

5020682

Date.

30 February

2012

To

The Shareholders Healthcare 21 (UK) Limited

Dear Shareholder

In accordance with the Companies Act 2006 Section 291, I enclose a copy of a written resolution to adopt new articles, which resolution is being proposed as a special resolution

You will be treated as signifying your agreement to the proposed written resolution when I receive from you (or from someone acting on your behalf) an authenticated document, identifying the resolution to which it relates, and indicating your agreement to the resolution. For your convenience, I have enclosed a form which you may use for this purpose. I would draw your attention to the fact that, once you have signified your agreement to the resolution, you will not be able to revoke it.

Please note that the resolution will lapse if it is not passed by members representing not less than 75% of the total voting rights of eligible members before the end of the period of 28 days beginning with the first day upon which copies of the resolution were sent out to eligible members.



Company Secretary

Copy of proposed written special resolution

That:

- 1 the existing articles of the Company shall no longer apply to the Company.
- 2 the Company adopt, in the place of those articles, the articles of association already prepared, a copy of which is attached, and
- 3 the secretary be directed immediately to register them with the registrar of companies.

THURSDAY



A12SVJPU

A09

16/02/2012

#203

COMPANIES HOUSE

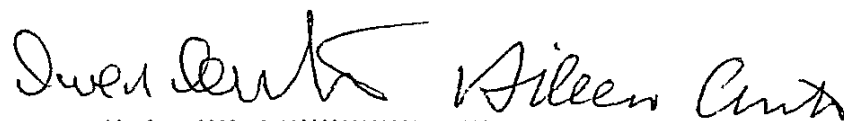
Form of agreement to a proposed written resolution

Date: 15th February 2012
To Healthcare 21 (UK) Limited

I, the undersigned, being an eligible member for the purposes of the written resolution set out below, hereby indicate my agreement to the resolution.

That

- 1 the existing articles of the Company shall no longer apply to the Company;
- 2 the Company adopt, in the place of those articles, the articles of association already prepared, a copy of which is attached; and
- 3 the secretary be directed immediately to register them with the registrar of companies.



Signature

THURSDAY

A09

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16/02/2012
COMPANIES HOUSE

#202

**THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION**

OF

HEALTHCARE 21 (UK) LIMITED (Co No 05020682)
(ADOPTED BY SPECIAL RESOLUTION PASSED ON THE 15th DAY OF February 2012)

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Part 1

Interpretation and Limitation of Liability

1 Defined terms

In the articles, unless the context requires otherwise--

"Act" means the Companies Act 2006

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

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

"chairman" has the meaning given in article 12,

"chairman of the meeting" has the meaning given in article 61,

"Companies Acts" means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company,

"director" means a director of the company, and includes any person occupying the position of director, by whatever name called,

"distribution recipient" has the meaning given in article 53,

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

"electronic form" has the meaning given in section 1168 of the Act,

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

"hard copy form" has the meaning given in section 1168 of the Act,

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

"instrument" means a document in hard copy form,

"ordinary resolution" has the meaning given in section 282 of the Act,

"paid" means paid or credited as paid,

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

"proxy notice" has the meaning given in article 67,

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

"shares" means shares in the company,

"special resolution" has the meaning given in section 283 of the Act,

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

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

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

2 Liability of members

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

Part 2

Directors

Directors' Powers and Responsibilities

3 Directors' general authority

- (1) Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company
- (2) For the avoidance of doubt, the powers conferred by article 3(1) include any of the powers of the company to
 - (a) borrow money,
 - (b) mortgage or charge the company's undertaking, property and uncalled capital (or any part of it), and
 - (c) subject to article 24 below, to issue debentures, debenture stock, and other securities (whether outright or as security for any debt, liability or obligation of the company or of any third party)

4 Shareholders' reserve power

- (1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action
- (2) No such special resolution invalidates anything which the directors have done before the passing of the resolution

5 Directors may delegate

- (1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles--

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

as they think fit

- (2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated
- (3) The directors may revoke any delegation in whole or part, or alter its terms and conditions
- (4) (a) Without limiting the general powers set out in article 5(1), the directors may delegate any of their powers to any managing director or other director holding executive office

- (b) The delegation referred to in article 4(a) is to be upon any terms and conditions, and subject to any restrictions which the directors think fit, and any powers may be conferred collaterally with, or to the exclusion of, the directors' powers
- (c) The managing director or other executive officer is entitled to receive such remuneration as the directors determine and may take any form, including, but not limited to, salary, commission or participation in profits (either in addition to or in lieu of his remuneration as a director)
- (d) The directors may revoke any delegation in whole or part, or alter its terms and conditions but this will not affect the rights and obligations of any person dealing in good faith and without notice of the revocation or alteration
- (e) The appointment of a managing director shall terminate if he ceases to be a director, but without prejudice to any claim for damages which he may have for breach of any contract of service
- (f) The tenure by a director of any other executive office or appointment shall not terminate on his ceasing to be a director unless the terms of his appointment expressly provide otherwise

6 Committees

- (1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors
- (2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them

Decision-Making by Directors

7 Directors to take decisions collectively

- (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 8
- (2) If--
 - (a) the company only has one director, and
 - (b) no provision of the articles requires it to have more than one director,

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making

8 Unanimous decisions

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

- (3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting
- (4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting

9 Calling a directors' meeting

- (1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice
- (2) Notice of any directors' meeting must indicate--
 - (a) its proposed date and time,
 - (b) where it is to take place, and
 - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting
- (3) Notice of a directors' meeting must be given to each director, but need not be in writing
- (4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it

10 Participation in directors' meetings

- (1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when--
 - (a) the meeting has been called and takes place in accordance with the articles, and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting
- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other
- (3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is

11 Quorum for directors' meetings

- (1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting
- (2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two
- (3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision--
 - (a) to appoint further directors, or
 - (b) to call a general meeting so as to enable the shareholders to appoint further directors

12 Chairing of directors' meetings

- (1) The directors may appoint a director to chair their meetings
- (2) The person so appointed for the time being is known as the chairman
- (3) The directors may terminate the chairman's appointment at any time
- (4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it

13 Exclusion of Casting vote

If the numbers of votes for and against a proposal are equal, no person shall have a second or casting vote

14 Conflicts of interest

- (1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company that director is to be counted as participating in the decision-making process for quorum or voting purposes provided that the director discloses the interest in accordance with either Section 177 or Section 182 of the Act (as the case may be) but otherwise that director is not to be counted as participating in the decision-making process for quorum or voting purposes
- (2) The directors may exercise the voting power conferred by the shares in any company held or owned by the Company in any manner and in all respects as they think fit
 - (a) in particular, they may exercise that power in passing any resolution appointing themselves or any of them as directors of that other company, or in voting or providing for the payment of remuneration to the directors of that other company,
 - (b) a director may vote in favour of any of the resolutions or decisions referred to in article 14(1) above even though he has been, or is about to be, appointed as a director of that other company
- (3) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting
- (4) Subject to paragraph (5), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive
- (5) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

15 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

16 Directors' discretion to make further rules

Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors

Appointment of Directors

17 Methods of appointing directors

- (1) The number of directors shall not be less than 1 nor more than 6, unless the company by ordinary resolution decides otherwise
- (2) A director need not hold any shares in the company as a qualification for his office
- (3) Provided that a director discloses his interest in accordance with either Section 177 or Section 182 of the Act (as the case may be) and subject to his compliance with Part 10 of the Act generally, that director
 - (a) may be a director or other officer of, or be employed by, any body corporate in which the company is interested, and if so,
 - (b) shall not be accountable for any remuneration, salary, profit or other benefits received by him as a director or holder of any other office of that other company or as an employee of it, or derived by him from any interest in it (unless the company determines otherwise by ordinary resolution)
- (4) 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
- (5) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director
- (6) For the purposes of paragraph (5), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder

18 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 Act or is prohibited from being a director by law,
- (b) a bankruptcy order is made against that person,
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,

- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,
- (f) the director leaves at the company's registered office notification that the director is resigning from office, and such resignation has taken effect in accordance with its terms

19 Appointment and removal of alternate directors

- (1) Any director (the 'appointor') may appoint as an alternate any other director, or any other person approved by resolution of the directors, to
 - (a) exercise that director's powers, and
 - (b) carry out that director's responsibilities,in relation to the taking of decisions by the directors in the absence of the alternate's appointor
- (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, and only takes effect on the receipt of the notice at the company's registered office
- (3) The notice must
 - (a) identify the proposed alternate, and
 - (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice
- (4) The appointment of an Alternate Director does not prejudice the right of the appointor to receive notices of, and to attend and vote at, directors' meetings

20 Rights and responsibilities of alternate directors

- (1) An alternate director has the same rights, in relation to any directors' decision-making process (including any directors' meeting or part of a directors' meeting), as the alternate's appointor
- (2) Except as the articles specify otherwise, alternate directors
 - (a) are deemed for all purposes to be directors,
 - (b) are liable for their own acts and omissions,
 - (c) are subject to the same restrictions as their appointors, and
 - (d) are not deemed to be agents of or for their appointors
- (3) A person who is an alternate director but not a director
 - (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and
 - (b) may sign a written resolution (but only if it is not signed or to be signed by that person's appointor)
- (4) Where an alternate is a director in his own right or is acting as an alternate for more than one director, he may only count as one director for the purposes of determining whether a quorum is participating
- (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

21 Termination of alternate directorship

An alternate director's appointment as an alternate terminates

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

22 Directors' remuneration

- (1) Directors may undertake any services for the company that the directors decide
- (2) Directors are entitled to such remuneration as the directors determine--
 - (a) for their services to the company as directors, and
 - (b) for any other service which they undertake for the company
- (3) Subject to the articles, a director's remuneration may--
 - (a) take any form, and
 - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director
- (4) Unless the directors decide otherwise, directors' remuneration accrues from day to day
- (5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested

23 Directors' expenses

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

- (a) meetings of directors or committees of directors,
- (b) general meetings, or
- (c) separate meetings of the holders of any class of shares or of debentures of the company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company

Part 3

Shares and Distributions

Shares

24 Issue of shares

- (1) The company is a private company and accordingly
 - (a) no offer shall be made to the public (whether for cash or otherwise) of any shares in or debentures of the company, and

- (b) no allotment or agreement to allot (whether for cash or otherwise) shall be made of any shares in or debentures of the company with a view to all or any of those shares or debentures being offered for sale to the public
- (2) Subject to article 24(5), the directors may unconditionally exercise the power to allot shares in the company, or to grant rights to subscribe for or to convert any security into shares in the company to any persons and upon any terms which they think fit
 - (a) up to a maximum of one million shares
 - (b) for a period of five years from the date of the adoption of these articles and afterwards in so far as this is necessary to comply with an offer or agreement made by the company before the expiry of the five-year period,
unless varied, revoked or renewed by an ordinary resolution of the company stating the amount of shares or other rights subject to the renewal and the date on which the renewed authority will expire
- (3) Subject to article 24(5), the Company may by ordinary resolution give consent to the directors to allot or otherwise dispose of any shares or rights which do not fall within the authority referred to in article 24(2) to any persons and in any manner they think fit
- (4) Except as provided by any contract or any other provisions of the company's articles, the directors must, before exercising any power under article 24(2) to issue shares or other rights, give notice in accordance with article 24(5) to any of the company's members entitled to receive notice of general meetings (the 'offerees') offering those shares or rights to them, on the terms that the shares will be allotted
 - (a) either at par or at a premium, and
 - (b) in the proportions (as nearly as may be and without increasing the number allotted to any member beyond which he has applied for) that their existing holdings of shares in the Company bear to each other
- (5) The notice referred to in article 24(4) must be in writing, stating
 - (a) the number of shares offered,
 - (b) whether they are being offered at par or at a premium and, if at a premium, the amount of that premium, and
 - (c) a deadline (being no less than 28 days beginning with the date of dispatch of the offer) (the 'offer deadline') after which the offer, if not accepted, will be deemed to have been declined
- (6) If any of the offerees intimates that he does not wish to accept any of all of the shares offered to him, or allows the offer deadline to pass without accepting the offer in whole or part, the directors may dispose of the shares which have not been accepted, provided that the shares are not disposed of for a lower price than that at which they were offered to members

25 Powers to issue different classes of share

- (1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by special resolution or attach such rights or restrictions to existing shares
- (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
- (3) The shares allotted by the directors in accordance with article 24 shall be limited to a combination of
 - (a) ordinary shares of £1 00 each, and
 - (b) non voting "A" ordinary shares of £1 00 each

- (c) subject to article 25(3)(d) the shares of each class shall rank *pari passu* for participation in the profits and assets of the company and in all other respects
- (d) holders of non voting "A" ordinary shares are not entitled to receive notice of or attend or vote at any general meeting

26 Company's lien over shares

- (1) This article applies to any share (whether partly or fully paid) registered in the name (whether as sole or joint holder) of any person indebted or under liability to the company
- (2) The company has a lien ('the company's lien') over every share to which this article applies for any sum which has not been paid to the company, and which is payable immediately or at some time in the future (including but not limited to any part of that share's nominal value and any premium at which it was issued), whether or not a call notice has been sent in respect of it
- (3) The company's lien over a share takes priority over any third party's interest in that share, and extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share
- (4) The directors may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part

27 Enforcement of the company's lien

- (1) Subject to the provisions of this article, if

- (a) a lien enforcement notice has been given in respect of a share, and
- (b) the person to whom the notice was given has failed to comply with it,

the company may sell that share in such manner as the directors decide

- (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 days of the notice,
- (d) must be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise, and
- (e) must state the company's intention to sell the share if the notice is not complied with

- (3) Where shares are sold under this article

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

- (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 shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice

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

28 Call notices

- (1) Subject to the articles and the terms on which shares are allotted, the directors may send a notice (a "call notice") to a member requiring the member to pay the company a specified sum of money (a "call") which is payable in respect of shares which that member holds at the date when the directors decide to send the call notice
- (2) A call notice
- (a) may not require a member to pay a call which exceeds the total sum unpaid on that member's shares (whether as to the share's 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 it is to be paid, and
 - (c) may permit or require the call to be paid by instalments
- (3) A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 14 days have passed since the notice was sent
- (4) Before the company has received any call due under a call notice the directors may
- (a) revoke it wholly or in part, or
 - (b) specify a later time for payment than is specified in the notice,

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

29 Liability to pay calls

- (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
- (2) Joint holders of a share are jointly and severally liable to pay all calls in respect of that share
- (3) Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them
- (a) to pay calls which are not the same, or
 - (b) to pay calls at different times

30 When call notice need not be issued

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

31 Failure to comply with call notice. automatic consequences

- (1) If a person is liable to pay a call and fails to do so by the call payment date
- (a) the directors may issue a notice of intended forfeiture to that person, and
 - (b) until the call is paid, that person must pay the company interest on the call from the call payment date at the relevant rate
- (2) For the purposes of this article
- (a) the "call payment date" is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "call payment date" is that later date,
 - (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,
 - (ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors, or
 - (iii) if no rate is fixed in either of these ways, 5 per cent per annum
- (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)
- (4) The directors may waive any obligation to pay interest on a call wholly or in part

32 Notice of intended forfeiture

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 a person entitled to it by reason of the holder's death, bankruptcy or otherwise,
- (c) must require payment of the call and any accrued interest by a date which is not less than 14 days after the date of the notice,
- (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

33 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

34 Effect of forfeiture

- (1) Subject to the articles, the forfeiture of a share extinguishes
 - (a) all interests in that share, and all claims and demands against the company in respect of it, and
 - (b) all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company
- (2) Any share which is forfeited in accordance with the articles
 - (a) is deemed to have been forfeited when the directors decide that it is forfeited,
 - (b) is deemed to be the property of the company, and
 - (c) may be sold, re-allotted or otherwise disposed of as the directors think fit
- (3) If a person's shares have been forfeited
 - (a) the company must send that person notice that forfeiture has occurred and record it in the register of members,
 - (b) that person ceases to be a member in respect of those shares,
 - (c) that person must surrender the certificate for the shares forfeited to the company for cancellation,
 - (d) that person remains liable to the company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture), and
 - (e) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal
- (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 due in respect of it and on such other terms as they think fit

35 Procedure following forfeiture

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

36 Surrender of shares

- (1) A member may surrender any share
 - (a) in respect of which the directors may issue a notice of intended forfeiture,
 - (b) which the directors may forfeit, or
 - (c) which has been forfeited
- (2) The directors may accept the surrender of any such share
- (3) The effect of surrender on a share is the same as the effect of forfeiture on that share
- (4) A share which has been surrendered may be dealt with in the same way as a share which has been forfeited

37 Company not bound by less than absolute interests

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

38 Share certificates

- (1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds
- (2) Every certificate must specify--
 - (a) in respect of how many shares, of what class, it is issued,
 - (b) the nominal value of those shares,
 - (c) whether the shares are fully paid, and
 - (d) any distinguishing numbers assigned to them
- (3) No certificate may be issued in respect of shares of more than one class
- (4) If more than one person holds a share, only one certificate may be issued in respect of it
- (5) Certificates must--
 - (a) have affixed to them the company's common seal, or
 - (b) be otherwise executed in accordance with the Companies Acts

39 Replacement share certificates

- (1) If a certificate issued in respect of a shareholder's shares is--

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

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

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

40 Share transfers

- (1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor
- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share
- (3) The company may retain any instrument of transfer which is registered
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it
- (5) The directors may, in their absolute discretion, decline to register the transfer of
 - (a) any share which is not being fully paid, or
 - (b) any share (whether fully paid or not) over which the Company has a lien
- (6) Subject to the provisions of paragraph 40 5 above, a member (or person entitled to a share in consequence of the death or bankruptcy of a member) may at any time transfer any of the shares registered in the name of that member to any person, with the written consent of all the other members of the Company
- (7) Where any person lodges a transfer in accordance with article 40 6, the directors may require him to provide evidence, in whatever form they may think fit, that the other members of the Company have consented to the transfer

41 The transfer notice

- (1) This article applies to any proposed transfer except a transfer within article 40 6 above
- (2) Any person wishing to transfer any shares in the company ('the transferor') must first give to the company notice in writing ('the transfer notice') stating that he wishes to sell those shares ('the relevant shares')
- (3) The transfer notice must specify the price at which he is prepared to sell the relevant shares and constitute the company as his agent for the sale of those shares to any of the other members at the specified price
- (4) The transfer notice may contain a provision (a 'total transfer provision') that, unless all the shares comprised in it are sold to a member or members of the company, none shall be so sold
- (5) Once the company has received the transfer notice, the transferor may not revoke it without the directors' prior consent

- (6) For the purposes of this article, the renunciation of the allotment of any share by the allottee in favour of some other person shall be deemed to be a transfer of that share

42 The offer notice

- (1) On receipt of the transfer notice, the company must send a written notice ('the offer notice') to all the members of the company holding shares of the same class as the relevant shares (other than the transferor) ('the relevant members')
- (2) The offer notice must be sent by pre-paid post to the relevant members at their respective registered addresses
- (3) The offer notice must offer the relevant shares to the relevant members
- (a) at the price specified in the transfer notice ('the specified price'),
 - (b) on the terms that if more than one member desires to purchase the relevant shares then the shares will be sold to members accepting the offer in proportion (as nearly as may be without increasing the number sold to a member beyond the number which he has applied for) to their existing holdings of that class of shares
- (4) The offer notice must prescribe a period (ending not less than 21 days beginning with the date the offer notice was dispatched) during which the offer must be accepted or be treated as declined ('the offer period')

43 The sale notice

- (1) In this article, 'purchaser' means any member willing to purchase the relevant shares at the specified price, and 'purchasers' is to be construed accordingly
- (2) Where the company finds within the period of 2 months beginning with the receipt of the transfer notice (the 'prescribed period') a purchaser or purchasers for all of the relevant shares specified in the transfer notice (or any of them where there is no total transfer provision in the transfer notice or the transferor has waived that provision), it must give notice ('the sale notice') to the transferor, stating this fact together with the name and address of each purchaser and the number of shares which each purchaser is willing to purchase
- (3) The sale notice
- (a) must be accompanied by appropriate instruments of transfer for the transferor to execute,
 - (b) must specify a time and a place for the transferor to complete the purchase (being no less than 7 days nor more than 28 days after the date on which the sale notice is given)
- (4) Upon payment of the specified price, the transferor shall be bound to transfer the appropriate number of shares to the relevant purchaser
- (5) For the purpose of determining the right of any purchaser to any distribution by the company, the transferor shall be deemed to have sold the relevant shares at the date of the completion of the purchase

44 Transferor's failure to transfer shares

- (1) If the transferor fails to transfer any shares in accordance with the sale notice
- (a) the directors may authorise some person to sign an instrument of transfer on behalf of the transferor in favour of the purchaser or prospective purchaser,

- (b) the company may receive the purchase money to be held in trust for the transferor and cause the name of the purchaser or prospective purchaser (as applicable) to be entered in the register as the holder of the shares
- (2) The company's receipt for the purchase money shall be a good discharge to the purchaser or prospective purchaser, who shall not be bound to see to its application
- (3) After a purchaser's or prospective purchaser's name has been entered into the register, the validity of the proceedings shall not be questioned by any person
- (4) For the purpose of determining the right of any purchaser or prospective purchaser to any distribution by the company, the transferor shall be deemed to have sold the relevant shares at the date of the completion of the purchase

45 Transferor's right to transfer shares where pre-emption procedure fails

- (1) This article applies on the occurrence of either of the following events
 - (a) the expiry of the period of 2 months beginning with the company's receipt of the transfer notice without the company having found purchasers or prospective purchasers for all (or where appropriate any) of the relevant shares specified in the transfer notice,
 - (b) the company giving notice before the end of the period referred to in article 45(1)(a) that it has not found purchasers or prospective purchasers for all (or where appropriate any) of the relevant shares specified in the transfer notice and has no prospects of doing so
- (2) For a period of two months beginning with the relevant event as described in article 45(1), the transferor shall be at liberty (subject to article 40(5) above and article 45(3) below) to transfer all or any of the shares which he is not obliged to transfer under article 43(5) to any person on a bona fide sale (a 'third party transfer'), provided that
 - (a) he does so at a price no lower than the specified price (after deducting, where appropriate, any net dividend or other distribution declared or made after the date of the transfer notice and to be retained by the transferor), and
 - (b) he gives to the directors at least one month's notice of his intention to make the transfer (expiring on or before the day preceding the expiration of the 2 month period specified in paragraph 45(2) above), stating
 - (i) the number of shares to be transferred,
 - (ii) the price at which the shares are to be transferred (being no lower than the specified price as reduced by the deductions referred to in article 45(2)), and
 - (iii) details of the proposed transferee (together with reasonable evidence of that transferee's bona fide intention to purchase the shares at the stated price)
- (3) On receipt of the notice referred to in article 45(2)(b), the directors may take such steps (if any) as they in their absolute discretion decide in order to ascertain whether any members require to purchase the shares which are the subject of the proposed third party transfer (but nothing in this article obliges the directors to inform any members of the details of that transfer)
- (4) During the notice period referred to in article 45 2(b), the directors may notify the transferor that the shares which are the subject of the notice are required for purchase by any other person or persons (whether or not existing members of the Company) and if so
 - (a) the person or persons indicated by the Directors shall then constitute 'purchasers' for the purposes of article 43(1),
 - (b) the directors' notification of that person or those persons counts as a sale notice and must comply with the provisions of article 43(3), and

- (c) the other provisions of article 43 shall apply with the omission of the reference to the prescribed period and with the necessary changes to reflect the circumstances

46 Death of a member

- (1) This article applies where a member of the company dies and shares remain registered in his name (either as sole holder or as sole surviving joint holder at the date of his death) ('the remaining shares') one year after the date of his death
- (2) The majority of the company's members at that time may give written notice to the personal representatives of the deceased member requiring them, before the expiry of a period of one month beginning with the date of receipt of the notice, to deal with the remaining shares in one or a combination of the following ways
 - (a) by presenting for registration one or more transfers in accordance with article 40(6),
 - (b) to give a transfer notice in accordance with article 41
- (3) If in complying with the notice, the personal representatives give a transfer notice in relation to all or some of the remaining shares, the provisions of articles 41 to 45 inclusive will apply with any necessary changes to reflect the circumstances, and the specified price is to be taken as the fair selling value for the shares as between a willing seller and a willing buyer, as certified in writing by the company's auditors
 - (a) in fixing the price, the auditors must act as experts and not as arbitrators and their decision is final and binding,
 - (b) the cost of fixing the price must be borne by the estate of the deceased member
- (4) If the personal representatives fail to deal with all of the remaining shares in compliance with the notice
 - (a) they shall be deemed at the expiration of the one-month period referred to in article 46(2) to have given a transfer notice in accordance with article 41 in relation to any of the remaining shares which have not already been dealt with,
 - (b) the provisions of articles 41 to 45 inclusive will apply with any necessary changes to reflect the circumstances, and
 - (c) the specified price for the shares shall be taken to be the lower of the price calculated in accordance with article 48(3) and the amount of the capital paid up on the shares

47 Bankruptcy of a member

- (1) This article applies where a member of the company is adjudicated bankrupt at a time when shares remain registered in his name (either as sole holder or as sole surviving joint holder at the date of order) ('the remaining shares')
- (2) The provisions of articles 46(2) to 46(4) inclusive will then apply with the reference to the personal representative being replaced with a reference to any person who is entitled to the shares as a result of the bankruptcy order and any other changes necessary to reflect the circumstances

48 Application for a share valuation

- (1) Any member of the company may make a written application to the directors, asking them to request the company's auditors for the time being to state the sum which in their opinion is the fair value of the share or shares specified in the application

- (2) Any application under article 48(1) must be accompanied by payment of the sum prescribed by the directors to cover the costs of the valuation
- (3) On receipt of the application and payment, the directors must pass on the request to the auditors who must make the valuation as experts not as arbitrators and certify it in writing
- (4) An application under 48 1 is not to be deemed to constitute notice of any intention on the part of the applicant to transfer any of his shares

49 Tag Along

- (1) In this article
 - (a) the expert valuers will be an independent firm of Chartered Accountants to be agreed between the shareholders proposing to sell and the other shareholders or failing agreement not later than the date 10 business days after the date of service of the transfer notice to be appointed by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party
 - (b) the "fair value" of the sale shares shall be determined by the expert valuer (and the fair value of a sale share shall be the fair value of the sale shares divided by the number of sale shares and shall be determined on the following assumptions and bases)
 - (i) valuing the sale shares as on an arm's length sale between a willing seller and a willing buyer,
 - (ii) if the company is then carrying on business as a going concern, on the assumption that it will continue to do so,
 - (iii) that the sale shares are capable of being transferred without restriction,
 - (iv) valuing the sale shares as a rateable proportion of the total market value of all the issued shares of the company shares without any premium or discount being attributable to the percentage of the issues shares which they represent
 - (v) reflect any other factors which the expert valuer reasonably believes should be taken into account
 - (c) if any difficulty arises in applying any of these assumptions or bases then the expert valuer shall resolve that difficulty in such manner as he shall in his absolute discretion think fit
 - (d) the expert value shall be requested to determine the fair value within 20 business days of his appointment and notify the directors of his determination The fees of the expert valuer shall be borne by the Company
 - (e) the expert valuer shall act as an expert and not as an arbiter and his determination shall be final and binding on the parties (in the absence of fraud or manifest error)
 - (f) the expert valuer may have access to all accounting records or other relevant documents of the Company, subject to any confidentiality provisions
- (2) no sale or transfer (whether by one or a series of transfers) of any shares which amount in total to 25% or more of the shares in issue ("specified shares") may be made or registered without the prior consent of the other shareholders, unless before this sale or transfer is made, the proposed transferee has irrevocably and unconditionally offered to buy all of the other shareholders' shares at the specified price (as defined in Article 49(3)) on exactly the same terms as have been offered for the specified shares

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- (3) The "specified price" means the consideration for each of the other shareholders' Shares at least equal to the total amount offered or paid or payable by the proposed transferee for each of the specified shares
 - (4) For the purposes of Article 49 the consideration payable for the specified shares will include any amount received or receivable by the holders of the specified shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for each of the specified shares. If there is any disagreement as to the specified price the calculation will be referred to an expert valuer within seven days of the dispute arising. The expert valuers' decision as to the specified price will be final and binding. The shareholders will give all reasonable assistance to the expert valuer in verifying the specified price including the disclosure of all relevant documentation containing the terms of the transaction between the shareholder wishing to sell the specified shares and the proposed buyer

50 Drag Along

- (1) if the holders of at least 65 per cent of the ordinary shares (the "dragging shareholders") wish to transfer all their interest in shares (the "sellers' shares") to a proposed purchaser for all of the shares (the "proposed transfer"), the dragging shareholders shall have the option (the "drag along option") to require all the other holders of shares (the "called shareholders") to sell and transfer all their shares to the proposed purchaser or as the proposed purchaser shall direct in accordance with the provisions of this article
 - (2) the dragging shareholders may exercise the drag along option by giving a written notice to that effect (a "drag along notice") to the called shareholders at any time before the transfer of the sellers' shares to the proposed purchaser. A drag along notice shall specify that the called shareholders are required to transfer all their shares (the "called shares") pursuant to this article, the person to whom they are to be transferred, the consideration for which the called shares are to be transferred and the proposed date of transfer
 - (3) drag along notices shall be irrevocable but will lapse if for any reason there is not a sale of the sellers' shares by the dragging shareholders to the proposed purchaser within 40 business days after the date of service of the drag along notice. the dragging shareholders shall be entitled to serve further drag along notices following the lapse of any particular drag along notice
 - (4) consideration (in cash or otherwise) for which the called shareholders shall be obliged to sell each of the called shares in the case of ordinary shares shall be at least equal to the specified price (as defined in article 50(11))
 - (5) no drag along notice may require a called shareholder to agree to any terms save those specifically provided for in this article
 - (6) within five business days of the dragging shareholders serving a drag along notice on the called shareholders, the called shareholders shall deliver stock transfer forms for their shares, together with the relevant share certificate(s) (or an indemnity in a form reasonably satisfactory to the directors, in respect of any lost certificate) to the company. The company shall pay the called shareholders, on behalf of the proposed purchaser, the amounts they are due pursuant to article 50(4) to the extent the proposed purchaser has put the company in the requisite funds. The company's receipt for the price shall be a good discharge to the proposed purchaser. The company shall hold the amounts due to the called shareholders pursuant to article 50(4) in trust for the called shareholders without any obligation to pay interest
 - (7) to the extent that the proposed purchaser has not, prior to the sale and transfer of all of the sellers' shares, put the company in funds to pay the price due pursuant to article 50(4) the called shareholders shall be entitled to the return of the stock transfer forms and share certificate (or suitable indemnity) for the relevant shares and the called shareholders shall have no further rights or obligations under this article 50 in respect of their shares
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- (8) if a called shareholder fails to deliver stock transfer forms and share certificates (or suitable indemnity) for their shares to the company upon the expiration of such five business day period, the directors shall, if requested by the proposed purchaser, authorise any director to transfer such called shareholder's shares on such called shareholder's behalf to the proposed purchaser (or its nominee(s)) to the extent the proposed purchaser has put the company in funds to pay the price for such called shareholder's shares offered to him. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting called shareholder shall surrender his share certificate (or suitable indemnity) for his shares to the company. On surrender, he shall be entitled to the amount due to him pursuant to article 50(4).
- (9) any transfer of shares to a proposed purchaser (or as they may direct) pursuant to a sale in respect of which a drag along notice has been duly served shall not be subject to the pre-emption provisions of article 42.
- (10) upon any person, following the issue of a drag along notice, becoming a member of the company pursuant to the exercise of a pre-existing option to acquire shares in the company or pursuant to the conversion of any convertible security of the company (a "new member"), a drag along notice shall be deemed to have been served upon the new member on the same terms as the previous drag along notice who shall thereupon be bound to sell and transfer all such shares acquired by them to the proposed purchaser or as the proposed purchaser may direct and the provisions of this article shall apply mutatis mutandis to the new member save that completion of the sale of such shares shall take place forthwith upon the drag along notice being deemed served on the new member.
- (11) for the purpose of this article 50
- the expression "specified price" shall mean in respect of each share a sum in cash per ordinary share equal to the highest price per share offered or paid by the proposed purchaser
- (a) in connection with the relevant proposed transfer, or
 - (b) any related or previous transaction by the proposed purchaser in the 12 months preceding the date of the relevant proposed transfer,
- plus an amount equal to any other consideration (in cash or otherwise) paid or payable by the proposed purchaser which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable per share.

51 Directors' duties as to registration of transfers

- (1) The directors must, subject to article 40(5), register any share transfer permitted by articles 41 to 50 inclusive.
- (2) The directors must refuse to register any share transfer which does not fall within article 51(1).

Dividends and Other Distributions

52 Procedure for declaring dividends

- (1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- (2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- (3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

- (4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it
- (5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear
- (6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment
- (7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights
- (8) If any share is issued on terms providing that it ranks for dividend as from a particular date or to a particular extent that share ranks for dividend accordingly

53 Payment of dividends and other distributions

- (1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means--
 - (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,
 - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide,
 - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide, or
 - (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide
- (2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable--
 - (a) the holder of the share, or
 - (b) if the share has two or more joint holders, whichever of them is named first in the register of members, or
 - (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

54 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

55 Unclaimed distributions

- (1) All dividends or other sums which are--

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

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

- (2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it
- (3) If--
 - (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
 - (b) the distribution recipient has not claimed it,

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

56 Non-cash distributions

- (1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company)
- (2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution--
 - (a) fixing the value of any assets,
 - (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and
 - (c) vesting any assets in trustees

57 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

58 Authority to capitalise and appropriation of capitalised sums

- (1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution--
 - (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve, and

- (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions
- (2) Capitalised sums must be applied--
 - (a) on behalf of the persons entitled, and
 - (b) in the same proportions as a dividend would have been distributed to them
- (3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct
- (4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct
- (5) Subject to the articles the directors may--
 - (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another,
 - (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments), and
 - (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article

Part 4

Decision-Making by Shareholders

Organisation of General Meetings

59 Attendance and speaking at general meetings

- (1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting
- (2) A person is able to exercise the right to vote at a general meeting when--
 - (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting
- (3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it
- (4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them

60 Quorum for general meetings

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

61 Chairing general meetings

- (1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so
- (2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start--
 - (a) the directors present, or
 - (b) (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting

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

62 Attendance and speaking by directors and non-shareholders

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

63 Adjournment

- (1) Every notice convening a general meeting shall comply with the provisions of section 325 of the Act as to giving information to members in regard to their right to appoint proxies
- (2) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it
- (3) 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
- (4) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting
- (5) 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
- (6) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)--

- (a) to the same persons to whom notice of the company's general meetings is required to be given, and
 - (b) containing the same information which such notice is required to contain
- (7) If the person or persons attending the adjourned general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum the meeting shall be dissolved
- (8) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

Voting at General Meetings

64 Voting, general

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

65 Errors and disputes

- (1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid
- (2) Any such objection must be referred to the chairman of the meeting, whose decision is final

66 Poll votes

- (1) A poll on a resolution may be demanded--
- (a) in advance of the general meeting where it is to be put to the vote, or
 - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared
- (2) A poll may be demanded by--
- (a) the chairman of the meeting,
 - (b) the directors,
 - (c) any person having the right to vote on the resolution, or
- (3) A demand for a poll may be withdrawn if--
- (a) the poll has not yet been taken, and
 - (b) the chairman of the meeting consents to the withdrawal
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs

67 Content of proxy notices

- (1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which--
- (a) states the name and address of the shareholder appointing the proxy,
 - (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed,
 - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and

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

68 Delivery of proxy notices

- (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person
- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf

69 Nomination Notices

- (1) A member may send the company notice in writing that another person is entitled to enjoy or exercise all or any specified rights of that member in relation to the company (a "nomination notice")
- (2) The company may prescribe the form and content of nomination notices. Unless the company prescribes otherwise, a nomination notice must -
 - (a) state whether it relates to all the shares which the member concerned holds, or only some of them (and, if so, to which shares it relates),
 - (b) state the name and address of the person nominated,
 - (c) specify how the company is to communicate with the person nominated and include any further information which the company will need in order to use the means of communication specified,
 - (d) specify whether the person nominated is entitled to enjoy or exercise all the member's rights in relation to the company, and, if not, which rights the person nominated is to be entitled to enjoy or exercise,
 - (e) indicate whether the specified rights are to be exercised or enjoyed only by the person nominated, or whether the member giving the notice may also continue to exercise or enjoy them,
 - (f) specify the date from which it is to take effect,
 - (g) specify when it is to cease to have effect, or that it is to have effect until further notice or until the member concerned ceases to hold the shares to which it relates, and
 - (h) be executed by or on behalf of the member and the person nominated
- (3) Subject to the articles, if the company receives a nomination notice, the company must give effect to that notice in accordance with its terms

- (4) A nomination notice ceases to have effect
- (a) in accordance with its terms, or
 - (b) when the member concerned, or the person nominated, dies or ceases to exist
- (5) The company must not give effect to a nomination notice to the extent that it is expressed to take effect before the date on which it is received by the company
- (6) If the company receives a document which purports to be a nomination notice but which does not contain the required information or which is not given in the form prescribed by the company, the company -
- (a) must not give effect to it, and
 - (b) must notify the person that it is defective (and in what respect it is defective), and that the company cannot give effect to it in its present form
- (7) If
- (a) a nomination notice states that the member in relation to whom it is given may continue to exercise or enjoy the rights specified in it, and
 - (b) that member and the person nominated in the notice both seek to exercise such a right in relation to a particular matter,
- Then, unless the effect of what each of them does in relation to that right would be the same, it is to be treated as not having been exercised by either of them
- (8) The company must
- (a) keep a record of all nomination notices which are in force or have been in force within the preceding 12 months
 - (b) provide any member, on request, with a copy of its records of nomination notices given in relation to that member
 - (c) provide any person nominated in a nomination notice with a copy of its records of nomination notices in which that person is nominated

70 Amendments to resolutions

- (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if--
- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if--
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution
- (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution

Part 5

Administrative Arrangements

71 Means of communication to be used

- (1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company
- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being
- (3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours

72 Company seals

- (1) Any common seal may only be used by the authority of the directors
- (2) The directors may decide by what means and in what form any common seal is to be used
- (3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature
- (4) For the purposes of this article, an authorised person is--
 - (a) any director of the company,
 - (b) the company secretary (if any), or
 - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied

73 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

74 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 and Insurance

75 Indemnity

- (1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against--
 - (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
 - (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

- (c) any other liability incurred by that director as an officer of the company or an associated company
- (2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law
- (3) In this article--
 - (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
 - (b) a "relevant director" means any director or former director of the company or an associated company

76 Insurance

- (1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss
- (2) In this article--
 - (a) a "relevant director" means any director or former director of the company or an associated company,
 - (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
 - (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate