shall mean an appointed trustee who replaces a retiring trustee of the same trust as a shareholder of the Company.
- (3) Subject to the provisions of Article 24(2) above the transfer of shares shall be regulated as follows:
- (a) If a shareholder ("Vendor") wishes to transfer all or some of his shares he shall give notice in writing (a "Transfer Notice") to the directors offering to sell such shares to a person nominated by the directors.
- (b) A person nominated by the directors and the Vendor shall within 14 days of the date of the Transfer Notice (or deemed Transfer Notice) attempt to agree a price for the shares on offer ("the Sale Shares") and, in case of dispute, the price shall be determined in accordance with Article 24(3)(h) below. The price so determined shall be conclusive and binding on the Vendor.
- (c) The directors shall, within 7 days after the price of the Sale Shares has been agreed or determined, offer the Sale Shares as follows as agent for the Vendor, at the agreed or determined price (the "Price"):
- (i) first to the other shareholders, pro rata according to the number of shares (of whatever class) held; and
- (ii) if the other shareholders do not wish to purchase all of the Sale Shares then the remaining Sale Shares will be offered to the Company. If the Company decides to purchase its own shares the shareholders will co-operate to fulfil any statutory requirements (including those of the Companies Acts).
- (d) If within three months of determination of the price the directors shall find a purchaser or purchasers willing to purchase all the Sale Shares at the Price they shall inform the Vendor of a time and place within such three months period when completion of the purchase shall take place.
- (e) Upon tender of the Price the Vendor shall deliver to the directors a duly executed stock transfer form(s) in favour of the purchaser(s) in respect of all the Sale Shares together with the relative share certificate(s) or appropriate indemnities in lieu thereof.
- (f) If the Vendor refuses or neglects on tender of the purchase monies to transfer the Sale Shares a person nominated by the directors shall act as

the duly appointed attorney of the Vendor to execute, complete and deliver in the name of and on behalf of the Vendor a transfer or transfers of the Sale Shares and the Company may receive and give a good discharge for the purchase monies on behalf of the Vendor and enter the name of the purchaser(s) in the register of members as the holder by transfer of the Sale Shares.

- (g) If the directors shall fail to so find a purchaser or purchasers for all of the Sale Shares within such three month period the Vendor may sell the Sale Shares within the next six months period to a third party approved by the directors at a price equal to or greater than the Price. The remaining shareholders will co-operate with the Vendor and the approved transferee to procure the due registration of any transfer presented to the directors in accordance with this Article 24(3)(g).
  - (h) Save where the Vendor and the person nominated by the directors agree to the contrary, the price for the Sale Shares shall be determined by an independent chartered accountant ("Valuer") whose identity shall be agreed upon by the Vendor and the directors (excluding any director who is an interested party) or, in default of agreement within 45 days of service of the Transfer Notice, as appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of the Vendor or the Directors (excluding any Director who is an interested party) and whose determination shall be conclusive (save in the case of manifest error); and the Valuer shall certify in writing what is in his opinion the fair value thereof on the basis of a sale as between a willing vendor and a willing purchaser of the entire issued equity share capital of the Company as a going concern in the open market but disregarding that the transfer of shares is restricted by this Article. In so certifying the Valuer shall be deemed to be acting as an expert and not as an arbitrator, and his determination shall be final and binding, save in the case of manifest error. The parties shall co-operate to procure that any certificate required hereunder is obtained with expedition, and the cost of the Valuer will be shared equally between the Company and the Vendor.
  - (i) In any vote of or nomination by the directors pursuant to this Article the Vendor shall take no part in the discussion and shall abstain from voting.
- (4) Subject to Articles 24(2), the directors may in their absolute discretion and without assigning any reason, decline to register any transfer of any share, whether or not it is a fully paid share.
- (5) The provisions of Articles 25 and 26 shall not apply to a purchase of Sale Shares in accordance with this Article 24.

### **Tag Along**

- 25.** (1) Notwithstanding anything to the contrary contained in these Articles no shareholder shall be entitled to transfer any shares if, as a result, a Buyer would acquire a Controlling Interest in the Company unless and until the Buyer has first made an offer to each holder of shares (of whatever class) in the Company at the relevant time (other than the Buyer if he is already such a holder) to purchase from him at the same price per share and on the same terms his entire holding of shares in the capital of the Company (including any shares which may be allotted pursuant to the exercise or conversion of options, rights to subscribe for or securities convertible into shares in existence at the date of such offer or arising by virtue of his holding of the shares).
- (2) For the purposes of Articles 25 and 26:

- (a) the expression "Buyer" means any one person (whether or not an existing shareholder of the Company) but so that any Associate of any such person shall be deemed to be such person;
- (b) the expression "acquire" means to be or become the legal or beneficial owner of shares, whether directly or indirectly and whether by the issue, transfer, renunciation or conversion of shares or otherwise and whether all at one time or not;
- (c) the expression a "Controlling Interest" means shares (or the right to exercise the votes attaching to shares) which confer in the aggregate more than 50% of the total voting rights conferred by all the shares in the capital of the Company for the relevant time being in issue and conferring the right to vote at all general meetings;
- (d) any such offer as is referred to in Article 25(1) or Article 26(1) must be made in writing and must be open for acceptance for a period of not less than 30 days.

### **Drag Along**

26. (1) If the holders of 50% or more of the issued shares (the "Accepting Shareholders") wish to accept an offer for the entire issued share capital of the Company from a third party (which shall also include any offer from a group company or from a company where shares are owned by a shareholder of the Company as part of any restructuring or reorganisation) they shall have the right ("Drag Along Right") to require (in the manner set out in Article 26(2)) all of the other holders of shares (and all holders of options or other rights to acquire shares) (collectively the "Other Shareholders" and individually "Other Shareholder") to accept such offer (the "Drag Offer") in full at the same price per share and on the same terms and conditions offered to the Accepting Shareholders.
- (2) The Drag Along Right may be exercised by the service of notice to that effect on the Other Shareholders within twenty business days following written confirmation by the Accepting Shareholders that they wish to accept a Drag Offer. Such notice will be accompanied by all documents required to be executed by the Other Shareholders to give effect to the relevant transfer.
- (3) On the exercise of the Drag Along Right, each of the Other Shareholders will be bound to accept the Drag Offer in respect of his entire holding of shares (including any shares which may be allotted pursuant to the exercise or conversion of options, rights to subscribe for securities convertible into shares in existence at the date of such Drag Offer or arising by virtue of his holding of shares) and to comply with the obligations assumed by virtue of such acceptance.
- (4) If any of the Other Shareholders fails to accept the Drag Offer or, having accepted such offer, fails to complete the sale of any of his shares pursuant to the Drag Offer, or otherwise fails to take any action required of him under the terms of the Drag Offer, any holder of shares or any person so authorised by the Board may accept the Drag Offer on behalf of the Other Shareholder in question, or undertake any action required under the terms of the Drag Offer on the part of the Other Shareholder in question. In particular, such person may execute the necessary transfer(s) and other documents on that Other Shareholder's behalf; and against:
- (a) receipt by the Company (on trust for such Other Shareholder) of the consideration payable for the relevant shares (the receipt being a good discharge to the Buyer, who will not be bound to see to the application of it); and

(b) compliance by the Buyer and, where relevant, the Company with all other terms of the Drag Offer

deliver such transfer(s) to the Buyer (or its nominee). The directors will then authorise registration of the transfer(s) and of the Buyer (or its nominee) as the holder of the shares so transferred. After registration, the title of the Buyer (or its nominee) as registered holder of such shares will not be affected by any irregularity in, or invalidity of such proceedings, which will not be questioned by any person. The Other Shareholder will in such a case be bound to deliver up his certificate for his shares to the Company, or a statutory declaration of loss (as appropriate) whereupon the Other Shareholder will be entitled to receive the purchase price for such shares.

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

27. 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**

28. (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**

29. (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.

## DIVIDENDS AND OTHER DISTRIBUTIONS

### Procedure for declaring dividends

- 30.** (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

- 31.** (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

- 32.** 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**

- 33.** (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**

- 34.** (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**

- 35.** Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect, but if:
- (a) the share has more than one holder, or
  - (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise, the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

## **CAPITALISATION OF PROFITS**

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

- 36.** (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**

- 37.** (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.

### **Single shareholder and quorum for general meetings**

38. (1) If and for so long as the Company has only one shareholder and that shareholder takes any decision which may be taken in general meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in general meeting.
- (2) 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. If the Company has more than one shareholder, then two persons entitled to vote upon the business to be transacted, each being a shareholder or a proxy for a shareholder or an authorised representative of a corporate shareholder, shall be a quorum.

### **Chairing general meetings**

39. (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**

40. (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**

41. (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**

**42.** 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**

- 43.** (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**

- 44.** (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**

- 45.** (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**

- 46.** (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**

- 47.** (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

48. (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

49. (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

50. 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

51. 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

52. (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**

- 53.** (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.