

Company no. 04396961

The Companies Act 2006
Private company limited by shares
Written resolution
of
Stonebeach Limited

12 MAY 2014 (the "Circulation Date")


Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of Stonebeach Limited (the "Company") propose that the following resolution is passed as a special resolution (the "Special Resolution")

Special Resolution.

That the draft articles of association annexed to this written resolution be adopted by the Company in substitution for, and to the exclusion of, its existing articles of association

Important Please read the notes at the end of this document before signifying your agreement to the Special Resolution.

The undersigned, being the sole member entitled to vote on the resolution on the Circulation Date, hereby irrevocably agrees to the Special Resolution



duly authorised signatory
for and on behalf of
Patisserie Valerie Holdings Limited

Date 12 MAY 2014



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Notes

- 1 If you agree to the Special Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to Osborne Clarke using one of the following methods
 - By hand (by delivering the signed copy to Osborne Clarke, One London Wall, London, EC2Y 5EB marked for the attention of Michael Griss)
 - By post (by returning the signed copy to Osborne Clarke, One London Wall, London, EC2Y 5EB marked for the attention of Michael Griss)
 - By email (by attaching a scanned copy of the signed document to an email and sending it to michael.griss@osborneclarke.com)
- 2 **The Special Resolution will lapse if sufficient votes in favour of it have not been received by the end of the date which is 28 days after the Circulation Date (the Circulation Date being counted as day one).** Once you have signified your agreement to the Special Resolution such agreement cannot be revoked
- 3 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document. If you require any assistance in completing this document, please contact Michael Griss, telephone number +44 20 7105 7164

0/B CM

Articles of Association

of

Stonebeach Limited

Company number 04396961

(Private company limited by shares)

as adopted by written resolution passed on

12 MAY 2014

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Company number: 04396961

The Companies Act 2006

Private company limited by shares

Articles of Association

of

Stonebeach Limited

(as adopted by written resolution passed on 12 MAY 2014)

Part 1

Interpretation, Limitation of Liability and other miscellaneous provisions

1 Defined terms

1.1 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

"alternate" or **"alternate director"** has the meaning set out in article 25 (*Appointment and removal of alternates*)

"appointor" has the meaning set out in article 25 (*Appointment and removal of alternates*)

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

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

"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

"CA2006" means the Companies Act 2006

"call" has the meaning set out in article 32.1 (Call notices)

"call notice" has the meaning set out in article 32.1 (Call notices)

"call payment date" has the meaning set out in article 36 (Failure to comply with call notice automatic consequences)

"capitalised sum" has the meaning set out in article 59 (*Authority to capitalise and appropriate of capitalised sum*)

"chairman" has the meaning set out in article 15 (*Chairing of directors' meetings*)

"chairman of the meeting" has the meaning set out in article 63 (*Chairing general meetings*)

"Companies Acts" means the Companies Acts (as defined in Section 2, CA2006), in so far as they apply to the company

"company's lien" has the meaning set out in article 30 1 (*Company's lien*)

"conflicted director" has the meaning set out in article 17 1 (*Authorisation of conflicts of interest*)

"conflict situation" has the meaning set out in article 17 1 (*Authorisation of conflicts of interest*)

"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 set out in article 54 (*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 2006

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

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

"instrument" means a document in hard copy form

"lien enforcement notice" has the meaning set out in article 31 (*Enforcement of the company's lien*)

"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 resolution" has the meaning set out in Section 282, CA2006

"paid" means paid or credited as paid

"Parent Company" means Patisserie Valerie Holdings Limited registered in England and Wales with company number 05914839

"parent undertaking" save as provided otherwise in these articles, has the meaning set out in Section 1162, CA2006

"participate", in relation to a directors' meeting, has the meaning set out in article 13 (*Participation in directors' meetings*)

"partly paid" in relation to a share, means that part of that shares' nominal value or any premium at which is was issued has not been paid to the company

"persons entitled" has the meaning set out in article 59 1 (*Authority to capitalise and appropriation of capitalised sum*)

"proxy notice" has the meaning set out in article 69 (*Content of proxy notices*)

"relevant director" means any director or former director

"relevant loss" means any costs, charges, losses, expenses and liabilities which has 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

"relevant rate" has the meaning set out in article 36 2 (*Failure to comply with call notice automatic consequences*)

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

"shares" means shares in the company

"special resolution" has the meaning set out in Section 283,CA2006

"subsidiary" save a 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 2 Unless the context otherwise requires (or unless otherwise defined or stated in these articles), words or expressions contained in these articles shall have the same meaning as in the CA2006 as in force from time to time
- 1 3 Notwithstanding any other provision of these articles, no regulations for management of a company set out in any statute concerning companies or contained in any regulations, order, instrument or other subordinate legislation made pursuant to a statute (including, but not limited to, the regulations contained in the Model Articles (as amended from time to time)) shall apply to the company The following shall be the articles of association of the company
- 1 4 References in these 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 Liability of members

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

3 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 10 (*Directors to take decisions collectively*) or article 11 (*Unanimous decisions*) The provisions of Section 79, CA2006 shall be complied with on any change of company name made pursuant to this article

4 Domicile

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

5 Company's objects

The company's objects are unrestricted

Part 2

Directors and Secretary

Directors' powers and responsibilities

6 Directors' general authority

Subject to these articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company

7 Shareholders' reserve power

7 1 The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action

7 2 No such special resolution invalidates anything which the directors have done before the passing of the resolution

8 Directors may delegate

8 1 Subject to these articles, the directors may delegate any of the powers which are conferred on them under these articles

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

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

8 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

8 3 The directors may revoke any delegation in whole or part, or alter its terms and conditions

9 **Committees**

9 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 these articles which govern the taking of decisions by directors

9 2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from these articles if they are not consistent with them

Decision-making by directors

10 Directors to take decisions collectively

10 1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 11 (*Unanimous decisions*)

10 2 If

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

save as provided otherwise in these 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 these articles relating to directors' decision-making

11 Unanimous decisions

11 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

11 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

11 3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at a directors' meeting held to discuss the matter in question

12 Calling a directors' meeting

12 1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice

12 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

12 3 Save as otherwise provided in these articles, notice of a directors' meeting must be given to each director, but need not be in writing

12 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

13 Participation in directors' meetings

13 1 Subject to these 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 these articles, and

- (b) they can each communicate orally including by means of telephone, video conference or other audio or audio-visual link or any other form of telecommunication to the others any information or opinions they have on any particular item of the business of the meeting
- 13 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, provided that all persons participating in the meeting can hear each other
- 13 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
- 14 **Quorum for directors' meetings**
- 14 1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting
- 14 2 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 the next following article or any other provision of these articles) be two
- 14 3 In relation to any meeting (or part of any meeting) held pursuant to article 17 (*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 17 (*Authorisation of conflicts of interest*)) shall be one eligible director
- 14 4 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision
 - (a) to appoint further directors, or
 - (b) to call a general meeting so as to enable the shareholders to appoint further directors
- 15 **Chairing of directors' meetings**
- 15 1 The directors may appoint a director to chair their meetings
- 15 2 The person so appointed for the time being is known as the chairman
- 15 3 The directors may terminate the chairman's appointment at any time
- 15 4 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)
- 16 **Casting vote**
- 16 1 Subject to article 16 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 15 4 (*Chairing of directors' meetings*) shall have a casting vote
- 16 2 At a meeting of the directors (or any part thereof), the chairman or other director appointed to chair the meeting pursuant to article 15 4 (*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

17 **Authorisation of conflicts of interest**

17 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 17
 - (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
 - (ii) 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

17 2 If any conflict situation is authorised or otherwise permitted under these 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, directors' papers (or those of any committee of the directors)) 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 17 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 these articles

- 17 3 For the purposes of this article 17, 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 and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise

18 Directors may have interests and vote and count for quorum

- 18 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 these 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 arrange 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 17 (*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 17 (*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

- 18 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 paragraph (b) of article 18 1 (*Directors may*

have interests and vote and count for quorum) without requiring authorisation under the provisions of article 17 (*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.

- 18.3 Subject to Section 175(6), CA2006 and save as otherwise provided in these 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. Subject to article 18.4, 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 (except in a case where the nature or extent of any interest of the director has not been fairly disclosed).
- 18.4 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, 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.
- 18.5 For the purposes of this article 18, 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 and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

19 **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 10.2 (*Directors to take decisions collectively*), where the company only has one director, the provisions of this article 19 shall apply to any decision taken by such director, howsoever taken by him.

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

Subject to these 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 **Methods of appointing directors**

- 21.1 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
- 21.2 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

- 21 3 For the purposes of article 21 2, where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder

22 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, he is admitted to hospital in pursuance of an application for admission for treatment under any mental health legislation for the time being in force in any part of the United Kingdom or 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 82 1(a) (*Rights of Parent Company*)

23 Directors' remuneration

- 23 1 Directors may undertake any services for the company that the directors decide

- 23 2 Directors are entitled to such remuneration as the directors determine

- (a) for their services to the company as directors, and
- (b) for any other service which they undertake for the company

(provided that any remuneration for their services to the company as directors pursuant to article 23 2(a) shall not exceed £10,000 per annum for each director)

- 23 3 Subject to these articles, a director's remuneration may

- (a) take any form, and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director

- 23 4 Unless the directors decide otherwise, directors' remuneration accrues from day to day
- 23 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

24 Directors' expenses

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

Alternate directors

25 Appointment and removal of alternates

- 25 1 Subject to article 82 (*Rights of Parent Company*), any director (other than an alternate director) (the "**appointor**") may appoint as an alternate any other director, or any other person approved by resolution of the directors, who is willing to act 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
A person (whether or not otherwise a director) may be appointed as an alternate by more than one appointor

- 25 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

- 25 3 The notice must identify the proposed alternate and, 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

- 25 4 The appointment of an alternate director who is not otherwise a director shall be valid notwithstanding that he is approved by a resolution of the directors after his appointment as alternate director Where an alternate director who is not otherwise a director attends a meeting of the directors and no objection is raised at the meeting to his presence then he shall be deemed to have been approved by a resolution of the directors

26 Rights and responsibilities of alternate directors

- 26 1 Except as these articles specify otherwise, an alternate director has the same rights in relation to any directors' meeting, directors' written resolution or any other directors' decision-making as the alternate's appointor, including, but not limited to, the right to receive notice of all meetings of directors and all meetings of committees of directors of which his appointor is a member

- 26 2 Except as these 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

26 3 A person who is an alternate director but not otherwise a director

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and
- (b) may participate in a unanimous decision of the directors (but only if that person's appointor is an eligible director in respect of such decisions and only that person's appointor does not participate),

provided that (notwithstanding any other provision of these articles) such person shall not be counted as more than one director for the purposes of paragraphs (a) and (b) above

26 4 A director who is also an alternate for one or more directors is entitled, in the absence of the relevant appointor, to a separate vote on behalf of each appointor in addition to his own vote on any decision of the directors (provided the relevant appointor is an eligible director in relation to that decision) but shall not count as more than one director for the purposes of determining whether a quorum is present

26 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 alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company. Notwithstanding any other provision of these articles, an alternate director shall not be entitled to vote on any resolution relating to the remuneration of an alternate director (whether himself or others)

27 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 ceases to be a director for any reason

28 Secretary

The directors may appoint any person who is willing to act as the secretary of the company on such terms (including but not limited to, term of office and remuneration) and subject to such conditions as they may think fit and from time to time remove such person and, if the directors determine, appoint a replacement secretary of the company, in each case by a decision of the directors

Part 3

Shares and Distributions

Shares

29 Issue of shares and payment of commissions

- 29 1 Shares may be issued by the company which are nil, partly or fully paid .
- 29 2 The company may pay any person a commission in consideration for that person subscribing, or agreeing to subscribe, for shares or procuring, or agreeing to procure, subscriptions for shares. Any such commission may be paid in cash, or fully paid or partly paid shares or other securities, or partly in one way and partly in the other and in respect of conditional or an absolute subscription

30 Company's lien

- 30 1 The company has a lien (the "**company's lien**") over every share (whether fully paid or not) registered in the name of any person (whether he is the sole registered holder or one of two or more joint holders) for all moneys payable by him or his estate (and whether payable by him alone or jointly with any other person) to the company (whether presently payable or not)
- 30 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 assets attributable to it) 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
- 30 3 The directors may, at any time, decide that a share which is or would otherwise be subject to a lien pursuant to these articles shall not be subject to it, either wholly or in part

31 Enforcement of the company's lien

- 31 1 Subject to the provisions of this article 31, if a lien enforcement notice has been given in respect of a share and 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
- 31 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 payable within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),
 - (d) must be addressed either to the holder of the share or to any transferee of that holder or any other person otherwise entitled to the share, and
 - (e) must state the company's intention to sell the share if the notice is not complied with
- 31 3 Where any share is sold pursuant to this article
- (a) the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and
 - (b) the transferee of the share(s) shall be registered as the holder of the share(s) to which the transfer relates notwithstanding that he may not be able to produce the share certificate(s) and such transferee is not bound to see to the application of the

consideration and the transferee's title to the share is not affected by any irregularity in or invalidity of the process leading or relating to the sale

31 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 of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice,
- (b) second, to the person entitled to the share(s) immediately before the sale took place, but only after the certificate for the share(s) sold has been surrendered to the company for cancellation or an indemnity in a form acceptable to the directors has been given to the company for any lost certificate(s) and subject to a lien (equivalent to the company's lien over the share(s) immediately before the sale took place) for all moneys payable by such person or his estate (whether immediately payable or not) in respect of all share(s) registered in the name of such person (whether he is the sole registered holder or one of two or more joint holders) and in respect of any other moneys payable (whether immediately payable or not) by him or his estate to the company, after the date of the lien enforcement notice

31 5 A statutory declaration by a director or the company secretary (if any) that the declarant is a director or the company secretary 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(s), and
- (b) subject to compliance with any other formalities of transfer required by these articles or by law, constitutes a good title to the share(s)

32 Call notices

32 1 Subject to these articles and the terms on which shares are allotted, the directors may send a notice (a "**call notice**") to a shareholder (or his estate) requiring such shareholder (or his estate) to pay the company a specified sum of money (a "**call**") which is payable to the company in respect of shares which that shareholder (or his estate) holds at the date when the directors decide to send the call notice

32 2 A call notice

- (a) may not require a shareholder (or his estate) to pay a call which exceeds the total sum unpaid on the shares in question (whether as to nominal value or any amount payable to the company by way of premium),
- (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 paid by instalments

32 3 A shareholder (or his estate) must comply with the requirements of a call notice but shall not be obliged to pay any call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent

32 4 Before the company has received any call due under a call notice, the directors may revoke it wholly or in part or specify a later date and/or time for payment than is specified in the notice, by a further notice in writing to the shareholder (or his estate) in respect of whose shares the call is made

33 **Liability to pay calls**

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

33 2 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 to pay calls which are not the same or to pay calls at different times.

34 **Payment in advance of calls**

34 1 The directors may, if they think fit, receive from any shareholder willing to advance it all or any part of the moneys uncalled and unpaid on the shares held by him. Such payment in advance of calls shall extinguish only to that extent the liability on the shares on which it is made.

34 2 The directors may at any time repay the amount so advanced on giving to such shareholder not less than 14 clear days' notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) of its intention in that regard, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced.

34 3 No sum paid in advance of calls shall entitle the holder of a share in respect of them to any portion of a dividend subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become payable.

35 **When call notice need not be issued**

35 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 (whether in respect of nominal value or premium)

(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.

35 2 If, however, the due date for payment of such a sum has passed and it has not been paid, the holder of the share(s) concerned (or his estate) 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.

36 **Failure to comply with call notice: automatic consequences**

36 1 If a person is liable to pay a call and fails to do so by the call payment date (as such is defined below) the directors may issue a notice of intended forfeiture to that person and unless and until the call is paid, that person must pay the company interest on the call from the call payment date at the relevant rate (as such is defined below).

36 2 Subject to 36 3, 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,

(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, if none,

- (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,

provided that if no rate is fixed in either of the manners specified in paragraph (b)(i) or (b)(ii) above it shall be, 5 per cent per annum

36 3 The relevant rate must not exceed by more than 5 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(a)

36 4 The directors may waive any obligation to pay interest on a call wholly or in part

37 **Notice of intended forfeiture**

37 1 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 to all the joint holders of that share) or to a transmittee of that holder,
- (c) must require payment of the call and any accrued interest together with all costs and expenses that may have been incurred by the company by reason of such non-payment by a date which is not less than 14 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 14 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

38 **Directors' power to forfeit shares**

If a notice of intended forfeiture is not complied with before the date by 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 in respect of the forfeited shares and not paid before the forfeiture

39 **Effect of forfeiture**

39 1 Subject to these articles, the forfeiture of a share extinguishes all interests in that share, and all claims and demands against the company in respect of it and all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company

39 2 Any share which is forfeited in accordance with these 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

39 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 shareholder 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 these articles at the date of forfeiture in respect of those shares, including any interest, costs and expenses (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

39 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 interest, costs and expenses due in respect of it and on such other terms as they think fit

40 **Procedure following forfeiture**

40 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

40 2 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and subject to compliance with any other formalities of transfer required by these articles or by law, constitutes a good title to the share

40 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

40 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

41 **Surrender of shares**

41 1 A shareholder 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

41 2 The directors may accept the surrender of any such share. The effect of surrender on a share is the same as the effect of forfeiture on that share. A share which has been surrendered may be dealt with in the same way as a share which has been forfeited

42 Exclusion of statutory pre-emption provisions

42 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

42 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), CA 2006, the directors may allot such shares as if Section 561, CA2006 did not apply

43 Powers to issue different classes of share

43 1 Subject to these articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution

43 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

44 Authority to purchase own shares with cash

The Company is authorised to purchase its own shares pursuant to Section 692(1)(b), Companies Act 2006

45 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 these 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

46 Share certificates

46 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 these articles, such certificates must be issued free of charge

46 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 the shares, and
- (d) any distinguishing numbers assigned to them

46 3 No certificate may be issued in respect of shares of more than one class

46 4 If more than one person holds a share, only one certificate may be issued in respect of it

46 5 Certificates must

- (a) have affixed to them the company's common seal, or
- (b) be otherwise executed in accordance with the Companies Acts

47 Replacement share certificates

47 1 If a certificate issued in respect of a shareholder's shares is

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

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

47 2 A shareholder exercising the right to be issued with such a replacement certificate

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates,
- (b) must return the certificate which is to be replaced to the company if it is damaged or defaced, and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide

48 Share transfers

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

48 2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share

48 3 The company may retain any instrument of transfer which is registered

48 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

48 5 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

49 Transmission of shares

49 1 If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share

49 2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require

- (a) may, subject to these articles, choose either to become the holder of those shares or to have them transferred to another person, and
- (b) subject to these articles (including, without limitation, the provisions of article 49 3) 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

49 3 Save as provided in article 21 2 (*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. 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.

50 Exercise of transmittees' rights

- 50 1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- 50 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.
- 50 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.

51 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 49 2 (*Transmission of shares*) has been entered in the register of members.

Dividends and Other Distributions

52 Procedure for declaring dividends

- 52 1 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 52 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.
- 52 3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 52 4 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.
- 52 5 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.
- 52 6 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.

53 Calculation of dividends

- 53 1 Except as otherwise provided by these 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
- 53 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
- 53 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 due payment date
- 54 **Payment of dividends and other distributions**
- 54 1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means
 - (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,
 - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide,
 - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide, or
 - (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide
- 54 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 requirement payment under a lien enforcement notice. Money so deducted must be used to pay any of the sums payable in respect of that share
- 54 3 The company must notify the distribution recipient in writing of
 - (i) the fact and amount of any such deduction,
 - (ii) any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction, and
 - (iii) how the money deducted has been applied
- 54 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

55 No interest on distributions

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

56 Unclaimed distributions

56 1 All dividends or other sums which are

- (a) payable in respect of shares, and
- (b) unclaimed after having been declared or become payable,

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

56 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

56 3 If

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
- (b) the distribution recipient has not claimed it,

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

57 Non-cash distributions

57 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)

57 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

58 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

- (a) the share has more than one holder, or

- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

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

Capitalisation of Profits

59 Authority to capitalise and appropriation of capitalised sums

59 1 Subject to these articles, the directors may, if they are so authorised by an ordinary resolution

- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve, and
- (b) appropriate any sum which they so decide to capitalise (a "**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions

59 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

59 3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct. 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

59 4 Subject to these articles, the directors may

- (a) apply capitalised sums in accordance with article 59 3 and article 59 3 partly in one way and partly in another,
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments), and
- (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article

Part 4

Decision-making by Shareholders

Organisation of General Meetings

60 Notice of general meetings

60 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

60 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

60 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

60 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 76 (*Company Communications*) shall apply accordingly

60 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

61 Attendance and speaking at general meetings

- 61 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
- 61 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
- 61 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
- 61 4 In determining attendance at a general meeting, it is immaterial whether any two or more shareholders attending it are in the same place as each other
- 61 5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them

62 Quorum for general meetings

- 62 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 these 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)
- 62 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. Subject to the provisions of Section 318(2), CA2006, whenever the company has two or more members, two persons entitled to vote upon the business to be transacted (each being a member (being an individual) present in person or by proxy, or (being a corporation) present by a duly authorised representative or by proxy), shall be a quorum

63 Chairing general meetings

- 63 1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so
- 63 2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start
- (a) the directors present, or
 - (b) (if no directors are present), the meeting,
- must appoint a director or shareholder (which may include any proxy appointed by a shareholder) to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting
- 63 3 The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting"

64 Attendance and speaking by directors and non-shareholders

64 1 Directors may attend and speak at general meetings, whether or not they are shareholders.

64 2 The chairman of the meeting may permit other persons who are not

(a) shareholders of the company, or

(b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting

65 Adjournment

65 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, the chairman of the meeting must adjourn it

65 2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if

(a) the meeting consents to an adjournment, or

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

65 3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting

65 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

65 5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 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

65 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. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed for that meeting (or if, during the meeting, a quorum ceases to be present), the meeting shall be dissolved

Voting at General Meetings

66 Voting: general

66 1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these articles

66 2 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

67 **Errors and disputes**

67 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

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

68 **Demanding a poll and procedure on a poll**

68 1 A poll on a resolution may be demanded

- (a) in advance of the general meeting where it is to be put to the vote, or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared

68 2 A poll may be demanded by

- (a) the chairman of the meeting,
- (b) the directors,
- (c) two or more persons having the right to vote on the resolution,
- (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution, or
- (e) 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

68 3 A demand for a poll may be withdrawn if

- (a) the poll has not yet been taken, and
- (b) the chairman of the meeting consents to the withdrawal,

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

68 4 Polls must be taken immediately and in such manner as the chairman of the meeting directs

69 **Content of proxy notices**

69 1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which

- (a) states the name and address of the shareholder appointing the proxy,
- (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed,

- (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and
 - (d) is delivered to the company in accordance with these articles and any instructions contained in the notice of the general meeting to which they relate
- 69 2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes
- 69 3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions
- 69 4 Unless a proxy notice indicates otherwise, it must be treated as
 - (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself
- 70 **Delivery of proxy notices**
- 70 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
- 70 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
- 70 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
- 70 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
- 71 **Revocation of proxy notices**
- 71 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 these 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

72 Votes of proxies

- 72 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
- 72 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

73 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 28 days beginning with the circulation date (as such is construed pursuant to Section 290, CA2006)

74 Amendments to resolutions

- 74 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

- 74 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
- 74 3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution

Part 5

Administrative Arrangements

75 Exercise of members' rights

No shareholder in the company shall be entitled to nominate another person or persons to enjoy or exercise all or any specified rights of the shareholder in relation to the company pursuant to Section 145, CA2006. Accordingly, the company shall not be obliged to give effect to any purported nomination notice received by it

76 Company communications

- 76 1 Subject to the provisions of the Acts (and save as otherwise provided in these 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
- 76 2 Subject to these 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
- 76 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
- 76 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
- 76 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

- 76 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
- 76 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 76 7 shall apply
- 76 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
- 76 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
- 76 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 48 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
- 76 11 In calculating a period of hours for the purpose of article 76 10, account shall be taken of any part of a day that is not a working day
- 76 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 76 10
- 76 13 Subject to article 76 9, 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)

- 76 14 The company shall not be held responsible for any failure in transmission beyond its reasonable control and the provisions of article 76 9 to article 76 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

77 Company seals

- 77 1 Any common seal may only be used by the authority of the directors or a committee of the directors

- 77 2 The directors may decide by what means and in what form any common seal is to be used

- 77 3 Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature

- 77 4 For the purposes of this article, an authorised person is

- (a) any director of the company,
- (b) the company secretary (if any), or
- (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied

78 No right to inspect accounts and other records

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

79 Provision for employees on cessation of business

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

Directors' Indemnity, Funds and Insurance

80 Indemnity and Funds

- 80 1 Subject to article 80 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)

80 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

81 Insurance

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

82 Rights of the Parent Company

82 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 21 (*Methods of appointing directors*) and article 22 (*Termination of director's appointment*) are modified accordingly,
- (b) 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 78 (*No right to inspect accounts and other records*) is modified accordingly, and
- (c) 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 6 (*Directors' general authority*) and article 7 (*Shareholders' reserve power*) are modified accordingly

82 2 Any such appointment, removal, consent or notice referred to in article 82 1 shall be signed on behalf of the Parent Company by any of its directors

82 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 82 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)

82 4 For the purposes of this article 82, "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