

**Companies Act 2006**

**Articles of Association**

**of**

**Mid Southern Water Limited**

**Company No. 02635467**

**A private Company limited by shares**

**Adopted by resolution passed on 28/01/2013**

FRIDAY



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## **PART 1 - INTERPRETATION AND LIMITATION OF LIABILITY**

### **1. Defined terms**

In the articles, unless the context requires otherwise

“alternate” or “alternate director” has the meaning given in article 27,

“appointor” has the meaning given in article 27,

“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,

“call” has the meaning given in article 40,

“call notice” has the meaning given in article 40,

“certified” in relation to a share, means that it is not an uncertified share or a share in respect of which a share warrant has been issued and is current”

“certificate” means a paper certificate (other than a share warrant) evidencing a person’s title to specified shares or other securities,

“chairman” has the meaning given in article 12,

“chairman of the meeting” has the meaning given in article 67,

“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,

“company’s lien” has the meaning given in article 38,

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

“distribution recipient” has the meaning given in article 56,

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

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

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

“hard copy form” has the meaning given in section 1168 of the Companies Act 2006,

“holder” in relation to shares means the person whose name is entered in the register of members as the holder of the shares or, in the case of a share in respect of which a share warrant has been issued (and not cancelled), the person in possession of that warrant,

“instrument” means a document in hard copy form,

“lien enforcement notice” has the meaning given in article 39,

“member” has the meaning given in section 112 of the Companies Act 2006,

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006,

“paid” means paid or credited as paid,

“participate”, in relation to a directors’ meeting, has the meaning given in article 10,

“partly paid” in relation to a share means that part of that share’s nominal value or any premium at which it was issued has not been paid to the Company,

“proxy notice” has the meaning given in article 74,

“shares” means shares in the Company,

“special resolution” has the meaning given in section 283 of the Companies Act 2006,

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

"transmittee" means a person entitled to a share by reason of the death or bankruptcy of a member or otherwise by operation of law, and

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

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

No regulations set out in any statute or in any statutory instrument or other subordinate legislation concerning companies shall apply to the Company, but the following shall be the articles of association of the Company

## **2. Liability of members**

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

## **PART 2 – DIRECTORS**

### **DIRECTORS' POWERS AND RESPONSIBILITIES**

#### **3. Directors' general authority**

Subject to the articles and the applicable provisions for the time being of the Companies Acts, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company

#### **4. Members' reserve power**

4 1 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action

4 2 No such special resolution invalidates anything which the directors have done or irrevocably caused to be done before the passing of the resolution

#### **5 Directors may delegate**

5 1 Subject to the articles, the directors may delegate, as they think fit, any of the powers which are conferred on them under the articles

- a) to such person or committee,
- b) by such means (including by a power of attorney),
- c) to such an extent,
- d) in relation to such matters or territories, and
- e) on such terms and conditions

5 2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated

5 3 The directors may revoke any delegation in whole or part, or alter its terms and conditions

## **6. Committees**

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

6 2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them

6 3 Where a provision of the articles refers to the exercise of a power, authority or discretion by the directors and that power, authority or discretion has been delegated by the directors to a committee, the provision shall be construed as permitting the exercise of that power, authority or discretion by the committee

## **DECISION-MAKING BY DIRECTORS**

### **7. Directors to take decisions collectively**

7 1 Any decision of the directors must be taken as a majority decision at a meeting of the directors or as a directors' written resolution in accordance with article 19 or otherwise as a unanimous decision taken in accordance with article 8

7 2 If and for such time as the Company only has one director and no provision of the articles requires it to have more than one director, the rule in article 7 1 does not apply, and that sole director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making

### **8. Unanimous decisions**

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

8 2 Such a decision may take the form of a directors' written resolution, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing

8 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

8 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

### **9 Calling a directors' meeting**

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

9 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

9 3 Subject to article 9 4 notice of a directors' meeting must be given to each director, but need not be in writing

9.4 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 seven 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.

## **10 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.

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

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

## **11. Quorum for directors' meetings**

11.1 The quorum for 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 shall be two.

11.2 If there is more than one serving director, but there are insufficient serving directors to constitute a quorum

(a) a directors' meeting may take place, if it is called in accordance with the articles and at least two directors participate in it, with a view to appointing sufficient directors to make up a quorum or calling a general meeting (or proposing a written resolution of the members of the Company) to do so, and

(b) if a directors' meeting is called but only one director attends at the appointed date and time to participate in it, that director may call a general meeting (or propose a written resolution of the members of the Company) for the purpose of appointing sufficient directors to make up a quorum.

11.3 For the purpose of any meeting (or part of a meeting) held pursuant to article 15 (Directors' conflicts of interests) to authorise a director's conflict, if there is only one non-conflicted director in office in addition to the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one non-conflicted director.

## **12. Chairing of directors' meetings**

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

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

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

12.4 If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of their number to chair it.



### **13. Voting at directors' meetings**

13 1 Subject to the articles, a decision is taken at a directors' meeting by a majority of the votes of the participating directors

13 2 Subject to the articles, each director participating in a directors' meeting has one vote

13 3 Subject to the articles, if a director has an interest in an actual or proposed transaction or arrangement with the Company

- (a) that director and that director's alternate may not vote on any proposal relating to it, but
- (b) this does not preclude the alternate from voting in relation to that transaction or arrangement on behalf of another appointor who does not have such an interest

### **14. Chairman's casting vote**

14 1 If, at a directors' meeting, the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote

14 2 The provisions of article 14 1 do not apply if, in accordance with the articles, the chairman or other director presiding as chairman of the meeting is a conflicted director and not to be counted as participating in the decision-making process for quorum or voting purposes

### **15. Directors' conflicts of interest**

15 1 The directors may, in accordance with the requirements set out in this article, authorise any matter proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of the Companies Act 2006 to avoid conflicts of interest ('Conflict')

15 2 A director seeking authorisation in respect of a Conflict shall declare to the other directors the nature and extent of his interest in a Conflict as soon as is reasonably practicable. The director shall provide the other directors with such details of the relevant matter as are necessary for the other directors to decide how to address the Conflict, together with such other information as may be requested by the other directors

15 3 Any authorisation under this article will be effective only if

- (a) the matter in question has been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these articles or in such other manner as the directors may determine,
- (b) any requirement as to the quorum at the meeting (or part of the meeting) of the directors at which the matter is considered is met without counting the conflicted director and any other conflicted director(s), and
- (c) the matter has been agreed to without the director and any other conflicted director(s) voting or would have been agreed to if their votes had not been counted

15 4 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently)

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict so authorised,
- (b) be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine,
- (c) be terminated or varied by the directors at any time

This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation

15 5 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person the director is under no obligation to

(a) disclose such information to the directors or to any director or other officer or employee of the Company,

(b) use or apply any such information in performing his duties as a director of the Company,

where to do so would amount to a breach of that duty of confidentiality

15 6 Where the directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that the director

(a) is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict,

(b) is not given any documents or other information relating to the Conflict,

(c) may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict

15 7 Where the directors authorise a Conflict

(a) the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict,

(b) the director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Companies Act 2006 provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation

15 8 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by resolution of the Company (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 nor shall the receipt of any such remuneration or other benefit constitute a breach of a director's duty under section 176 of the Companies Act 2006

## **16. Transactions or arrangements with the Company**

16 1 Subject to the applicable provisions for the time being of the Companies Acts and to any terms, limits and/or conditions imposed by the directors in accordance with article 15 (directors' conflicts of interests), and provided that he has disclosed to the directors the nature and extent of any interest of his in accordance with the Companies Acts, a director notwithstanding his office

(a) may be a party to, or otherwise interested in, any contract, transaction or arrangement with the Company or in which the Company is otherwise interested,

(b) shall be counted as participating for voting and quorum purposes in any decision in connection with any proposed or existing transaction or arrangement with the Company, in which he is in any way directly or indirectly interested,

(c) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,

(d) may be a director or other officer of, or employed by, or party to any contract, transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested, and

(e) shall not, by reason of his office, be accountable to the Company for any remuneration or benefit which he (or anyone connected with him (as defined in section 252 of the Companies Act 2006) derives from any such office or employment or from any such contract, transaction or arrangement or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit, nor shall the receipt of any such remuneration or benefit constitute a breach of his duty under section 176 of the Companies Act 2006

16 2 For the purposes of this article, references to decisions and decision-making processes include any directors' meeting or part of a directors' meeting

16 3 Subject to article 16 4, 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

16 4 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman of the meeting, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman of the meeting is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

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

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

#### **18. Proposing directors' written resolutions**

18 1 Any director may propose a directors' written resolution

18 2 The secretary (if any) must propose a directors' written resolution if a director so requests

18 3 A directors' written resolution is proposed by giving notice of the proposed resolution to the directors

18 4 Notice of a proposed directors' written resolution must indicate

- (a) the proposed resolution, and
- (b) the time by which it is proposed that the directors should adopt it

18 5 Notice of a proposed directors' written resolution must be given in writing to each director

18 6 Any decision which a person giving notice of a proposed directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith

## **19. Adoption of directors' written resolutions**

19 1 A proposed directors' written resolution is adopted when all the directors who would have been entitled to vote on the resolution at a directors' meeting have signed one or more copies of it, provided that those directors would have formed a quorum at such a meeting

19 2 It is immaterial whether any director signs the resolution before or after the time by which the notice proposed that it should be adopted

19 3 Once a directors' written resolution has been adopted, it must be treated as if it were a decision taken at a directors' meeting in accordance with the articles

19 4 The directors must ensure that the Company keeps a record, in writing, of all directors' written resolutions for at least ten years from the date of their adoption

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

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**

### **21. Number of directors**

There shall be no maximum number of directors, the minimum number of directors shall be one

### **22. Methods of appointing directors**

22 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

22 2 In any case where, as a result of death or bankruptcy, the Company has no members and no directors, the personal representatives of the last member to have died or to have a bankruptcy order made against him (as the case may be) shall have the right, by notice in writing, to appoint a person who is willing to act and is permitted to act as a director

22 3 For the purposes of article 22 2, where two or more members die in circumstances rendering it uncertain who was the last to die, the younger member is deemed to have survived the older member

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

A person ceases to be a director as soon as

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law, or
- (b) a bankruptcy order is made against that person, or
- (c) a compromise is made with that person's creditors generally in satisfaction of that person's debts, or

- (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, or
- (e) a court makes an order which, by reason of that person's mental health, wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have, 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

#### **24. Majority member's right to appoint and remove**

If and for as long as a majority of the equity share capital of the Company is beneficially owned by another body corporate or a majority member, the directors of the Company or any of them may at any time or from time to time be appointed (if willing to act) and (regardless of how appointed) removed by that body corporate or majority member by a notice in writing signed by the majority member or an authorised officer of that body corporate on its behalf and left at or sent to the registered office of the Company. Such appointment or removal shall take effect forthwith upon delivery of the notice to the registered office of the Company or on such later date (if any) as may be specified therein.

#### **25. Directors' remuneration**

- 25.1 Directors may undertake any services for the Company that the directors decide
- 25.2 Directors are entitled to such remuneration as the directors determine for their services to the Company as directors and for any other service which they undertake for the Company
- 25.3 Subject to the articles, a director's remuneration may take any form and 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
- 25.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day
- 25.5 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

#### **26. Directors' expenses**

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

#### **ALTERNATE DIRECTORS**

#### **27. Appointment and removal of alternate directors**

- 27.1 Any director (the "appointor") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to

- (a) exercise that director's powers, and
- (b) carry out that director's responsibilities,

in relation to the taking of decisions by the directors in the absence of the alternate's appointor

27 2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors

27 3 The notice must

- (a) identify the proposed alternate, and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice

## **28. Rights and responsibilities of alternate directors**

28 1 An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor

28 2 Except as the articles specify otherwise, alternate directors

- (a) are deemed for all purposes to be directors,
- (b) are liable for their own acts and omissions,
- (c) are subject to the same restrictions as their appointors, and
- (d) are not deemed to be agents of or for their appointors

28 3 A person who is an alternate director but not a director

(a) may be counted as participating for the purposes of determining whether a quorum is participating at a directors' meeting (but only if that person's appointor is a non-conflicted director and is not participating), and

(b) may sign a directors' written resolution (but only if it is not signed or to be signed by that person's appointor)

No alternate may be counted as more than one director for such purposes

28 4 A director who is also an alternate director is entitled, in the absence of any of his appointors, to a separate vote on behalf of that appointor, in addition to his own vote on any decision of the directors (provided that the appointor is not a conflicted director in relation to that decision)

28 5 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the remuneration of the alternate's appointor as the appointor may direct by notice in writing made to the Company

## **29. Termination of alternate directorship**

An alternate director's appointment as an alternate terminates

- (a) when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,
- (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,
- (c) on the death of the alternate's appointor, or

- (d) when the alternate's appointor's appointment as a director terminates

## **SECRETARY**

### **30. Appointment and removal of secretary**

The directors may, by a decision of the directors in accordance with the articles, appoint any person who is willing to act as the secretary of the Company for such term, at such remuneration and upon such conditions as they think fit and may, from time to time, remove such person and if the directors so decide appoint a replacement secretary

## **PART 3 - SHARES AND DISTRIBUTIONS**

### **SHARES**

#### **31. Allotment of shares: authority**

31 1 The directors shall exercise the Company's power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the Company

31 2 Subject to the provisions of the articles the directors are generally and unconditionally authorised to exercise any power of the Company to

- (a) offer or allot, or
- (b) grant rights to subscribe for or to convert any security into, or
- (c) otherwise deal in, or dispose of,

any ordinary shares of £1 each in the Company ("Ordinary Shares") to any person, at any time and subject to any terms and conditions as the directors think proper

#### **32 Further issues of shares: pre-emption rights**

32 1 In accordance with section 567(1) of the Companies Act 2006, sections 561 and 562 of that Act shall not apply to an allotment of equity securities (as defined in section 560(1) of that Act) made by the Company

32 2 Unless otherwise determined by special resolution of the Company, any equity securities shall, before they are allotted on any terms to any person, be first offered on the same or more favourable terms to each member who holds Ordinary Shares in the Company in the proportion which is, as nearly as practicable, equal to the proportion in nominal value held by him of the aggregate of such shares in issue. Such offer shall be made by notice to the members specifying the number of equity securities offered and the period, being not less than fourteen days, within which the offer, if not accepted, will be deemed to have been declined. After the expiration of such period, or on receipt of notice of the acceptance or refusal of every offer so made, the directors may, subject to the articles, dispose of such equity securities as have not been taken up in such manner as they think proper. The directors may, in like manner, dispose of any such equity securities as aforesaid, which by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the directors be conveniently offered in the manner hereinbefore provided.

32 3 The pre-emption provisions in article 32 2 may be relaxed or varied in respect of any allotment of equity securities with the consent in writing of the members of the Company for the time being holding not less than 75% in nominal value of the issued Ordinary Shares in the capital of the Company

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

33 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

33 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

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

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

### **35. Share certificates**

35 1 The Company must issue each member, free of charge, with one or more certificates in respect of the shares which that member holds

35 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) the amount paid up on them, and
- (d) any distinguishing numbers assigned to them

35 3 No certificate may be issued in respect of shares of more than one class

35 4 If more than one person holds a share, only one certificate may be issued in respect of it

35 5 Certificates must have affixed to them the Company's common seal, or be otherwise executed in accordance with the Companies Acts

### **36. Replacement share certificates**

36 1 If a certificate issued in respect of a member's shares is

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed,

that member is entitled to be issued with a replacement certificate in respect of the same shares

36 2 A member 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



### **37. Share warrants**

37 1 The directors may issue a share warrant in respect of any fully paid share

37 2 Share warrants must be issued in such form and executed in such manner as the directors decide

37 3 A share represented by a share warrant may be transferred by delivery of the warrant representing it

37 4 The directors may make provision for the payment of dividends in respect of any share represented by a share warrant

37 5 Subject to the articles, the directors may decide the conditions on which any share warrant is issued. In particular, they may

- (a) decide the conditions on which new warrants are to be issued in place of warrants which are damaged or defaced, or said to have been lost, stolen or destroyed,
- (b) decide the conditions on which bearers of warrants are entitled to attend and vote at general meetings,
- (c) decide the conditions subject to which bearers of warrants may surrender their warrant so as to hold their shares in certificated form instead, and
- (d) vary the conditions of issue of any warrant from time to time,

and the bearer of a warrant is subject to the conditions and procedures in force in relation to it, whether or not they were decided or specified before the warrant was issued

37 6 Subject to the conditions on which the warrants are issued from time to time, bearers of share warrants have the same rights and privileges as they would if their names had been included in the register of members as holders of the shares represented by their warrants

37 7 The Company must not in any way be bound by or recognise any interest in a share represented by a share warrant other than the absolute right of the bearer of that warrant to it

### **LIEN/PARTLY PAID SHARES**

#### **38. Company's lien over shares**

38 1 The Company has a lien (the "Company's lien") over every share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future

38 2 The Company's lien over a share

- (a) takes priority over any third party's interest in that share, and
- (b) extends to any dividend or other money payable by the Company in respect of that share and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share

38 3 The directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part

#### **39. Enforcement of the Company's Lien**

39 1 Subject to the provisions of this article, if

- (a) a lien enforcement notice has been given in respect of a share, and
  - (b) the person to whom the notice was given has failed to comply with it,
- the Company may sell that share in such manner as the directors decide

#### 39.2 A lien enforcement notice

- (a) may only be given in respect of a share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
- (b) must specify the share concerned,
- (c) must require payment of the sum within not less than fourteen clear days of the notice (that is, excluding the date on which the notice is given and the date on which that fourteen day minimum period expires),
- (d) must be addressed either to the holder of the share or to a transmittee of that holder, and
- (e) must state the Company's intention to sell the share if the notice is not complied with

#### 39.3 Where shares are sold under this article

- (a) the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or to a person nominated by the purchaser, and
- (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale

#### 39.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied

- (a) first, in payment to the Company of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice, and
- (b) second, from the balance of any remaining, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the Company for cancellation, or an indemnity in a form acceptable to the directors has been given for any lost certificates, and subject to a lien equivalent to the Company's lien for any money payable (whether payable immediately or at some time in the future) as existed upon the shares before the sale in respect of all shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the lien enforcement notice

#### 39.5 A statutory declaration by a director or the secretary (if any) that the declarant is a director or the secretary (as the case may be) and that a share has been sold to satisfy the Company's lien on a specified date

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
- (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share

### 40. Call notices

40.1 Subject to the articles and the terms on which shares are allotted, the directors may send a notice (a "call notice") to a member requiring the member to pay the Company a specified sum of money which is payable to the Company in respect of such shares (a "call") at the date when the directors decide to send the call notice

#### 40.2 A call notice

(a) may not require a member to pay a call which exceeds the total amount of his indebtedness or liability to the Company

(b) must state when and how any call to which it relates is to be paid, and

(c) may permit or require the call to be made in instalments

40 3 A member must comply with the requirements of a call notice, but no member is obliged to pay any call before fourteen clear days (that is, excluding the date on which the notice is given and the date on which the call is due payable) have passed since the notice was sent

40 4 Before the Company has received any call due under a call notice the directors may

(a) revoke it wholly or in part, or

(b) specify a later time for payment than is specified in the notice,

by a further notice in writing to the member in respect of whose shares the call is made

#### **41. Liability to pay calls**

41 1 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid

41 2 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share

41 3 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them

(a) to pay calls which are not the same, or

(b) to pay calls at different times

#### **42 When a call notice need not be issued**

42 1 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the Company in respect of that share

(a) on allotment,

(b) on the occurrence of a particular event, or

(c) on a date fixed by or in accordance with the terms of issue

42 2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture

#### **43. Failure to comply with a call notice: automatic consequences**

43 1 If a person is liable to pay a call and fails to do so by the call payment date

(a) the directors may issue a notice of intended forfeiture to that person, and

(b) until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate

43 2 For the purposes of this article

(a) the "call payment date" is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "call payment date" is that later date, and

(b) the "relevant rate" is

(i) the rate fixed by the terms on which the share in respect of which the call is due was allotted, or

(ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors, or

(iii) if no rate is fixed in either of the foregoing ways, five per cent per annum

43.3 The relevant rate must not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998

43.4 The directors may waive any obligation to pay interest on a call either wholly or in part

#### **44. Notice of intended forfeiture**

44 A notice of intended forfeiture

(a) may be sent in respect of any share in respect of which a call has not been paid as required by a call notice,

(b) must be sent to the holder of that share (or all the joint holders of that share) or to a transferee of that holder,

(c) must require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than fourteen clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that fourteen day period expires),

(d) must state how the payment is to be made, and

(e) must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited

#### **45. Directors' power to forfeit shares**

If a notice of intended forfeiture is not complied with by the date on which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable by the Company in respect of the forfeited shares and not paid before the forfeiture

#### **46. Effect of forfeiture**

46.1 Subject to the articles, the forfeiture of a share extinguishes

(a) all interests in that share, and all claims and demands against the Company in respect of it, and

(b) all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company

46.2 Any share which is forfeited in accordance with the articles

(a) is deemed to have been forfeited when the directors decide that it is forfeited,

(b) is deemed to be the property of the Company, and

(c) may be sold, re-allotted or otherwise disposed of as the directors think fit

46 3 If a person's shares have been forfeited

- (a) the Company must send that person notice that forfeiture has occurred and record it in the register of members,
- (b) that person ceases to be a member in respect of those shares,
- (c) that person must surrender the certificate for the shares forfeited to the Company for cancellation,
- (d) that person remains liable to the Company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture), and
- (e) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal

46 4 At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and/or interest and expenses due in respect of it and on such other terms as they think fit

#### **47. Procedure following forfeiture**

47 1 If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer

47 2 A statutory declaration by a director or the secretary (if any) that the declarant is a director or the secretary (as the case may be) and that a share has been forfeited on a specified date

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
- (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share

47 3 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share

47 4 If the Company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which

- (a) was, or would have become, payable, and
- (b) had not, when that share was forfeited, been paid by that person in respect of that share,

but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them

#### **48. Surrender of shares**

48 1 A member may surrender any share

- (a) in respect of which the directors may issue a notice of intended forfeiture,
- (b) which the directors may forfeit, or
- (c) which has been forfeited

48 2 The directors may accept the surrender of any such share

48 3 The effect of surrender on a share is the same as the effect of forfeiture on that share

48 4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited

## **TRANSFER AND TRANSMISSION OF SHARES**

### **49. Share transfers general provisions**

49 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 and, if any of the shares so transferred is a partly paid share, by or on behalf of the transferee acknowledging the transferee's agreement to assume the transferor's liability to pay such unpaid sums to the Company

49 2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share

49 3 The Company may retain any instrument of transfer which is registered

49 4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it

### **50 Share transfers pre-emption provisions**

50 1 With the exception of any transfer arising out of the pre-emption provisions embodied in articles 50 2 to 50 8 hereunder, the directors may in their absolute discretion decline to register any transfer of shares, whether fully paid or not and if they do so the instrument of transfer and supporting share certificate(s) supplied therewith must be returned to the transferor together with the notice of refusal unless they suspect that the proposed transfer may be fraudulent

50 2 For such time as the Company has more than one member no share or beneficial ownership of a share shall be transferred nor shall the Company purchase any of its own shares unless and until the rights of pre-emption hereinafter conferred shall have been exhausted

50 3 Any member proposing to transfer any share or beneficial ownership of a share (hereinafter called "the vendor") shall give notice in writing (hereinafter called "the transfer notice") to the Company of such proposal. The transfer notice shall specify the sum which in the vendor's opinion constitutes the fair price of each share specified therein, and shall constitute the Company the vendor's agent for the sale of such share or shares (hereinafter called "the said shares") in one or more lots at the discretion of the directors to the members (other than the vendor), at the price save that if the directors do not accept that the sum specified by the vendor constitutes the fair price of the said shares they shall instruct the auditors of the Company or, if the Company has no auditors, an independent expert nominated by the President of the Institute of Chartered Accountants in England and Wales ("the ICAEW") (who shall act as experts and not as arbitrators so that any provision of law or statute relating to arbitration shall not apply) to provide a certificate in writing (hereinafter called "the certificate of value") certifying the value in their opinion for the said shares as between a willing seller and a willing buyer, and in such a case the transfer notice shall nevertheless constitute the Company the vendor's agent for the sale of the said shares but at the price certified in the certificate of value

50 4 If the auditors or an independent expert nominated by the President of the ICAEW are instructed to certify the fair value as aforesaid the Company shall, as soon as it receives the certificate of value, furnish a copy thereof to the vendor. The cost of obtaining the certificate of value shall be borne by the Company.

50 5 Upon the price being fixed as aforesaid (whether by reference to the vendor's opinion of the fair price or by reference to the certificate of value) the Company shall forthwith by notice in writing (hereinafter called "the offer notice") inform each member (other than the vendor) of the number and price of the said shares and shall invite each such member to apply in writing to the Company within fourteen days of the date of despatch of the offer notice (which date shall be specified therein) for such maximum number of the said shares (being all or any thereof) as shall be specified in such application.

50 6 If such members shall within the said period of fourteen days apply for all or (save as otherwise provided in the transfer notice) any of the said shares, the directors shall allocate the said shares (or so many of them as shall be applied for) to or amongst the applicant members in proportion as nearly as may be to the number of shares in the Company of which they are registered or unconditionally entitled to be registered as holders provided that no applicant member shall be obliged to take more than the maximum number of shares specified by the applicant member as aforesaid. If any shares shall not be capable without sub-division of being allocated to the members in proportion to their existing holdings, the same shall be allocated to the applicant members, or some of them, in such proportions or in such manner as may be determined by lots drawn in regard thereto and the lots shall be drawn in such manner as the directors think fit.

50 7 The Company shall forthwith give notice of such allocations (hereinafter called "the allocation notice") to the vendor and to the members to whom the said shares have been allocated and shall specify in the allocation notice the place and time (being not earlier than fourteen and not later than twenty-eight days after the date of the despatch of the allocation notice, which shall be specified therein) at which the sale of the said shares so allocated shall be completed.

50 8 The vendor shall be bound (upon payment of the purchase price due in respect thereof) to transfer the shares comprised in the allocation notice to the purchasing members named therein at the place and time therein specified, and if in any case the vendor after having become bound as aforesaid makes default in transferring any shares the Company may receive the purchase price on behalf of the vendor, and may authorise some person to execute a transfer of such shares in favour of the purchasing member(s). The receipt of the Company for the purchase price shall be a good discharge to the purchasing member(s). The Company shall forthwith pay the purchase price into a separate bank account in the Company's name and shall hold the purchase price and any interest earned thereon in trust for the vendor.

50 9 During the six months following the expiry of the fourteen day period referred to in article 50 6 the vendor shall be at liberty, subject nevertheless to the provisions of article 50 1, to transfer to any person and at any price (not being less than the price fixed under article 50 3) any of the said shares not allocated by the directors as aforesaid.

50 10 Subject to article 50 1 the pre-emption provisions in articles 50 2 to 50 8 may be waived, relaxed or varied in respect of any transfer or series of transfers with the prior consent in writing of the members of the Company for the time being holding not less than 75% in nominal value of the Company's issued share capital.

## **51. Transmission of shares**

51 1 If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.

51 2 Nothing in these articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member.

51 3 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

51 4 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 member's death or bankruptcy or otherwise, unless they become the registered holders of those shares

## **52. Exercise of transmittees' rights**

52 1 Transmittees who wish to become the registered holders of shares to which they have become entitled must notify the Company in writing of that wish

52 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

52 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

## **53. Transmittees bound by prior notices**

If a notice is given to a member 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 member before the transmittee's name has been entered in the register of members

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **54. Procedure for declaring dividends**

54 1 The Company may by ordinary resolution declare dividends, and the directors may pay interim dividends

54 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

54 3 No dividend may be declared or paid unless it is in accordance with members' respective rights

54 4 Unless the members' 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 member's holding of shares on the date of the resolution or decision to declare or pay it

54 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

54 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

54 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

### **55. Calculation of dividends**



55 1 Except as otherwise provided by the articles or the rights attached to shares, all dividends must be

(a) declared and paid according to the amounts paid up on the shares on which the dividend is paid, and

(b) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid

55 2 If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly

55 3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount

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

56 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 such other form of communication as the directors may accept,

(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 such other form of communication as the directors may accept,

(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 such other form of communication as the directors may accept, or

(d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other form of communication as the directors may accept

56 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

## **57. Deductions from distributions in respect of sums owed to the Company**

57 1 If a share is subject to the Company's lien and the directors are entitled to issue a lien enforcement notice in respect of it they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the Company in respect of that share to the extent that they are entitled to require payment under a lien enforcement notice

57 2 Money so deducted must be used to pay any of the sums payable in respect of that share

57 3 The Company must notify the distribution recipient in writing of

(a) the fact and amount of any such deduction,

(b) any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction, and

(c) how the money deducted has been applied

## **58. No interest on distributions**

58 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

## **59. Unclaimed distributions**

59 1 All dividends or other sums which are payable in respect of shares and 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

59 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

59 3 If twelve years have passed from the date on which a dividend or other sum became due for payment, and 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

## **60. Non-cash distributions**

60 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)

60 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

## **61. Waiver of distributions**

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 the share has more than one holder, or 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**

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

62 1 Subject to the articles, the directors may, if they are so authorised by an ordinary resolution

- (a) 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 reserves, including, but not limited to, share premium account, capital redemption reserve or redenomination 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

62 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

62 3 Any capitalised sum may be applied in paying up new shares equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct

62 4 A capitalised sum which has been appropriated from profits available for distribution may be applied in or towards paying up any amounts unpaid on existing shares held by the persons entitled or 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

62 5 Subject to the articles the directors may

(a) apply capitalised sums in accordance with articles 62 3 and 62 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 equalising cash payments funded from distributable profits), 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 MEMBERS**

### **ORGANISATION OF GENERAL MEETINGS**

#### **63. Convening general meetings**

The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Companies Act 2006 shall forthwith proceed to convene a general meeting in accordance with the Companies Act 2006. If there are not within the United Kingdom sufficient directors to call, participate in and make a quorum at a directors' meeting for the purpose of calling a general meeting, any director or the members requisitioning the general meeting (or any of them representing more than one half of the total voting rights of them all) may call a general meeting. If the Company has only a single member, such member shall be entitled at any time to call a general meeting.

#### **64. Notice of general meetings**

64 1 General meetings (other than adjourned meetings) shall be called by at least fourteen clear days' notice (that is, excluding the day of the meeting and the day on which the notice is given) but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote, being a majority together holding not less than ninety per cent in nominal value of the shares at the meeting, giving that right.

64 2 The notice shall specify the time, date and place of the meeting, the general nature of the business to be transacted and the terms of any resolution(s) to be proposed at it.

64 3 Subject to the provisions of these articles and to any restrictions imposed on any shares in the capital of the Company, notice shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member (if the Company

has been notified of their entitlement) and to the directors, alternate directors and the auditors for the time being of the Company

64 4 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting

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

65 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

65 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

65 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

65 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

65 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 those rights

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

66 1 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

66 2 Subject to section 318(2) of the Companies Act 2006, two qualifying persons (as defined in section 318(3) of the Companies Act 2006) entitled to vote on the business to be transacted at the general meeting shall be a quorum, provided that if the Company has only a single registered member, the quorum shall be one such qualifying person

#### **67. Chairing general meetings**

67 1 If the directors have appointed a chairman, the chairman shall chair general meetings if he is present and willing to do so

67 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 member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting

67 3 The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting"

#### **68. Attendance and speaking by directors and non-members**

68 1 Directors may attend and speak at general meetings, whether or not they are members

68 2 The chairman of the meeting may permit other persons who are not

- (a) members of the Company, or auditors of the company, or
- (b) otherwise entitled to exercise the rights of members in relation to general meetings, to attend and speak at a general meeting

## **69. Adjournment**

69 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. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved.

69 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 to ensure that the business of the meeting is conducted in an orderly manner.

69 3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

69 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.

69 5 If the continuation of an adjourned meeting is to take place more than fourteen days after it was adjourned, the Company must give at least seven 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.

69 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**

### **70. Voting: general**

70 1 A resolution put to the vote at a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles. Subject to any rights or restrictions attached to any shares, on a show of hands, every member who (being individual) is present in person or (being a corporation) is present by a duly authorised representative unless the representative is himself a member (in which case he shall have more than one vote) shall have one vote. A proxy shall not be entitled to vote on a show of hands.

70 2 In the case of joint holders the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members

70 3 Unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution

## **71. Errors and disputes**

71 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

71 2 Any such objection must be referred to the chairman of the meeting, whose decision is final

## **72. Poll votes**

72 1 On a poll every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote for every share of which he is the holder. On a poll, a member entitled to more than one vote need not use all his votes nor need he cast all the votes he uses in the same way

72 2 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 by the chairman of the meeting

72 3 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 members having the right to vote on the resolution

72 4 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

A poll demand so withdrawn shall not invalidate the result of a show of hands declared before the demand for the poll was made

## **73. Procedure on a poll**

73 1 Subject to the articles, polls at general meetings must be taken when, where and in such manner as the chairman of the meeting directs

73 2 The chairman of the meeting may appoint scrutineers (who need not be members) and decide how and when the result of the poll is to be declared

73 3 The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded

73 4 A poll on the election of the chairman of the meeting or a question of adjournment, must be taken immediately

73 5 Other polls must be taken within thirty days of their being demanded

73 6 A demand for a poll does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded

73 7 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven clear days' notice (that is excluding the day that the poll will be conducted and the day on which the notice is given) must be given specifying the time and place at which the poll is to be taken

#### **74. Content of proxy notices**

74 1 Subject to the provisions of the articles, a member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and speak at a general meeting and to vote on any poll demanded and taken at that meeting. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member

74 2 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which

- (a) states the name and address of the member appointing the proxy,
- (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed,
- (c) is signed by or on behalf of the member appointing the proxy, or is otherwise 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

74 3 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes

74 4 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

74 5 Unless a proxy notice indicates otherwise, it must be treated as

- (a) allowing the person appointed as a proxy to vote at his discretion 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

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

75 1 Any notice of a general meeting must specify the address or addresses ("proxy notification address") at which the Company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form

75 2 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

75 3 Subject to articles 75 4 and 75 5, a proxy notice must be delivered to a proxy notification address not less than two hours before the general meeting or adjourned meeting to which it relates

75 4 In the case of a poll taken more than forty-eight hours after it is demanded, the notice must be delivered to a proxy notification address not less than one hour before the time appointed for the taking of the poll

75 5 In the case of a poll not taken during the meeting but taken not more than forty-eight hours after it was demanded, the proxy notice must be delivered not less than one hour before the time appointed for the taking of the poll or otherwise at the meeting at which the poll was demanded to the chairman, secretary (if any) or to any director

75 6 An appointment under a proxy notice may be revoked by delivering a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given to a proxy notification address

75 7 A notice revoking a proxy appointment only takes effect if it is delivered before

- (a) the start of the meeting or adjourned meeting to which it relates, or
- (b) (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll to which it relates

75 8 If a proxy notice is not signed 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

## **76. Representation of corporations at meetings**

Subject to the Companies Act 2006, a company or body corporate which is a member of the Company may, by resolution of its directors or other governing body, authorise one or more persons to act as its representative or representatives at a general meeting of the Company or at a separate meeting of the holders of a class of shares of the Company. The directors or secretary (if any) of the Company may require a member's corporate representative to produce a certified copy of the resolution or other form of authorisation appointing him before permitting him to exercise his powers

## **77. Amendments to resolutions**

77 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

77 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



77.3 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

## **RESTRICTIONS ON MEMBERS' RIGHTS**

### **78. No voting of shares on which money owed to the Company**

No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, unless all amounts payable to the Company in respect of that share have been paid

### **79. Application of rules to class meetings**

The provisions of the articles relating to general meetings apply, with any necessary modifications, to separate meetings of the holders of any class of shares in the capital of the Company

## **PART 5 - ADMINISTRATIVE ARRANGEMENTS**

### **80. Change of the Company's name**

The directors may, by a decision of the directors in accordance with the articles, and in accordance with the provisions of the Companies Act 2006, change the name of the Company

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

81.1 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

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

(a) If properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted,

(b) If properly addressed and delivered by hand, when it was given or left at the appropriate address,

(c) if properly addressed and sent or supplied by electronic means 48 hours after the document or information was sent or supplied, and

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

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

81.3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by of the Companies Act 2006

81.4 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

81.5 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

## **82. Failure to notify contact details**

82.1 If the Company sends two consecutive documents to a member over a period of at least twelve months and each of those documents is returned undelivered, or the Company receives notification that it has not been delivered, that member ceases to be entitled to receive notices from the Company

82.2 A member who has ceased to be entitled to receive notices from the Company becomes entitled to receive such notices again

(a) if, by notice to the Company, in any manner acceptable to the directors, he reconfirms his address or provides a new address to be recorded in the register of members, or

(b) if the member has agreed that the Company should use a means of communication other than sending things to such an address, and provides the information that the Company needs to use that means of communication effectively

## **83. Company seals**

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

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

83.3 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 two authorised signatories or otherwise by at least one authorised signatory in the presence of a witness who attests the signature

83.4 For the purposes of this article, an authorised signatory is

(a) any director of the Company,

(b) the secretary (if any), or

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

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

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

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

The directors may 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**

### **86. Indemnity**

86 1 Subject to article 86 3, but without prejudice to any indemnity to which a relevant officer is otherwise entitled, each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer

(a) in the actual or purported execution and/or discharge of his duties, or in relation to them, and

(b) in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of Companies Act 2006),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or associated company's) affairs

86 2 The Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 86 1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

86 3 This article 86 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

86 4 In this article 86

(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 officer means any director or alternate director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of Companies Act 2006)) and may, if the members so decide, include any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor

### **87. Insurance**

87 1 The directors may purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss

87 2 In this article 87

(a) a relevant officer means any director or alternate director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of Companies Act 2006)) and may, if the members so decide, include any person engaged by the Company (or any associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor,

(b) a relevant loss means any loss or liability which has been or may be incurred by a relevant officer in connection with that officer's duties or powers in relation to the Company,

any associated company or any pension fund or employees' share scheme of the Company or associated company, and

(c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate