

Company No.03949538

The Companies Act 2006

Company limited by shares

Written resolution

of

Efar Limited (the "Company")

11 May 2016 (the "Circulation Date")


Pursuant to written resolutions of the company duly circulated on 11 May 2016, the following resolution was passed on 11 May 2016 as a special resolution of the company

Special Resolution

Articles of Association

Article 45 1(g) of the Articles of Association of the Company be deleted and the following substituted therefor

"except any transfer made pursuant to clause 24 3 (*Share Transfers*) of these articles no transfer of any share of the company shall be registered or approved for registration without the prior consent of the Parent Company, provided that the directors shall not be entitled to refuse to register the transfer of any share(s) by the Parent Company to any person which is presented for registration duly stamped Article 26 of the Model Articles is modified accordingly, and"


Director/Secretary
MATHEW KIRK



Articles of Association of

Efar Ltd

Company number 03949538

(Private company limited by shares)

as adopted by written special resolution passed on 11 May 2016

Osborne Clarke LLP

One London Wall

London

EC2Y 5EB

Telephone +44 20 7105 7000

Fax +44 20 7105 7005

LST/27625194/LST

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Company number 03949538

The Companies Act 2006

Private company limited by shares

Articles of Association

of

Efar Ltd

(as adopted by written special resolution passed on 11 May 2016)

Part 1

Interpretation, Limitation of Liability and Other Miscellaneous Provisions

It is agreed as follows

1 Defined terms

In these articles, unless the context requires otherwise

"Acts" means the Companies Acts and every other statute, order, regulation, or other subordinate legislation from time to time in force concerning companies and affecting the company

"articles" means the company's articles of association as altered or varied from time to time (and **"article"** means a provision of the articles)

"associated company" has the meaning set out in Section 256, CA2006

"CA2006" means the Companies Act 2006

"Companies Acts" has the meaning set out in Section 2, CA2006

"conflicted director" has the meaning set out in article 12.1 (*Authorisation of conflicts of interest*)

"conflict situation" has the meaning set out in article 12.1 (*Authorisation of conflicts of interest*)

"distribution recipient" has the meaning set out in article 28 (*Payment of dividends and other distributions*)

"document" includes, unless otherwise specified, any summons, notice, order, register, certificate or other legal process and includes any such document sent or supplied in electronic form

"electronic form" has the meaning set out in Section 1168, CA2006

"eligible director" means a director who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting (but excluding any director whose vote is not to be counted in respect of the resolution in question)

"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 set out in Section 1168, CA2006

"holding company" has the meaning set out in Section 1159, CA2006

"Model Articles" means the model articles for private companies limited by shares as set out in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229)

"nil paid" in relation to a share, means that none of that share's nominal value or any premium at which it was issued has been paid to the company

"occupational pension scheme" has the meaning set out in Section 235(6), CA2006

"Ordinary A Shares" means the ordinary A shares of £1 00 each in the capital of the Company having the rights set out in these Articles

"Ordinary B Shares" means the ordinary B shares of £1 00 each in the capital of the Company having the rights set out in these Articles

"the Parent Company" means Southern Communications Holdings Limited registered in England and Wales with company number 08413599

"parent undertaking" has the meaning set out in Section 1162, CA2006

"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

"relevant director" means any director or former director

"relevant loss" means any costs, charges, losses, expenses and liabilities which have been or may be incurred by a relevant director secretary or other officer in the actual or purported execution or discharge of his duties or in the actual or purported exercise of his powers in relation to the affairs of the company, any associated company or any pension fund (including any occupational pension scheme) or employees' share scheme of the company or associated company

"shares" means shares in the capital of the Company being the Ordinary A Shares and the Ordinary B Shares

"subsidiary" save as provided otherwise in these articles, has the meaning set out in Section 1159, CA2006

"subsidiary undertaking" has the meaning set out in Section 1162, CA2006

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

"working day" has the meaning set out in Section 1173, CA2006

"writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods and **"written"** shall be construed accordingly

- 1 1 Unless the context otherwise requires (or unless otherwise defined or stated in these articles), words or expressions defined in the Model Articles shall have the same meaning in these articles. Any other words and expressions contained in these articles and/or the Model Articles shall have the same meaning as in the CA2006 as in force on the date when these articles become binding on the company.
- 1 2 The Model Articles shall apply to the company save insofar as they are excluded or modified by or are inconsistent with these articles, and the Model Articles (except insofar as so excluded, modified or inconsistent) together with these articles shall be the articles of association of the company (to the exclusion of any other regulations set out in any statute, statutory instrument or other subordinate legislation from time to time in force).
- 1 3 The following articles of the Model Articles shall be excluded in their entirety from applying to the company:
- (a) article 14 (*Conflicts of interest*),
 - (b) article 21 (*All shares to be fully paid up*),
 - (c) article 48 (*Means of communication to be used*),
 - (d) article 52 (*Indemnity*), and
 - (e) article 53 (*Insurance*).
- 1 4 References in the articles to a document or information being sent or supplied by or to a company (including the company) shall be construed in accordance with the provisions of Section 1148(3), CA2006 and any reference to "**sent**" or "**supplied**" (or other similar term) shall be construed in accordance with the provisions of Section 1148(2), CA2006.

2 **Company's name**

The company may change its name by means of a decision of the directors made in accordance with the provisions of article 5 (*Directors to take decisions collectively*) or article 6 (*Unanimous decisions*). The provisions of Section 79, CA2006 shall be complied with on any change of company name made pursuant to this article.

3 **Domicile**

The company's registered office is to be situated in England and Wales.

Part 2

Directors and Secretary

Directors' powers and responsibilities

4 **Directors may delegate**

Article 5(1) of the Model Articles is modified by the addition, at the end of that article, of the words

"(including whether any such delegation shall be made either collaterally with or to the exclusion of the powers otherwise conferred on the directors under the articles)"

Decision-making by Directors

5 Directors to take decisions collectively

5 1 If

- (a) the company has only one director for the time being, and
- (b) no provision of the articles requires it to have more than one director,

save as provided otherwise in the articles the general rule does not apply, and the director may (only for so long as he remains the sole director) take decisions without regard to any of the provisions of the articles relating to directors' decision-making

Article 7(2) of the Model Articles is modified accordingly

6 Unanimous decisions

- 6 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

Article 8(1) of the Model Articles is modified accordingly

- 6 2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it or to which each eligible director has otherwise indicated agreement in writing

Article 8(2) of the Model Articles is modified accordingly

- 6 3 Article 8(3) shall be excluded from applying to the company

- 6 4 A decision may not be taken in accordance with this article 6 if the eligible directors would not have formed a quorum at a directors' meeting held to discuss the matter in question

Article 8(4) of the Model Articles is modified accordingly

7 Calling a directors' meeting

Save as otherwise provided in the articles, notice of a directors' meeting must be given to each director, but need not be in writing

Article 9(3) of the Model Articles is modified accordingly

8 Participation in directors' meetings

- 8 1 Article 10(1)(b) of the Model Articles is modified by the addition, after the word "communicate", of the words

"orally, including by means of telephone, video conference or other audio or audio-visual link or any other form of telecommunication"

- 8 2 Article 10(2) of the Model Articles is modified by the addition, at the end of that article, of the words

"provided that all persons participating in the meeting can hear each other "

9 **Quorum for directors' meetings**

9 1 Subject to Section 175(6), CA2006 the quorum for the transaction of the business of the directors may be fixed from time to time by a decision of the directors, and unless otherwise so fixed it shall (save as provided in article 9 2 or any other provision of the articles) be two

9 2 In relation to any meeting (or part of any meeting) held pursuant to article 12 (*Authorisation of conflicts of interest*), if, at the relevant time, the company has only one director other than the conflicted director, the quorum for such meeting (or the part thereof dealing with the authorisation pursuant to article 12 (*Authorisation of conflicts of interest*)) shall be one eligible director

Article 11(2) of the Model Articles is modified accordingly

10 **Chairing of directors' meetings**

If the chairman is unwilling to chair a directors' meeting or is not participating in a directors' meeting within ten minutes of the time at which it was to start or, if at any time during the meeting, the chairman ceases to be a participating director, the participating directors must appoint one of themselves to chair it (or chair such part of it in relation to which the chairman ceases to be a participating director, as the case may be)

Article 12(4) of the Model Articles is modified accordingly

11 **Casting vote**

11 1 Subject to article 11 2, if, at a meeting of the directors, the numbers of votes for and against a proposal are equal, the chairman or other director appointed to chair the meeting pursuant to article 10 (*Chairing of directors' meetings*) shall have a casting vote

11 2 At a meeting of the directors (or any part thereof), the chairman or other director appointed to chair the meeting pursuant to article 10 (*Chairing of directors' meetings*) shall not have a casting vote in respect of any proposal where the numbers of votes for and against are equal if, in relation to such proposal, such chairman or other director appointed to chair the meeting is not an eligible director

Article 13 of the Model Articles is modified accordingly

12 **Authorisation of conflicts of interest**

12 1 Subject to and in accordance with the CA2006

(a) the directors may authorise any matter or situation arising on or after 1 October 2008 in which a director (the "**conflicted director**") has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the company could take advantage of it) and for this purpose a conflict of interest includes a conflict of interest and duty and a conflict of duties (the "**conflict situation**"),

(b) any authorisation given in accordance with this article 12

(i) may be made on such terms and subject to such conditions and/or limitations as the directors may, in their absolute discretion, determine (including, without limitation, excluding the conflicted director and any other interested director from certain directors' meetings, withholding from him or them certain board or other papers and/or denying him or them access to certain confidential company information) and such terms, conditions and/or limitations may be imposed at the time of or after the authorisation and may be subsequently varied or terminated, and shall be effective only if

- (A) any requirement as to the quorum at any meeting of the directors at which the matter is considered is met without counting either the conflicted director or any other interested director, and
 - (B) the matter or situation was agreed to and any relevant resolution was passed without counting the votes of the conflicted director and without counting the votes of any other interested director (or such matter or situation would have been so agreed and such relevant resolution would have been so passed if their votes had not been counted), and
 - (c) in considering any request for authorisation in respect of a conflict situation, the directors shall be entitled to exclude the conflicted director from any meeting or other discussion (whether oral or written) concerning the authorisation of such conflict situation and they shall also be entitled to withhold from such conflicted director any board papers or other papers concerning the authorisation of such conflict situation
- 12 2 If any conflict situation is authorised or otherwise permitted under the articles, the conflicted director (for as long as he reasonably believes such conflict situation subsists)
- (a) shall not be required to disclose to the company (including the directors or any committee) any confidential information relating to such conflict situation which he obtains or has obtained otherwise than in his capacity as a director of the company, if to make such disclosure would give rise to a breach of duty or breach of obligation of confidence owed by him to another person in relation to such matter, office, employment or position,
 - (b) shall be entitled to attend or absent himself from all or any meetings of the directors (or any committee) at which anything relating to such conflict situation will or may be discussed, and
 - (c) shall be entitled to make such arrangements as he thinks fit to receive or not to receive documents or information (including, without limitation, board papers (or those of any committee of it)) relating to any such conflict situation and/or for such documents or information to be received and read by a professional adviser on his behalf,

and in so doing, such conflicted director shall not be in breach of any general duty he owes to the company pursuant to Sections 171 to 177 (inclusive), CA2006 and the provisions of this article 12 shall be without prejudice to any equitable principle or rule of law which may excuse the conflicted director from disclosing information or attending meetings or receiving documents or information, in circumstances where such disclosure, attendance or receipt would otherwise be required under the articles

- 12 3 For the purposes of this article 12, an interest of a person who is, for any purpose of the CA2006 (excluding any statutory modification thereof not in force when this regulation becomes binding on the company), connected with a director shall be treated as an interest of the director

13 Directors may have interests and vote and count for quorum

- 13 1 Provided permitted by the Acts, and provided he has disclosed to the other directors the nature and extent of his interest pursuant to Section 177 or 182, CA2006 or otherwise pursuant to the articles (as the case may be), a director, notwithstanding his office
- (a) may be a party to, or otherwise directly or indirectly interested in any contract, arrangement, transaction or proposal with the company or in which the company is otherwise interested and may hold any other office or position of profit under the company (except that of auditor or of auditor of a subsidiary of the company) in addition to the office of director and may act by himself or through his firm in a

professional capacity for the company and in any such case on such terms as to remuneration and otherwise as the directors may agree either in addition to or in lieu of any remuneration provided for by any other article,

- (b) may be a member, director or other officer of, or employed by, or hold any other office or position with, or be directly or indirectly interested in any contract, arrangement, transaction or proposal with or a party to or otherwise directly or indirectly interested in, any subsidiary and subsidiary undertaking of the company or any parent undertaking of the company and any of such parent undertaking's subsidiaries or subsidiary undertakings or any other body corporate promoted by the company or in which the company is otherwise interested,
- (c) shall not, by reason of his office, be liable to account to the company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from
 - (i) any matter, office, employment or position which relates to a conflict situation authorised in accordance with article 12 (*Authorisation of conflicts of interest*), or
 - (ii) any office, employment, contract, arrangement, transaction or proposal or other interest permitted pursuant to paragraphs (a) and (b) of this article,

and no contract, arrangement, transaction or proposal shall be avoided on the grounds of any director having any such interest or receiving any such dividend, profit, remuneration, superannuation, payment or other benefit authorised in accordance with article 12 (*Authorisation of conflicts of interest*) or permitted pursuant to paragraphs (a) or (b) of this article and the receipt of any such dividend, profit, remuneration, superannuation, payment or other benefit so authorised or permitted shall not constitute a breach of the duty not to accept benefits from third parties as set out in Section 176, CA2006

- 13 2 For the avoidance of doubt, a director may be or become subject to one or more conflict situations as a result of any matter referred to in paragraph (b) of article 13 1 (*Directors may have interests and vote and count for quorum*) without requiring authorisation under the provisions of article 12 (*Authorisation of conflicts of interest*) provided he has declared, as soon as reasonably practicable, the nature and extent of his interest in the conflict situation The provisions of Section 177(2), Section 177(3), Section 177(5), Section 177(6), Section 184 and Section 185, CA2006 shall be applied (with any necessary modifications) in respect of any such declaration
- 13 3 Subject to Section 175(6), CA2006 and save as otherwise provided in the articles, a director may vote at any meeting of the directors or any meeting of any committee of which he is a member on any resolution and a director may participate in the transaction of the business of the directors and count in the quorum at any such meeting of the directors or meeting of any committee of which he is a member notwithstanding that it concerns or relates in any way to a matter in which he has directly or indirectly any kind of interest or duty This article does not affect any obligation of a director to disclose any such interest, whether pursuant to Section 177, CA2006, Section 182, CA2006 or otherwise
- 13 4 Subject to article 13 5, 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 (except in a case where the nature or extent of any interest of the director has not been fairly disclosed)
- 13 5 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

- 13 6 For the purposes of this article 13, an interest of a person who is, for any purpose of the CA2006 (excluding any statutory modification thereof not in force when this regulation becomes binding on the company), connected with a director shall be treated as an interest of the director

14 Records of decisions to be kept

The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors. Notwithstanding the provisions of article 5 (*Directors to take decisions collectively*), where the company only has one director, the provisions of this article 14 shall apply to any decision taken by such director, howsoever taken by him

Article 15 of the Model Articles is modified accordingly

Appointment of Directors

15 Methods of appointing directors

In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee of the last shareholder to have died or to have had a bankruptcy order made against him, as the case may be, shall have the right, by notice in writing to the company, to appoint any one person to be a director, provided such person is a natural person in accordance with Section 155, CA2006 and provided such person is willing to be so appointed and is otherwise permitted by law to be a director of the company

Article 17(2) of the Model Articles is modified accordingly

16 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 CA2006 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) by reason of that person's mental health, a court having jurisdiction (whether in the United Kingdom or elsewhere) makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,
- (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,
- (g) that person has, for more than six consecutive months, been absent without permission of the directors from meetings of directors held during that period and the directors make a decision that that person's office be vacated, or
- (h) he is removed from office pursuant to article 45 1(a) (*Rights of Parent Company*)

Article 18 of the Model Articles is modified accordingly

17 **Directors' remuneration**

Article 19(2) of the Model Articles is modified by adding at the end of that article, the words

"(provided that any remuneration for their services to the company as directors pursuant to article 19(2)(a) shall not exceed £10,000 per annum for each director)"

18 **Directors' expenses**

18 1 The company may pay any reasonable expenses which the directors and the company secretary (if any) properly incur in connection with their attendance at (or returning from)

- (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 business of the company, the exercise of their powers and the discharge of their duties and responsibilities in relation to the company

Article 20 of the Model Articles is modified accordingly

Part 3

Shares and Distributions

Shares

19 **Issue of shares**

19 1 Shares may be issued by the company which are nil, partly or fully paid

20 **Share capital**

20 1 Except as otherwise provided in these Articles, the Ordinary A Shares and Ordinary B Shares shall rank pari passu in all respects but shall constitute separate classes of shares

21 **Exclusion of statutory pre-emption provisions**

21 1 Pursuant to Section 567, CA2006, sub-section (1) of Section 561, CA2006, and sub-sections (1) to (5) inclusive of Section 562, CA2006 shall be excluded from applying to the company

21 2 Pursuant to Section 573, CA2006, in relation to a sale of shares that is an allotment of equity securities by virtue of Section 560(3), CA2006, the directors may allot such shares as if Section 561, CA2006 did not apply

22 **Authority to purchase own shares with cash**

The Company is authorised to purchase its own shares pursuant to Section 692(1ZA), CA2006

23 **Share certificates**

23 1 The company must issue each shareholder with one or more certificates in respect of the shares which that shareholder holds and, save as provided otherwise in the articles, such certificates must be issued free of charge

Article 24(1) of the Model Articles is modified accordingly

23 2 Article 24(2)(c) of the Model Articles is modified by

- (a) the deletion of the words "that the shares are fully paid", and
- (b) the insertion instead of the words "the amount paid up on the shares"

24 **Share transfers**

24 1 Article 26(1) of the Model Articles is modified by the addition, at the end of that article, of the words

"and unless the share is fully paid, by and on behalf of the transferee"

24 2 The directors may, in their absolute discretion, refuse to register the transfer of a share, and if they do so, they shall, within 2 months after the date on which the transfer was lodged with the company, send to the transferee notice of refusal together with reasons for the refusal. Any instrument of transfer which the directors refuse to register must (unless they suspect that the proposed transfer may be fraudulent) be returned to the transferee

Article 26(5) of the Model Articles is modified accordingly

24 3 Notwithstanding anything contained in these articles, the directors shall not decline to register any transfer of shares, nor may they suspend registration of it where the transfer

- (a) is to any bank or institution to which such shares have been charged by way of security, or to any nominee of such a bank or institution (a "**Secured Institution**"), or
- (b) is delivered to the company for registration by a Secured Institution or its nominee in order to perfect its security over the shares, or
- (c) is executed by a Secured Institution or its nominee pursuant to the power of sale or other power under such security,

and furthermore notwithstanding anything to the contrary contained in these articles no transferor of any shares in the company or proposed transferor of such shares to a Secured Institution or its nominee and no Secured Institution or its nominee shall be required to offer the shares which are or are to be the subject of any transfer aforesaid to the shareholders for the time being of the Company or any of them, and no such shareholder shall have any right under the articles or otherwise howsoever to require such shares to be transferred to them whether for consideration or not

25 **Transmission of shares**

25 1 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 (including, without limitation, the provisions of article 25 2) and pending any transfer of the shares to another person, has the same rights as the holder had (and the rights in relation to the holder shall cease) and may give good discharge for dividends and other distributions in respect of the share

Article 27(2) of the Model Articles is modified accordingly

25 2 Save as provided in article 15 (*Methods of appointing directors*), transmittees do not have the right to attend or vote at a general meeting of the company, 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

Article 27(3) of the Model Articles is modified accordingly

- 25 3 The directors may at any time give notice requiring a transmittee to elect either to be registered himself in respect of the share or to transfer the share to a person nominated by him and if such notice is not complied with within 60 days of such notice, the directors may, thereafter, withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with

26 **Transmittees bound by prior notices**

If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name or the name of any person nominated by the transmittee pursuant to article 25 1 (*Transmission of shares*) has been entered in the register of members

Article 29 of the Model Articles is modified accordingly

Dividends and Other Distributions

27 **Calculation of dividends**

- 27 1 Except as otherwise provided by the articles and by 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 pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid

- 27 2 If any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date it shall rank for or be entitled to dividends accordingly

- 27 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 a call or otherwise paid up in advance of its overdue payment date

Article 30(4) of the Model Articles shall be excluded from applying to the company

28 **Payment of dividends and other distributions**

- 28 1 Each of articles 31(1)(a) to (d) of the Model Articles is modified by the deletion of the words "either" and "or as the directors may otherwise decide"

- 28 2 If

- (a) a share is subject to the company's lien, and
- (b) 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. Money so deducted must be used to pay any of the sums payable in respect of that share

- 28 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
- 28 4 In these 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

Capitalisation of Profits

29 Authority to capitalise and appropriation of capitalised sums

- 29 1 A capitalised sum which was appropriated from profits available for distribution may be applied
- (a) in or towards paying up any amounts unpaid on existing shares held by the person(s) entitled, or
 - (b) 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

Article 36(4) of the Model Articles is modified accordingly

- 29 2 Subject to the articles, the directors may apply capitalised sums in accordance with article 29 1(a) and 29 1(b) partly in one way and partly in another

Article 36(5)(a) of the Model Articles is modified accordingly

Part 4

Decision-making by Shareholders

Organisation of General Meetings

30 Notice of general meetings

- 30 1 A general meeting of the company (other than an adjourned meeting) shall be called by notice of at least 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the shareholders having a right to attend and vote being a majority together holding not less than ninety percent in nominal value of the shares giving that right
- 30 2 Every notice convening a general meeting shall specify
- (a) the place, the date and the time of the meeting,

- (b) the general nature of the business to be dealt with at the meeting,
 - (c) if the meeting is convened to consider a special resolution, the text of the resolution and intention to propose the resolution as a special resolution, and
 - (d) with reasonable prominence, that a member is entitled to appoint another person (who does not have to be a member) as his proxy to exercise all or any rights of his to attend, speak and vote at the meeting and that a member may appoint more than one proxy in relation to the meeting (provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him) and shall also specify any more extensive rights (if any) conferred by these articles to appoint more than one proxy
- 30 3 The notice shall be given to the members (other than any who under the provisions of these articles or of any restrictions imposed on any shares are not entitled to receive notice from the company), to the directors and to the auditors and if more than one for the time being, to each of them
- 30 4 Subject to the provisions of these articles, notice of a general meeting of the company may be given
- (a) in hard copy form,
 - (b) in electronic form, or
 - (c) by means of a website,
- or partly by one such means and partly by another and the provisions of article 41 (*Company communications*) shall apply accordingly
- 30 5 The accidental failure to give notice of general meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, or to give notice of a resolution intended to be moved at a general meeting to, or the non-receipt of any of them by, any person or persons entitled to receive the same shall not invalidate the proceedings at that meeting and shall be disregarded for the purpose of determining whether the notice of the meeting, instrument of proxy or resolution were duly given
- 31 **Quorum for general meetings**
- 31 1 No business, other than the appointment of the chairman of the meeting, is to be transacted at a general meeting unless the persons attending it constitute a quorum when the meeting proceeds to business (and nothing in the articles shall prevent any other business being transacted at such general meeting if the persons attending it do not constitute a quorum from time to time thereafter throughout the meeting)
- Article 38 of the Model Articles is modified accordingly
- 31 2 Whenever the company has only one member, the member present (being an individual) in person or by proxy, or (being a corporation) by a duly authorised representative or by proxy, shall be a quorum
- 32 **Chairing general meetings**
- 32 1 Article 39(2) of the Model Articles is modified by the addition, after the words "director or shareholder", of the words
- "(which may not include any proxy appointed by a shareholder)"

33 **Adjournment**

33 1 Article 41(1) of the Model Articles is modified by the deletion of the words

"or if during a meeting a quorum ceases to be present"

33 2 If a quorum is not present at any adjourned meeting within half an hour from the time appointed for that meeting, the meeting shall be dissolved

Voting at General Meetings

34 **Voting. general**

No shareholder shall, unless the directors otherwise decide, be entitled to vote (either in person or by proxy) at a general meeting, at any adjournment of it or on any poll called at or in relation to it in respect of any share held by him or to exercise any right as a shareholder unless all calls or other sums presently payable by him in respect of that share in the company have been paid to the company

35 **Errors and disputes**

35 1 Article 43(2) of the Model Articles is modified by the addition, at the end of that article, of the words

"and conclusive"

36 **Demanding a poll and procedure on poll**

36 1 A poll may be demanded by

- (a) the chairman of the meeting,
- (b) the directors,
- (c) two or more persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution, or
- (d) by a person or persons holding shares in the company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid up to not less than one tenth of the total sum paid up on all the shares conferring that right

Article 44(2) of the Model Articles is modified accordingly

36 2 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,

and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made

Article 44(3) of the Model Articles is modified accordingly

37 **Delivery of proxy notices**

37 1 The appointment of a proxy and the power of attorney or other authority (if any) under which it is signed (or a copy of such authority certified notarially or in some other way approved by the

directors) shall be sent or supplied in hard copy form, or (subject to any conditions and limitations which the directors may specify) in electronic form

- (a) to the registered office of the company, or
- (b) to such other address (including electronic address) as is specified in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the company in relation to the meeting, or
- (c) as the directors shall otherwise direct,

to be received before the time for the holding of the meeting or adjourned meeting to which it relates or, in the case of a poll taken after the date of the meeting or adjourned meeting, before the time appointed for the poll

37 2 Any instrument of proxy not so sent or supplied or received shall be invalid unless the directors at any time prior to the meeting or the chairman of the meeting at the meeting, in their or his absolute discretion, accept as valid an instrument of proxy where there has not been compliance with the provisions of this article and such proxy shall thereupon be valid notwithstanding such default

37 3 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

37 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

37 5 Article 46 of the Model Articles is modified accordingly

38 **Revocation of proxy notices**

38 1 The validity of

- (a) a vote given or poll demanded in accordance with the terms of an appointment of a proxy, or
- (b) anything done by a proxy acting as duly appointed chairman of a meeting, or
- (c) any decision determining whether a proxy counts in a quorum at a meeting,

shall not be affected notwithstanding the death or mental disorder of the appointor or the revocation of the appointment of the proxy (or of the authority under which the appointment of the proxy was executed) or the transfer of the share in respect of which the appointment of the proxy is given, unless notice in writing of such death, mental disorder, revocation or transfer shall have been

- (a) sent or supplied to the company or any other person as the company may require in the notice of the meeting, any instrument of proxy sent out by the company in relation to the meeting or in any invitation to appoint a proxy issued by the company in relation to the meeting, in any manner permitted for the sending or supplying of appointments of proxy pursuant to the articles, and
- (b) received at the registered office of the company (or such other address (including electronic address) as has been designated for the sending or supplying of appointments of proxy), before the time for the holding of the meeting or adjourned meeting to which it relates or, in the case of a poll taken after the date of the meeting or adjourned meeting, before the time appointed for the poll

39 Votes of proxies

- 39 1 The company shall be under no obligation to ensure or otherwise verify that any vote(s) cast by a proxy are done so in accordance with any such instructions given by the member by whom such proxy is appointed. In the event that a vote cast by such proxy is not done so in accordance with the instructions of the member by whom such proxy is appointed, such vote shall not be deemed to be invalid.
- 39 2 On a vote on a resolution on a show of hands, where a proxy is appointed by more than one member (provided that, where some only of those members by whom the proxy is appointed instruct the proxy to vote in a particular way, those members all instruct such proxy to vote in the same way on a resolution (either "for" or "against")) such proxy shall be entitled to cast a second vote the other way in relation to any discretionary vote(s) given to him by other members by whom such proxy is appointed.

40 Written resolutions of shareholders

A written resolution proposed in accordance with the provisions of Chapter 2 of Part 13 of the CA2006 shall lapse if it is not passed before the period of 14 days beginning with the circulation date (as such is construed pursuant to Section 290, CA2006)

Part 5

Administrative Arrangements

41 Company communications

- 41 1 Subject to the provisions of the Acts (and save as otherwise provided in the articles), any document or information required or authorised to be sent or supplied by the company to any member or any other person (including a director) pursuant to these articles, the Companies Acts or any other rules or regulations to which the company may be subject, may be sent or supplied in hard copy form, in electronic form, by means of a website or in any other way in which documents or information may be sent or supplied by the company pursuant to the Companies Acts.
- 41 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.
- 41 3 The provisions of the CA2006 which apply to sending or supplying a document or information required or authorised to be sent or supplied by the Companies Acts by making it available on a website shall, mutatis mutandis, apply to the sending or supplying of any document or information required or authorised to be sent by these articles or any other rules or regulations to which the company may be subject, by making it available on a website.
- 41 4 The company may send or supply any document or information to a member or any other person (including a director) pursuant to these articles, the Companies Acts or any other rules or regulations to which the company may be subject, either personally, or by post in a prepaid envelope addressed to the member (or such other person) at his registered address or at his address for service, or by leaving it at that address or any other address for the time being notified to the company by the member (or such other person) for the purpose, or by sending or supplying it using electronic means to an electronic address for the time being notified to the company by the member (or such other person) for the purpose, or by any other means authorised in writing by the member (or such other person) concerned.
- 41 5 A shareholder whose registered address is not within the United Kingdom and who gives the company an address within the United Kingdom to which documents or information may be sent or supplied to him or gives an electronic address to which documents or information may be sent or supplied using electronic means, shall be entitled to have documents or information

sent or supplied to him at that address, but otherwise no such shareholder shall be entitled to receive any document or information from the company

- 41 6 In the case of joint holders of a share, if the company sends or supplies any document or information to one of the joint holders, it shall be deemed to have properly sent or supplied such document or information to all the joint holders
- 41 7 If, on at least 2 consecutive occasions, the company has attempted to send any document or information by electronic means to an address specified (or deemed specified) for the purpose and a delivery failure (or other similar) notification has been received by the company, the company thereafter shall send documents or information in hard copy form or electronic form (but not by electronic means) to such member at his registered address or address for service within the United Kingdom (whether by hand, by post or by leaving it or them at such address), in which case the provisions of article 41 8 shall apply
- 41 8 If on 3 consecutive occasions documents or information have been sent or supplied to any shareholder at his registered address or address for the service of such documents or information in the United Kingdom but have been returned undelivered, such shareholder shall not thereafter be entitled to receive any documents or information from the company until he shall have communicated with the company and supplied in writing a new registered address or address within the United Kingdom for the service of documents or information or an electronic address to which documents or information may be sent or supplied using electronic means
- 41 9 Any shareholder present, in person or by proxy at any meeting of the company or of the holders of any class of shares of the company, shall be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was called
- 41 10 Save as provided otherwise in these articles, any document or information addressed to a shareholder (or other person to whom such document or information is required or authorised to be sent pursuant to these articles, the Companies Acts or otherwise) at his registered address or address for service (in the case of a shareholder, in the United Kingdom) or electronic address, as the case may be, shall
- (a) if hand delivered or left at a registered address or other address for service (in the case of a shareholder in the United Kingdom), be deemed to have been served or delivered on the day on which it was so delivered or left,
 - (b) if sent or supplied by post (whether in hard copy form or in electronic form), be deemed to have been received at the expiration of 24 hours after the envelope was posted,
 - (c) if sent or supplied by electronic means (other than by means of website), be deemed to have been received (if sent or supplied between the hours of 9 a m and 5 p m on a working day) at the time it was sent, or (if sent or supplied at any other time) at 9 a m on the next following working day, and
 - (d) if sent or supplied by means of a website, be deemed to have been received when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website
- 41 11 In calculating a period of hours for the purpose of article 41 10, no account shall be taken of any part of a day that is not a working day
- 41 12 A director may agree with the company that 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 those set out in article 41 10

41 13 Subject to article 60 10, in proving such service or delivery it shall be sufficient to prove that the envelope containing the document or information was properly addressed and put into the post in a prepaid envelope or, in the case of a document or information sent or supplied by electronic means, that it was sent or supplied in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators entitled "Electronic Communications with Shareholders 2007" (as such guidance is amended or updated from time to time)

41 14 The company shall not be held responsible for any failure in transmission beyond its reasonable control and the provisions of article 41 9 to article 41 13 (inclusive) shall apply regardless of any document or information being returned undelivered and regardless of any delivery failure notification or "out of office" or other similar response and any such "out of office" or other similar response shall not be considered to be a delivery failure

42 Company seals

Article 49 of the Model Articles is modified by the addition, after the word "directors", of the words

"or a committee of the directors"

Directors' Indemnity, Funds and Insurance

43 Indemnity and Funds

43 1 Subject to article 43 2 (but otherwise to the fullest extent permitted by law) and without prejudice to any indemnity to which he may otherwise be entitled

(a) a relevant director, secretary or other officer (other than any person engaged as auditor) of the company or an associated company may, at the discretion of the directors, be indemnified out of the company's assets against all or any part of any costs, charges, losses, expenses and liabilities incurred by that director, secretary or other officer

(i) in the actual or purported exercise of his powers in relation to the affairs of the company or associated company, and

(ii) in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme, and

(b) a relevant director, secretary or other officer (other than any person engaged as auditor) of the company or any holding company may, at the discretion of the directors, be provided with funds to meet any expenditure incurred or to be incurred by him as provided in Section 205 and/or Section 206, CA2006 (or enable him to avoid incurring any such expenditure)

43 2 This article does not authorise any indemnity or provision of funds which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

44 Insurance

44 1 Subject to the provisions of the CA2006, the directors may in their absolute discretion decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director secretary or other officer (other than any person engaged as auditor) of the company or associated company in respect of all or any part of any relevant loss

45 Rights of the Parent Company

45 1 For so long as the company is a subsidiary of the Parent Company, the following provisions shall apply and, to the extent of any inconsistency between this article and any other provision(s) of the company's articles, this article shall prevail

- (a) the Parent Company may, at any time and from time to time, appoint any person to be a director of the company or remove from office any director of the company howsoever appointed, provided that, in the case of a director holding an executive office, his removal from office shall be deemed to be an act of the company and shall have effect without prejudice to any claim for damages for breach of any contract between him and the company Article 17 and article 18 of the Model Articles are modified accordingly,
 - (b) no person (other than a person appointed by the Parent Company itself) shall be appointed a director of the company without the prior approval of the Parent Company and no person shall be appointed an alternate director without the prior approval of the Parent Company Article 17 of the Model Articles is modified accordingly,
 - (c) no dividend shall be declared, made or paid without the prior consent of the Parent Company Articles 30 to 34 (inclusive) of the Model Articles are modified accordingly and article 27 (*Calculation of dividends*) and article 28 (*Payment of dividends and other distributions*) of these articles shall be construed accordingly,
 - (d) no quorum shall be present at any meeting of the company unless the Parent Company is present either by duly authorised representative or by proxy throughout the meeting Article 31 (*Quorum for general meetings*) of these articles shall be construed accordingly,
 - (e) the Parent Company may at any time and from time to time inspect all or any of the accounting records of the company or other books or documents of the company Article 50 of the Model Articles is modified accordingly,
 - (f) no shares or securities shall be issued or agreed to be issued or put under option without the consent of the Parent Company,
 - (g) except any transfer made pursuant to clause 24 3 (*Share Transfers*) of these articles no transfer of any share of the company shall be registered or approved for registration without the prior consent of the Parent Company, provided that the directors shall not be entitled to refuse to register the transfer of any share(s) by the Parent Company to any person which is presented for registration duly stamped Article 26 of the Model Articles is modified accordingly, and
 - (h) all or any of the powers of the directors (or any of the directors) of the company shall be restricted in such respects and to such extent as the Parent Company may at any time and from time to time by notice to the company prescribe Article 3 and Article 4 of the Model Articles are modified accordingly
- 45 2 Any such appointment, removal, consent or notice referred to in article 45 1 shall be in writing served on the company at its registered office and signed on behalf of the Parent Company by any two of its directors or by any one of its directors and either its secretary (if any) or some other person duly authorised for the purpose
- 45 3 No person dealing with the company or a member or in relation to any shares shall be concerned to see or enquire as to whether the powers of the directors have been in any way restricted pursuant to article 45 1 or whether any requisite consent of the Parent Company has been obtained and no obligation incurred or security given or transaction effected by the company to or with any third party shall be invalid or ineffectual unless the third party had at the relevant time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the directors (or any of the company's directors)
- 45 4 For the purposes of this article 45, "**subsidiary**" shall have the meaning set out in Section 1159, CA2006, provided that the company shall not be regarded as a subsidiary of another company by reason only of the fact that such company is a member of the company and controls the composition of its board of directors