ARTICLES OF ASSOCIATION
of Pascall + Watson Limited
A PRIVATE COMPANY LIMITED BY SHARES
Incorporated in England and Wales

Company number 01711056 Adopted under the Companies Act 2006
By Special Resolution

16th August **2023**

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PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

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

"articles" means the company's articles of association;

"bankruptcy" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

"chairman" has the meaning given in article 12;

"chairman of the meeting" has the meaning given in article 39;

"CA 2006" means the Companies Act 2006;

"company" means Pascall + Watson Limited;

"connected person" shall have the meaning as set out in section 1122 of the Corporation Tax Act 2010;

"Companies Acts" means the Companies Acts (as defined in section 2 of the CA 2006), in so far as they apply to the company and any statutory modification or re-enactment of that statute for the time being in force;

"director" means a director of the company appointed under the CA 2006, and includes any person occupying the position of director, by whatever name called, including an alternate director;

"distribution recipient" has the meaning given in article 31;

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

"electronic form" has the meaning given in section 1168 of the CA 2006;

"executive representative" has the meaning given in article 17 (7);

"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;

"group company" means the company and its subsidiaries (if any);

"hard copy form" has the meaning given in section 1168 of the CA 2006;

"holder" in relation to shares means the person whose name is entered in the register of shareholders as the holder of the shares;

"instrument" means a document in hard copy form;

"intellectual property" means copyrights, trade and service marks, including the trademarks, trade names, rights in logos and get-up, inventions, confidential information, trade secrets and know-how, registered designs, design rights, patents, utility models, semi-conductor topographies, all rights of whatsoever nature in computer software and data, all rights of privacy and all intangible rights and privileges of a nature similar or allied to any of the foregoing, in every case in any part of the world and whether or not registered; and including all granted registrations and all applications for registration in respect of any of the same;

"majority shareholder director" means such director(s) of the company nominated by the shareholder majority in accordance with article 17 (2);

"ordinary resolution" has the meaning given in section 282 of the CA 2006;

"paid" means paid or credited as paid;

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

"proxy notice" has the meaning given in article 45;

"reserved shareholder matters" such matters referred to in article 4 (3) requiring the consent of the shareholder majority;

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

"shareholder majority" means the shareholder(s) holding in excess of 50% of the shares in issue from time to time;

"shares" means any class of shares in the company;

"special resolution" has the meaning given in section 283 of the CA 2006;

"subsidiary" has the meaning given in section 1159 of the CA 2006;

"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

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

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

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 and COMPANY SECRETARY

DIRECTORS' POWERS AND RESPONSIBILITIES

Directors' general authority

3. Subject to the articles, the duly appointed statutory directors are responsible for the management of the company's business on behalf of its shareholders, for which purpose they may exercise all the powers of the company.

Shareholders' reserved powers

4. —(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.

(2) No such direction invalidates anything which the directors have done before such direction is given.

(3) The company will, and the shareholders will procure, that no action or decision relating to any of the reserved shareholder matters set out below is taken unless prior approval has been given by the shareholder majority. Approval of the shareholder majority to any reserved shareholder matters will be given in writing or by a representative of the shareholder majority at a general meeting of the company or may also be communicated by the majority shareholder director(s):

(3.1) alteration to the articles of association of the company;

(3.2) any change in the share capital (including any reduction or cancellation of share capital, which for this purpose includes the share premium account and capital redemption reserve) of the company;

(3.3) any material change in the nature or scope of the business of the company;

(3.4) formation or disposal of any subsidiary of the company;

(3.5) declaration or payment (or non-declaration or non-payment) of any dividend or distribution by the company other than in accordance with article 33 (8) and (9);

(3.6) any borrowing or raising of money by the company which would result in the aggregate indebtedness of the company exceeding £100,000 (one hundred thousand pounds) from time to time;

(3.7) early repayment of any loan by the company;

(3.8) factoring or assignment of any book debts of the company;

(3.9) expenditure by the company in respect of any one project in excess of £100,000 (one hundred thousand pounds) or in respect of any other item which would result in expenditure exceeding £100,000 (one hundred thousand pounds) during any twelve-month period;

(3.10) any measures that amount to or would result in the introduction of new accounting systems, processes or policies or material changes to such systems, processes or policies (including, without limitation, the introduction or changing of any project accounting systems, policies, procedures and resources);

(3.11) any acquisition or disposal, whether in a single transaction or series of transactions, by the company of any asset with a value over £10,000 or of any business or of any shares in any company (except in respect of the purchase by a director of their company car at the end of its leasing term);

(3.12) entry into or termination by the company of any material partnership, joint venture, profit-sharing agreement or technology licence;

(3.13) entry into by the company of any contract, liability or commitment that is a commitment of an onerous, unusual nature or not in the ordinary course of business;

(3.14) the making by the company of any gift exceeding £1,000 (one thousand pounds);

(3.15) the making of any political donation within the meaning of section 364 of the CA 2006;

(3.16) application for listing of any shares or debt securities of the company on any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

(3.17) decisions relating to the conduct or settlement of legal proceedings with a value in excess of £30,000 (thirty thousand pounds) to which the company is a party;

(3.18 any transaction by the company with any director or any connected person of a director;

(3.19) appointment or removal of any employee who is a connected person of a director;
(3.20) appointment or removal by the company of any director;

(3.21) appointment by the company of any employee whose total remuneration per annum exceeds £100,000 (one hundred thousand pounds);

(3.22) any increase (other than in line with inflation) in the total remuneration of any employee of the company to over £100,000 (one hundred thousand pounds) per annum;

(3.23) in respect of an employee whose total remuneration exceeds £100,000 (one hundred thousand pounds), any increase in the basic salary per annum by more than 10% during any 12 month period or in respect of an employee whose total remuneration is less than £100,000 (one hundred thousand pounds), any increase in the basic salary per annum by more than 20% during any 12 month period;

(3.24) the granting to any employee of any employee incentives (whether as part of an incentive scheme or individually), including any form of direct or indirect equity participation in the company;

(3.25) creation of any security interest in respect of all or part of the undertaking, property or assets of the company;

(3.26) enter into any bond, guarantee or surety with or for any person, firm, company or organisation on behalf of the company;

(3.27) appointment or removal of the auditors of the company;

(3.28) any change in the principal accounting policies of the company;

(3.29) adoption of or variation to material policies of the company regarding employees' and their remuneration, terms of employment and pension schemes;

(3.30) other than in the normal course of business and subject to article 3.32 below, any material acquisition or disposal by the company of or relating to the company's intellectual property rights;

(3.31) the company granting licences of company's intellectual property rights to its clients or customers in the ordinary course is not a reserved shareholder matter;

(3.32) any proposal that the company be wound up;

(3.33) any introduction of any bonus or incentive scheme for directors and/or employees and any amendments to such schemes;

(3.34) any key decisions made in respect of and any payments made to employees and/or directors under any bonus or incentive scheme of the company; and

(3.35) any changes to the renumeration of directors (including any fees payable to a director).

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

Committees

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

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

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

7. The general rule about decision-making by directors is that any decision of the directors must be either a simple majority decision at a meeting or a decision taken in accordance with article 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 and no dissenting voice is raised.

(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.

(5) Written resolutions also include electronic format and where the decision of the director is clear.

Calling a directors' meeting

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

(2) Notice of any directors' meeting must indicate—

(a) its proposed date and time;

(b) where it is to take place or if virtual; 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 in writing, to include email and other electronic means which the directors have access to.

(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 given by the director 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 will decide that the meeting is to be treated as a virtual meeting.

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 acting with the consent of the shareholder majority, but it must always be more than half the number of appointed directors for the time being (and, provided one is in office, must include at least one majority shareholder director).

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

Chairing of directors' meetings

12. —(1) The directors shall appoint a director to chair their meetings and in accordance with any direction given by the shareholder majority.

(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 with the prior consent of the shareholder majority.

(4) If the chairman is not participating in a directors' meeting within 15 minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

Casting vote

13. — If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote in addition to their vote as a director.

Conflicts of interest

14. —(1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is personally interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.

(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

(3) This paragraph applies when—

(a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;

(b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or

(c) the director's conflict of interest arises from a permitted cause as set out in article 14 (4).

(4) Except as provided by article 14 (3) a director may not vote at a meeting of directors or of a committee of directors or participate in any discussion to the extent they have, directly or indirectly, an interest or duty in or concerning any matter under discussion or consideration which conflicts or may reasonably be regarded as likely to give rise to a conflict with the interests of the company, unless their interest or duty is specifically authorised under article 14 (3) or arises only because the resolution or matter under consideration relates to:

(a) the giving of a guarantee, security or indemnity in respect of money lent or an obligation incurred, by him, to or for the benefit of, any group company;

(b) the giving of a guarantee, security or indemnity by the director, whether alone or jointly with others, in respect of a debt or obligation of any group company;

(c) the subscription or agreement to subscribe by the director for any shares, debentures or other securities of any group company or to the agreement or any proposed agreement of the director to participate in the underwriting, sub underwriting or guarantee of an offer for subscription, purchase or exchange of any such shares, debentures or other securities, by any group company;

(d) arrangements pursuant to which benefits are, or are to be, made available to employees and directors or former employees and former directors of any group company which do not provide special benefits for directors or former directors;

(e) the purchase or maintenance of insurance either for, or for the benefit of, any director or persons who include the conflicted director(s);

(f) the giving of any indemnity against liability incurred by the director in connection with his duties, powers or office in relation to any Group Company, where all other directors are also offered indemnities on substantially the same terms; or

(g) any transaction, arrangement or proposal relating to the funding of expenditure incurred by the director in defending proceedings relating to his duties, powers or office as a director of any group company (or enabling him to avoid incurring such expenditure), where all other directors are also offered such funding on substantially the same terms.

(5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

(6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

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

Records of decisions to be kept

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

(2) Minutes of such meetings shall be approved by the directors either at the next meeting or by circulating the minutes by email (or otherwise) to all directors and such directors communicating their approval or not in writing(approval is deemed to be given by a director if such director does not provide approval or comments within 5 business days).

Directors' discretion to make further rules

16. Subject to the articles and the consent of the shareholder majority, 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 AND TERMINATION 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 of a shareholder majority in a general meeting or by written resolution;

(b) by written notice of the shareholder majority to the company of such appointment.

(2) In addition to the powers of appointment under article 17(1), the shareholder majority shall be entitled to nominate two persons to act as a director by notice in writing addressed to the company from time to time and the other holders of shares shall not vote their shares so as to remove such directors from office. The shareholder majority shall be entitled to remove their nominated directors so appointed at any time by notice in writing to the company and appoint another person to act in their place. Any director appointed pursuant to this article 17(2) (and any director already holding office) may be designated a "majority shareholder director" (or have such designation revoked) by notice in writing by the shareholder majority addressed to the company from time to time.

(4) An appointment or removal of a director under article 17 (1) (b) and article 17 (2) will take effect at and from the time when the notice is delivered to the Company in accordance with these articles or produced to a meeting of the directors of the Company.

(5) Such directors appointed by the shareholders will serve indefinitely until such time as the termination of their period of office as specified in article 18 below.

(6) Unless otherwise determined by ordinary resolution, the number of directors shall not exceed fourteen but shall not be less than seven.

(7) The directors (excluding any majority shareholder director) may from time to time nominate a director (which shall not be a majority shareholder director) to act as the executive representative. The executive representative will be responsible for liaising with the shareholder majority in respect of any shareholder reserved matter or such other matters requiring consent of the shareholder majority including communicating requests for matters requiring shareholder majority approval to the relevant shareholders. Any notice or other communication by a shareholder majority to the board of directors may be given to the executive representative and the executive representative shall communicate such notice or other communication of the shareholder majority to the board of directors in accordance with these articles.

(8) The holder of a majority of shares from time to time will be entitled to appoint one person to act as an observer at meetings of directors and meetings of any committee or sub-committee of the directors. The observer will be entitled to receive notice of, and attend and speak at, all meetings of directors and meetings of committees and sub-committees of the directors and to receive copies of all board papers as if they were a director but will not be entitled to vote on any resolutions proposed. Any appointment of an observer must be made by notice in writing given to the company and will take effect when the notice is received or at any later time specified in the notice.

Termination of director's appointment

18. —(1) 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 CA 2006 or is prohibited from being a director by law;

(b) a bankruptcy order is made against that person;

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

(d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;

(e) the company or the director gives or receives notice to terminate their employment in accordance with the terms of their employment contract or the company terminates the director's employment summarily without notice; or

(f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms, which may be "with immediate effect" but not exceeding any statutory or contractual period of notice, whichever is the greater; and

(g) notice in writing from the shareholder majority is received by the company for the removal of such director.

(2) Any director may be removed by resolution of the board (subject to the reserved matters in article 4 above and article 17(2)) or by an ordinary resolution of the shareholders passed at a general meeting or by way of written resolution.

Alternate Directors, Observer and Co-optees

19.—(1) The shareholders are entitled to appoint an alternate director to attend meetings on behalf of the director making the appointment or any other person willing to act and lawfully able to act.

(2) An alternate director may only be appointed for a specific meeting or meetings and not for an indefinite period. The appointment of an alternate director ceases at the termination of the meeting or meetings so specified in the notice of appointment. Actions assigned to a specific director who has appointed an alternate director will remain with that director rather than the alternate director.

(3) If the directors establish sub-committees of the board under articles 5 and 6 above, any co-optees do not take on the powers of directors and are not to be treated as alternate directors.

Secretary

20.—(1) The company is not required to have a secretary but may choose to have one. Any secretary will be appointed by the directors for such term and at such remuneration and upon such conditions as they think fit, and any secretary so appointed may be removed by them.

(2) As an officer of the company the general duties and rights of a company secretary shall apply to anyone holding such position in the company.

Directors' remuneration

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

(3) 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

subject always to such remuneration being disclosed and subject to the consent of the shareholder majority;

(4) 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.

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

Directors' expenses

22. —The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—

(a) meetings of directors or committees of directors,

(b) general meetings, or

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

PART 3
SHARES AND DISTRIBUTIONS

SHARES

All shares to be fully paid up

23. —(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.

a. 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

24. —(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.

a. 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.

Rights of pre-emption

25.—(1) Before any equity securities are allotted, unless otherwise authorised from time to time by an ordinary resolution of the shareholders or by a written resolution in accordance with section 282(2) CA 2006, they must all be offered to all the shareholders in proportion to their existing shareholdings. Every offer must be made by notice and must specify:

(1.1) the number and class of equity securities offered;

(1.2) the price payable for each equity security and when it is payable;

(1.3) the offer period (being not less than 14 days and not more than 28 days) at the end of which, the offer, if or to the extent not taken up, will be deemed to have been declined;

(1.4) the persons (if already identified) to whom the company intends to allot all or any of the equity securities if they are not applied for by the shareholders; and

(1.5) whether or not the offer is conditional on all or a specified minimum number of equity securities being taken up.

(2) Where shares are held by two persons jointly the offer may be made to the joint holder first named in the register of shareholders in relation to the shares.

(3) Applications for equity securities offered in accordance with article 25 must be made by notice sent to the company and must be received by the company within the offer period set out in the company's notice, specifying the number of equity securities applied for. No shareholder may revoke an application which it makes.

(4) Unless the offer to shareholders lapses in accordance with this article, each shareholder applying for equity securities will be allotted the number applied for or, if the aggregate number applied for exceeds the number on offer, the number allocated to it in accordance with this article.

(5) If the aggregate number of equity securities applied for exceeds the number on offer, the equity securities on offer will be allocated to the applying shareholders in proportion to the number of shares held as between those applying shareholders at the date of the offer. No applying shareholder will be allocated more equity securities than it has applied for, but subject to this, the equity securities will be allocated to the applying shareholders on the basis set out above in this article (and may need to be so allocated more than once) until all equity securities are allocated. Fractional entitlements to equity securities will be ignored.

(6) If an offer made under this article fails to become unconditional because the aggregate number of equity securities applied for is less than any minimum number of equity securities specified in the offer, the offer will lapse.

(7) For the purposes of this article, a person to whom shares have been allotted but who has not been registered as the holder of those shares on the date of an offer made under this article will, nevertheless, be deemed to be a shareholder of the company and to hold those shares on that date.

(8) Any equity securities offered under this article which are not applied for by the shareholders or are the subject of an offer which has lapsed, may be allotted by the directors to the persons (if any) specified in the company's offer or (if none) to such persons as the directors may determine, but provided that:

(8.1) no such equity securities may be so allotted more than three months after the end of the offer period referred to in this article unless the procedure set out in that article is repeated in respect of those equity securities, with this article applying equally to any repetition of that procedure; and

(8.2) no such equity securities may be allotted at a price less than that at which they were offered to the shareholders in accordance with this article

(9) No person entitled to the allotment of any equity securities may assign its entitlement to any other person.

(10) Pursuant to section 567(1) CA 2006, sections 561 and 562 CA 2006 are generally excluded and will not apply to any allotment by the company of equity securities.

(11) For the purposes of article 13, references to equity securities are to be construed in accordance with section 560 CA 2006.

(12) No share (including beneficial interest or otherwise) shall be transferred, assigned, charged or disposed of in any way unless with the prior written consent of the shareholder majority and the directors shall refuse to register a transfer of any share, unless it is made in accordance with these articles.

Company not bound by less than absolute interests

26. 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 registered holder's absolute ownership of it and all the rights attaching to it.

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.

(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) Each shareholder's name will be entered as a registered owner of that share.

(5) (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

28.—(1) If a certificate issued in respect of a shareholder's shares is—

(a) damaged or defaced, or

(b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

(2) A shareholder exercising the right to be issued with such a replacement certificate—

(a) may at the same time exercise the right to be issued with a single certificate or separate certificates;

(b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and

(c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

Share transfers

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.

(2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
(3) The company may retain any instrument of transfer which is registered.
(4) The transferor remains the holder of a share until the transferee's name is entered in the register of shareholders as holder of it.
(5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

Transmission of shares

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.
(2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—
(a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
(b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
(3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

Exercise of transmittees' rights

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

Transmittees bound by prior notices

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

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

33.—(1) Subject to article 33 (8) and article 33 (9), 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 company has distributable reserves for that purpose as defined in Companies Acts and taking into account the future prospects of the company to continue as a going concern or in a solvent liquidation.
(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 registered holding of shares on the date of the resolution or decision to declare, or the date of the payment as appropriate.
(5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.
(6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
(7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.
(8) Subject to the requirements of CA 2006 and unless otherwise specified by the majority shareholder, to the cash requirements of the company and other circumstances prevailing at the relevant time as well as to article 33 (9) below, the company will for each financial year and as soon as possible after the audited accounts are filed, distribute at least 40% of the profits by way of dividend after making all necessary, reasonable and prudent provisions, and reserves for taxation, the repayment of borrowings and extraordinary items, as shown by the audited accounts.
(9) Subject to the consent of the shareholder majority pursuant to article 4.3.34, the company will pay bonuses to employees (including the directors) in relation to each financial year in accordance with the rules of any bonus or incentive scheme adopted by the company from time to time (such amount to include any National Insurance Contributions (or equivalent social security charges in any jurisdiction outside of the United Kingdom) which become due in relation to any such bonuses).

Payment of dividends and other distributions

34. —(1) (a) 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— 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 shareholders; 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

35. 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

36. —(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

37. —(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

38. 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

39. —(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

Calling general meetings

40. The provisions of CA 2006 will apply in relation to the notice required to be given for general meetings of the Company, save as set out in the provisions of these articles.

Attendance and speaking at general meetings

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

(2) A person is able to exercise the right to vote at a general meeting when—

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

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

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

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

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

Quorum for general meetings

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

Chairing general meetings

43.—(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

(a) the directors present, or

(b) (if no directors are present), the meeting, must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

(3) The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

Attendance and speaking by directors and non-shareholders

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

Adjournment

45.—(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—
(a) the meeting consents to an adjournment, or
(b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
(3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
(4) When adjourning a general meeting, the chairman of the meeting must—
(a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
(b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
(5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
(a) to the same persons to whom notice of the company's general meetings is required to be given, and
(b) containing the same information which such notice is required to contain.
(6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

Voting: general

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

Errors and disputes

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

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

Poll votes

48.—(1) A poll on a resolution may be demanded—

(a) in advance of the general meeting where it is to be put to the vote, or

(b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

(2) A poll may be demanded by—

(a) the chairman of the meeting;

(b) the directors;

(c) two or more persons having the right to vote on the resolution; or

(d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.

(3) A demand for a poll may be withdrawn if—

(a) the poll has not yet been taken, and

(b) the chairman of the meeting consents to the withdrawal.

(4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

49.—(1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which—

(a) states the name and address of the shareholder appointing the proxy;

(b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;

(c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and

(d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

(2) The company may require proxy notices to be delivered in a particular form, and may
specify different forms for different purposes.

(3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

(4) Unless a proxy notice indicates otherwise, it must be treated as—

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

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

Delivery of proxy notices

50.—(1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.

(2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
(3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
(4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

Amendments to resolutions

51.—(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

(a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and

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

(2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—

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

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

PART 5

ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

52.—(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the CA 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. This includes, and is not limited to, email, electronic messaging services, as well as written bases, where the recipient has given notice of such addresses.
(2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
(3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

Company seals

53.—(1) Any common seal may only be used by the authority of the directors.
(2) The directors may decide by what means and in what form any common seal is to be used.
(3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
(4) For the purposes of this article, an authorised person is—

(a) any director of the company;

(b) the company secretary (if any); or

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

No right to inspect accounts and other records

54. —(1) 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.(2) Any shareholder will be entitled, on notifying the company not less than 48 hours in advance, either through itself or through duly authorised agents, to inspect and take copies of any accounting record or other book or document of the company. The company may make a reasonable charge for any copies taken.

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

55.—(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 CA 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

56.—(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.