

# **THE COMPANIES ACT 2006**

## **ARTICLES OF ASSOCIATION OF BRIGHTSIDE GROUP PLC**

**Company number: 05941335**  
**Adopted by Special Resolution on 16 June 2014**

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## **PART 1**

### **INTERPRETATION AND LIMITATION OF LIABILITY**

#### **1 Defined terms**

In the articles, unless the context requires otherwise—

“alternate” or “alternate Director” has the meaning given in article 33,

“appointor” has the meaning given in article 33,

“articles” means the Company’s articles of association,

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

“call” has the meaning given in article 74,

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

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

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

“chairman” has the meaning given in article 14,

“chairman of the meeting” has the meaning given in article 41,

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

“Company” means Brightside Group Plc,

“Company’s lien” has the meaning given in article 72,

“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 96,

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

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

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

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

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

“instrument” means a document in hard copy form,

“lien enforcement notice” has the meaning given in article 73,

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

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

“paid” means paid or credited as paid,

“participate”, in relation to a Directors’ meeting, has the meaning given in article 11,

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

“proxy notice” has the meaning given in article 50,

“relevant systems” has the meaning given in the Uncertificated Securities Regulations, being a computer-based system and procedures which enable title to units of a security to be evidenced and transferred without a written instrument,

“Section 793 notice” means a notice served pursuant to Section 793 of the Companies Act 2006 or any other provision of the Statutes concerning the disclosure of interests in voting shares,

“securities seal” has the meaning given in article 67,

“shares” means shares in the Company,

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

“statutes” means the Companies Acts and every other statute, order, regulation, instrument or other subordinate legislation for the time being in force relating to companies and affecting the Company,

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

“transfer office” means the place where the Register is situated,

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

“uncertificated” in relation to a share means that, by virtue of legislation (other than section 778 of the Companies Act 2006) permitting title to shares to be evidenced and transferred without a certificate, title to that share is evidenced and may be transferred without a certificate, and

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

“uncertificated securities regulations” being the Uncertificated Securities Regulations 2001 (as amended from time to time

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

## **2. Application**

The Regulations contained in Table A in the Schedule to the Companies Act (Table A to F) Regulations 1985 (SI 1985/805 as amended) shall not apply to the Company

## **3 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**

#### **4 Number of Directors**

Subject to provisions of Article 25 the company must not have less than three (3) and not more than twelve (12) Directors

#### **5 Directors' general authority**

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

#### **6 Members' reserve power**

- (1) The members 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

#### **7 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

#### **8 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**

#### **9 Directors to take decisions collectively**

Decisions of the Directors may be taken–

- (1) at a Directors' meeting, or
- (2) in the form of a Directors' written resolution

#### **10 Calling a Directors' meeting**

- (1) Any Director may call a Directors' meeting
- (2) The Company secretary must call a Directors' meeting if a Director so requests
- (3) A Directors' meeting is called by giving notice of the meeting to the Directors
- (4) 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
- (5) Notice of a Directors' meeting must be given to each Director, but need not be in writing
- (6) 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

#### **11 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

#### **12. 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

#### **13. Meetings where total number of Directors less than quorum**

- (1) This article applies where the total number of Directors for the time being is less than the quorum for Directors' meetings
- (2) If there is only one Director, that Director may appoint sufficient Directors to make up a quorum or call a general meeting to do so
- (3) If there is more than one Director—
  - (a) a Directors' meeting may take place, if it is called in accordance with the articles and at least two Directors participate in it, with a view to appointing sufficient Directors to make up a quorum or calling a general meeting to do so, and



(b) if a Directors' meeting is called but only one Director attends at the appointed date and time to participate in it, that Director may appoint sufficient Directors to make up a quorum or call a general meeting to do so

#### **14 Chairing 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 appoint other Directors as deputy or assistant chairmen to chair Directors' meetings in the chairman's absence
- (4) The Directors may terminate the appointment of the chairman, deputy or assistant chairman at any time
- (5) If neither the chairman nor any Director appointed generally to chair Directors' meetings in the chairman's absence is participating in a meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it

#### **15 Voting at Directors' meetings. general rules**

- (1) Subject to the articles, a decision is taken at a Directors' meeting by a majority of the votes of the participating Directors
- (2) Subject to the articles, each Director participating in a Directors' meeting has one vote
- (3) Subject to the articles, if a Director has an interest in an actual or proposed transaction or arrangement with the Company—
  - (a) that Director and that Director's alternate may not vote on any proposal relating to it, but
  - (b) this does not preclude the alternate from voting in relation to that transaction or arrangement on behalf of another appointor who does not have such an interest

#### **16. Chairman's casting vote at Directors' meetings**

- (1) If the numbers of votes for and against a proposal are equal, the chairman or other Director chairing the meeting has a casting vote
- (2) But this does not apply if, in accordance with the articles, the chairman or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes

#### **17. / Alternates voting at Directors' meetings**

A Director who is also an alternate Director has an additional vote on behalf of each appointor who is—

- (a) not participating in a Directors' meeting, and
- (b) would have been entitled to vote if they were participating in it

#### **18 Conflicts of interest – Transactional**

- (1) If a Directors' meeting, or part of a Directors' meeting, is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, that Director is not to be counted as participating in that meeting, or part of a meeting, for quorum or voting purposes
- (2) But if paragraph (3) applies, a Director who is interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in a decision at a Directors' meeting, or part of a Directors' meeting, relating to it for quorum and voting purposes
- (3) This paragraph applies when—
  - (a) the Company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a Director from being counted as participating in, or voting at, a Directors' meeting,

- (b) the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest, or
  - (c) the Director's conflict of interest arises from a permitted cause
- (4) For the purposes of this article, the following are permitted causes—
- (a) a guarantee given, or to be given, by or to a Director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries,
  - (b) subscription, or an agreement to subscribe, for shares or other securities of the Company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities, and
  - (c) arrangements pursuant to which benefits are made available to employees and Directors or former employees and Directors of the Company or any of its subsidiaries which do not provide special benefits for Directors or former Directors
  - (d) any matters involving or relating to any other company in which a Director or any person connected with that Director and any persons connected with him are not to his knowledge the holder (otherwise than as a nominee for the Company or any of its subsidiary undertakings) of or beneficially interested in one per cent, or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances), or
  - (e) the purchase and/or maintenance of any insurance policy for the benefit of Directors for the benefit of persons including Directors
- (5) Subject to paragraph (6), 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
- (6) 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
- (7) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company or any Company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment

## **19 Conflicts of Interest – Situational**

- (1) For the purposes of section 175 of the Companies Act 2006, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under that section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company
- (2) Authorisation of a matter pursuant to this Article 19 shall be effective only if
- (a) the matter in question shall have been proposed in writing for consideration at a meeting of the Directors or in accordance with the Board's normal procedures or in such other manner as the Directors may approve,
  - (b) any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director (together the "Interested Directors")1,
  - (c) the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted, and
  - (d) in taking the decision, the Directors act in a way they consider, in good faith, will be most likely

to promote the Company's success

- (3) Any authorisation of a matter pursuant to this Article 19 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised
- (4) Any authorisation of a matter pursuant to this Article 19 shall be subject to such conditions or limitations as the Directors (excluding the Interested Directors) may determine, whether at the time such authorisation is given or subsequently, and may be varied or terminated by the Directors (excluding the Interested Directors) at any time. Such conditions or limitations may include (without limitation)
  - (a) (without prejudice to the general obligations of confidentiality) the application to the interested Director of a strict duty of confidentiality to the Company for any confidential information of the Company in relation to the matter;
  - (b) the exclusion of the interested Director from all information relating to, and discussion by the Company of, the matter, and
  - (c) that, where the interested Director obtains (other than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence
  - (d) A Director shall comply with any obligations imposed on him by the Directors in connection with any authorisation pursuant to this Article 19
  - (e) A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Directors pursuant to this Article 18 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit

## **20 Proposing Directors' written resolutions**

- (1) Any Director may propose a Directors' written resolution
- (2) The Company secretary must propose a Directors' written resolution if a Director so requests
- (3) A Directors' written resolution is proposed by giving notice of the proposed resolution to the Directors
- (4) Notice of a proposed Directors' written resolution must indicate—
  - (a) the proposed resolution, and
  - (b) the time by which it is proposed that the Directors should adopt it
- (5) Notice of a proposed Directors' written resolution must be given in writing to each Director
- (6) Any decision which a person giving notice of a proposed Directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith

## **21 Adoption of Directors' written resolutions**

- (1) A proposed Directors' written resolution is adopted when all the Directors who would have been entitled to vote on the resolution at a Directors' meeting have signed one or more copies of it, provided that those Directors would have formed a quorum at such a meeting
- (2) It is immaterial whether any Director signs the resolution before or after the time by which the notice proposed that it should be adopted
- (3) Once a Directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a Directors' meeting in accordance with the articles
- (4) The Company secretary must ensure that the Company keeps a record, in writing, of all Directors' written resolutions for at least ten years from the date of their adoption

## **22. 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

### **23 Validity of acts of Directors**

All acts done by the Directors or by a committee appointed by the Directors or by any person held out by the Company to be a Director will be valid even though

- (a) there was some defect in their appointment or continuance in office,
- (b) any of them were disqualified from acting as a Director,
- (c) any of them have vacated office, or
- (d) any of them were not entitled to vote

In any of the above circumstances and in favour only of persons dealing in good faith with the Company, all acts will be as valid as if there were no such defects or irregularities of the kind referred to in this Article

### **24 General power of Directors to exercise the Company's borrowing powers**

The Directors may exercise all the powers of the Company to borrow or raise money, to mortgage or charge all or any of its undertaking, property, assets and uncalled capital, to issue debentures and other securities, and to give security whether outright or as collateral security for any debt, liability or obligation of the Company, any subsidiary of the Company or of any third party

### **25 Power to alter limits on the number of Directors**

The Company may by ordinary resolution from time to time increase or reduce any limits on the number of Directors specified in Article 4 and may also determine in what rotation such increased or reduced number is to go out of office and may make any appointments required for making any such increase

### **26. Appointment of Attorneys**

The Directors may by power of attorney or otherwise appoint any Company, firm, person or group of persons, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under or pursuant to these Articles) and for such period and subject to such conditions as the Directors may think fit. A power of attorney may contain such provisions the Directors may decide on for the protection and convenience of

persons dealing with the attorney and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. The Directors may remove any person appointed under this Article and may revoke or vary the delegation but no person who deals in good faith and without notice of the revocation or variation shall be affected by it.

## **APPOINTMENT OF DIRECTORS**

### **27. Methods of appointing Directors**

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

### **28. Retirement of Directors by rotation**

(1) At every annual general meeting any Directors—

- (a) who have been appointed by the Directors since the last annual general meeting, or
- (b) who were not appointed or reappointed at one of the preceding two annual general meetings, must retire from office and may offer themselves for reappointment by the members

(2) If the company, at the meeting at which a director retires by rotation, does not fill the vacancy the

retiring director shall, if willing to act, be deemed to have been reappointed unless at the meeting if is not to fill the vacancy or unless a resolution for the reappointment of the director is put to the meeting and lost

## **29 Termination of Director's appointment**

A person ceases to be a Director as soon as—

- (a) that person ceases to be a Director by virtue of any provision of the Companies Act 2006 or is prohibited from being a Director by law,
- (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 3 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) notification is received by the Company from the Director that the Director is resigning from office as Director, and such resignation has taken effect in accordance with its terms,
- (g) that person is absent from meetings of the Directors for 6 successive months without permission from the Directors and his/her alternate (if any) has not during such period attended in his/her place and the Directors resolved that his/her office be vacated,
- (h) their conduct (whether or not concerning the affairs of the Company) is the subject of an investigation by an inspector appointed by the Secretary of State or by the Serious Fraud Office and the Directors resolve that it is undesirable in the interests of the Company that he/she remains a Director,
- (i) he/she is convicted of an indictable offence and the Directors resolve that it is undesirable in the interests of the Company that he/she remain a Director

## **30. 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

## **31 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) a 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

**32. Directors' share qualification and rights concerning general meeting**

A Director need not be a member of the Company but a Director who is not a member of the Company is entitled to receive notice of and to attend and speak at all general and class meetings of the Company

## **ALTERNATE DIRECTORS**

**33. Appointment and removal of alternates**

- (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
- (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

**34. Rights and responsibilities of alternate Directors**

- (1) An alternate Director has the same rights, in relation to any Directors' meeting or Directors' written resolution, 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) No alternate may be counted as more than one Director for such purposes
- (4) 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

**35. 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, except that an alternate's appointment as an alternate does not terminate when the appointor retires by rotation at a general meeting and is then re-appointed as a Director at the same general meeting

**36        Restrictions where Director and Secretary are one and the same**

Where the Statutes or these Articles require or authorise something to be done by or to a Director and the Secretary, it must not be done by or to one person acting both as Director and as, or in place of, the Secretary

## **PART 3**

### **DECISION-MAKING BY MEMBERS**

#### **ORGANISATION OF GENERAL MEETINGS**

**37 Members can call general meeting if not enough Directors**

If–

(a) the Company has fewer than two Directors, and

(b) the Director (if any) is unable or unwilling to appoint sufficient Directors to make up a quorum or to call a general meeting to do so, then two or more members may call a general meeting (or instruct the Company secretary to do so) for the purpose of appointing one or more Directors

**38. 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

**39 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

**40 Security procedures**

- (1) In their absolute discretion and notwithstanding anything in the notice of general meeting the Directors may, in respect of members or their proxies who wish to attend any general meeting
  - (a) direct that the members or proxies submit to searches,
  - (b) direct that the members or proxies comply with any security arrangements or restrictions imposed by the Directors,
  - (c) arrange for members or proxies to attend and participate simultaneously in the meeting at places other than the one specified in the notice of meeting as the place where the meeting will take place ("Principal Place"),
  - (d) fix the level of attendance at the Principal Place and any other places provided that if members or proxies are excluded from the Principal Place they are able to attend the meeting at one of the other places (For the purpose of these Articles any such meeting will be treated as being held at the Principal Place), and
  - (e) make arrangements for the issue of tickets or impose a random means of selection or by any other



means they think appropriate, to facilitate the organisation and administration of a general meeting. The Directors may vary these arrangements or make new arrangements in their place.

- (2) The rights of members or proxies to attend a meeting at the Principal Place is subject to any arrangements in force, whether contained in the notice of that meeting and said to apply to that meeting, or notified to the members after the notice of meeting has been provided.

#### **41 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 member 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”.

#### **42 Attendance and speaking by Directors and non-members**

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

#### **43 Adjournment**

- (1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- (2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if–
  - (a) the meeting consents to an adjournment, or
  - (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (4) When adjourning a general meeting, the chairman of the meeting must–
  - (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors, and
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days’ notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)–
  - (a) to the same persons to whom notice of the Company’s general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain.

- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

## **VOTING AT GENERAL MEETINGS**

### **44 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

A declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, which is entered in the minute book will be conclusive evidence of that fact

### **45 Chairman's casting vote**

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote

### **46 Voting rights of persons under disability**

If a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder has made an order appointing a person to act on behalf of a member, that person may vote, whether on a show of hands or on a poll, on behalf of the member and may, on a poll, vote by proxy. The right to vote is only exercisable if evidence, satisfactory to the Directors, of the authority of the person claiming to exercise the right to vote is deposited at the Transfer Office not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised

### **47 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 objections raised as to the qualification of any voter, or any error whereby votes have been counted which ought not to have been counted or which might have been rejected, or whereby any votes have not been counted ought to have been counted, shall not affect the decision of a meeting or adjourned meeting on any resolution or any poll unless
  - (a) the objection or error is raised or pointed out at the meeting or adjourned meeting in question, and
  - (b) the chairman decides that the same may have affected the decision of the meeting or the Poll
- (3) Any such objection or error shall be referred to the chairman of the meeting, unless the objection or error is in connection with a resolution for the election, re-election or removal of the chairman of the meeting whether as chairman or as a Director of the Company. The decision of the chairman will be final and conclusive

### **48 Demanding a poll**

- (1) A poll on a resolution may be demanded—
  - (a) in advance of the general meeting where it is to be put to the vote, or
  - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared
- (2) A poll may be demanded by—
  - (a) the chairman of the meeting,
  - (b) the Directors,
  - (c) two or more persons having the right to vote on the resolution, or
  - (d) a person or persons representing not less than one tenth of the total voting rights of all the members

having the right to vote on the resolution

- (3) A demand for a poll may be withdrawn if–
  - (a) the poll has not yet been taken, and
  - (b) the chairman of the meeting consents to the withdrawal

#### **49 Procedure on a poll**

- (1) Subject to the articles, polls at general meetings must be taken when, where and in such manner as the chairman of the meeting directs
- (2) The chairman of the meeting may appoint scrutineers (who need not be members) and decide how and when the result of the poll is to be declared
- (3) The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded
- (4) A Poll on
  - (a) the election of the chairman of the meeting, or
  - (b) a question of adjournment, must be taken immediately
- (5) Other polls must be taken within 30 days of their being demanded
- (6) (A demand for a poll does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded
- (7) No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded
- (8) In any other case, at least 7 days' notice must be given specifying the time and place at which the poll is to be taken

#### **50. 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 member appointing the proxy,
  - (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed,
  - (c) is signed by or on behalf of the member appointing the proxy, or is 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

**51 Validity of votes cast by proxy or power of attorney**

- (1) A vote given in accordance with the terms of a proxy appointment or power of attorney will be valid notwithstanding
- (2) the prior death or insanity of the person who appointed the proxy or attorney,
- (3) the proxy appointment or power of attorney having been revoked,
- (4) the authority of the person appointed as proxy or attorney having been revoked, or
- (5) a transfer of the share in respect of which the vote is given

The above provisions will not apply if notice in writing of the death, insanity, revocation or transfer has been deposited at the Transfer Office (or in the case of a proxy form at any other place specified for deposition the proxy form) at least 48 hours (or such shorter time as the Directors may determine) before the date of the meeting or the adjourned meeting, or the date fixed for the taking of the poll at which the proxy is to be used

**52. Delivery of proxy notices**

- (1) Any notice of a general meeting must specify the address or addresses ("proxy notification address") at which the Company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form
- (2) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person
- (3) Subject to paragraphs (4) and (5), a proxy notice must be delivered to a proxy notification address not less than 48 hours before the general meeting or adjourned meeting to which it relates
- (4) In the case of a poll taken more than 48 hours after it is demanded, the notice must be delivered to a proxy notification address not less than 24 hours before the time appointed for the taking of the poll
- (5) In the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded, the proxy notice must be delivered—
  - (a) in accordance with paragraph (3), or
  - (b) at the meeting at which the poll was demanded to the chairman, secretary or any Director
- (6) An appointment under a proxy notice may be revoked by delivering a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given to a proxy notification address
- (7) A notice revoking a proxy appointment only takes effect if it is delivered before—
  - (a) the start of the meeting or adjourned meeting to which it relates, or
  - (b) (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll to which it relates
- (8) If a proxy notice is not signed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf

**53 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 secretary 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 nonsubstantive 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

## **RESTRICTIONS ON MEMBERS' RIGHTS**

### **54 No voting of shares on which money owed to Company**

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

## **APPLICATION OF RULES TO CLASS MEETINGS**

### **55 Class meetings**

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

## **PART 4 SHARES AND DISTRIBUTIONS**

### **ISSUE OF SHARES**

#### **56 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 ordinary resolution
- (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

#### **57 Payment of commissions on subscription for shares**

- (1) (The Company may pay any person a commission in consideration for that person—
  - (a) subscribing, or agreeing to subscribe, for shares, or
  - (b) procuring, or agreeing to procure, subscriptions for shares
- (2) Any such commission may be paid—
  - (a) in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other, and
  - (b) in respect of a conditional or an absolute subscription

#### **57A. Scheme of Arrangement**

- (1) In this Article 57A, references to the Scheme are to the scheme of arrangement dated 20 May 2014 under Part 26 of the Companies Act 2006 between the Company and the holders of Scheme Shares (as defined in the Scheme) as it may be modified or amended in accordance with its terms, and expressions defined in the Scheme shall have the same meanings in this Article 57A
- (2) Notwithstanding either any other provision of these Articles or the terms of any resolution whether ordinary or special passed by the Company in general meeting, if the Company issues any ordinary shares (other than to Bidco or its nominee(s)) on or after the adoption of this Article 57A and on or prior to the Scheme Record Time (as defined in the Scheme), such shares shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the original or any subsequent holder or holders of such ordinary shares shall be bound by the Scheme accordingly
- (3) Notwithstanding any other provision of these Articles, if any ordinary shares are issued to any person (other than Bidco or its nominee(s)) (the “New Member”) after the Scheme Record Time, such New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) will, provided the Scheme shall have become effective, be obliged to transfer forthwith all the ordinary shares held by the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) (the “Disposal Shares”) to Bidco (or as Bidco may otherwise direct) who shall be obliged to acquire all of the Disposal Shares in consideration of and conditional on the payment by or on behalf of Bidco to the New Member of an amount in cash for each Disposal Share equal to the consideration that the New Member would have been entitled to had each Disposal Share been a Scheme Share
- (4) On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation), the value of the consideration per Disposal Share to be paid under paragraph (3) above shall be adjusted by the Directors in such manner as the auditors of the Company or an independent investment bank selected by the Company may determine to be fair and reasonable to the New Member to reflect such reorganisation or alteration. References in this Article 57A to ordinary shares shall, following such adjustment, be construed accordingly
- (5) To give effect to any transfer required by this Article 57A, the Company may appoint any person as attorney for the New Member to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) in favour of Bidco and do all such other things and execute and deliver

all such documents as may in the opinion of the attorney be necessary or desirable to vest the Disposal Shares in Bidco and pending such vesting to exercise all such rights to the Disposal Shares as Bidco may direct. If an attorney is so appointed, the New Member shall not thereafter (except to the extent that the attorney fails to act in accordance with the directions of Bidco) be entitled to exercise any rights attaching to the Disposal Shares unless so agreed by Bidco. The Company may give good receipt for the purchase price of the Disposal Shares and may register Bidco as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member for any Disposal Shares. Bidco shall send a cheque drawn on a UK clearing bank (or shall procure that such a cheque is sent) in favour of the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) for the purchase price of such Disposal Shares within 14 days of the date on which the Disposal Shares are issued, to the New Member.

- (6) If the Scheme shall not have become effective by 30 September 2014, (or such later date, if any, as Bidco and the Company may agree and the Court and the Panel on Takeovers and Mergers may allow) this Article 57A shall be of no effect.
- (7) Notwithstanding any other provision of these Articles, both the Company and the Directors may refuse to register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date.
- (8) Notwithstanding any other provision of these Articles, both the Company and the Directors may refuse to register the transfer of any ordinary shares other than as provided by this Article 57A.

## INTERESTS IN SHARES

### 58. 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.

### 59. Circumstances in which shares disenfranchised

- (1) Subject to the provisions of the Statutes, no holder of a share in the Company shall, unless the Directors otherwise determine (any such determination being for such period and subject to such terms and conditions (if any) as the Directors may, in their absolute discretion, decide), be entitled (save as proxy for another member) to be present or vote at a general meeting either personally or by proxy or to exercise any other right in relation to meetings of the Company in respect of either the share he holds or (with effect from allotment) of any additional shares allotted in respect of the share which is the subject of a notice pursuant to this article 59 (including without limitation any share allotted under a rights issue or capitalisation issue) (together "shares") if

(a) any call or other sum presently payable by him to the Company in respect of the shares remains unpaid, or

(b) he or any other person who appears to be interested in the shares has been served a Section 793 Notice, or any other provision of the Statutes concerning the disclosure of interest in voting shares, with a notice which

(i) lawfully requires the provision of information regarding the shares to the Company within the period specified in such notice (being not less than 14 days from the date of service of such notice), and

(ii) contains a warning of the consequences under this article 59 of failing to comply with such notice, and (whether or not he is aware of the identity of the beneficial owner(s) of the share) he or such other person is in default in complying with such notice, or

(c) he has been duly served with a notice which

(i) requires him to provide or to procure that there is provided to the Company within the period specified in the notice (being not less than 14 days from the service of notice), a written statement signed by him or any other person or persons stating that he (if the statement is signed by him) or as the case may be) the other person or persons who

has/have signed the statement is/are the beneficial owner(s) of the shares and providing any additional information regarding the shares required by Article 62

(ii) contains a warning of the consequences under this article 59 of failing to comply with such notice, and

(whether or not he is aware of the identity of the beneficial owner(s) of the share) he is in default in complying with such notice

(2) For the purposes of this article 59 a person shall be treated as appearing to be interested in a share where

(a) the member holding the share has informed the Company that he is, or may be, so interested, or

(b) where the person has given the Company a notification pursuant to article 59(1)(b) which fails to establish the identity of the person or persons interested in such share and (after taking into account the notification and any other relevant information given to them) the Directors know or have reasonable cause to believe that the person in question is or may be interested in such share. References to "persons interested in shares" and to "interests in shares" respectively shall be construed as they are for the purposes of section 793 of the Companies Act 2006

(3) For the purposes of this article 59, a person shall be deemed to be in default in complying with a notice referred to in this article if he fails or refused to give all the information required by the notice to the satisfaction of the Directors or if he gives information which he knows to be false or if he recklessly gives information which is false

#### **60 Disenfranchisement may apply to only part of a member's holding**

Where a person holds more than one share in the Company or more than one share of a particular class, any notice given pursuant to Article 59 may relate either to all such shares or to such lesser number of them as is described or stated in the notice

#### **61 Signature of statements on behalf of body corporate**

Any statement provided to the Company pursuant to Article 59 shall, for the purposes of that Article, be deemed to have been signed by a body corporate if signed by a duly authorised officer who is described in the statement as signing it on behalf of that body corporate

#### **62 Right to require additional information**

Any notice served on the holder of a share pursuant to Article 59(3) may require that, where the statement to be provided to the Company reveals that the beneficial owner of that share is a body corporate ("corporate owner"), the statement shall also provide the following information

(a) whether any other body corporate is a holding Company (within the meaning of section 1159 of the Companies Act 2006) or a parent Company (within the meaning of section 1162 of the Companies Act 2006) of the corporate owner and, if so, the name and address of each such holding or parent Company, and

(b) whether any body corporate or other person (other than any such holding or parent Company) is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of the corporate owner and, if so, the name and address of each such person

#### **63 When disenfranchisement ceases to apply**

(1) Where the disenfranchisement provisions of Article 59 apply to a particular share, they shall cease to apply to that share when

(a) the call or such other sum referred to in Article 59.1 has been paid in respect of that share and received by the Company, or

(b) the information and/or statement requested in respect of that share by the notice(s) referred to in Articles 59.2 and/or 59.3 have been provided to the Company to the satisfaction of the Directors, or

(c) the date as on and from which the Directors determine (pursuant to Article 59) that such provisions shall cease to apply to that share, or



(d) a period of seven days has expired which commences on the date the Company receives a notice that the share has been sold either through a recognised investment exchange or overseas exchange, or as a result of an acceptance of a takeover offer

- (2) The disenfranchisement provisions will cease to apply when whichever of the matters referred to in Articles 62(b) to 62(c) occurs first

**64. Cancellation of notices**

Any notice issued under Articles 59 2 or 59 3 may be cancelled by the Company at any time

**65 Corporations acting by representatives**

Any corporation that is a member of the Company may, by resolution of its Directors or other governing body, authorise any person to act as its representative at any meeting of the Company or of any class of members. The representative will be entitled to exercise the same powers on behalf of the corporation as if he had been an individual member, including power, when personally present, to vote on a show of hands. The Directors may, but shall not be bound to, require evidence of the authority of any person purporting to act as the representative of any such corporation

## **SHARE CERTIFICATES**

**66. Certificates to be issued except in certain cases**

- (1) The Company must issue each member with one or more certificates in respect of the shares which that member holds
- (2) This article does not apply to—
- (a) uncertificated shares,
  - (b) shares in respect of which a share warrant has been issued, or
  - (c) shares in respect of which the Companies Acts permit the Company not to issue a certificate
- (3) Except as otherwise specified in the articles, all certificates must be issued free of charge
- (4) No certificate may be issued in respect of shares of more than one class
- (5) If more than one person holds a share, only one certificate may be issued in respect of it
- (6) Where the Company sends share certificates to members or their agents by post, such share certificates shall be sent at the members risk

**67. Contents and execution of share certificates**

- (1) Every certificate must specify—
- (a) in respect of how many shares, of what class, it is issued,
  - (b) the nominal value of those shares,
  - (c) the amount paid up on them, and
  - (d) any distinguishing numbers assigned to them
- (2) Certificates must—
- (a) be issued either under the Seal (which may be affixed to it, printed on it or a representation of it be authenticated by laser seal on the certificate) or in such other manner having the same effect as if issued under a seal and having regard to the provisions of the Acts and the rules and regulations applicable to any recognised investment exchange(s) to which the Company's share are admitted (or any other stock exchange on which the company's shares are normally traded), as the Board may approve. The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any

share certificates need not be autographic but may be applied to the certificates by some mechanical or other means or may be printed on them or that the certificates need not be signed by any person

**68 Consolidated share certificates**

- (1) When a member's holding of shares of a particular class increases, the Company may issue that member with—
  - (a) a single, consolidated certificate in respect of all the shares of a particular class which that member holds, or
  - (b) a separate certificate in respect of only those shares by which that member's holding has increased
- (2) When a member's holding of shares of a particular class is reduced, the Company must ensure that the member is issued with one or more certificates in respect of the number of shares held by the member after that reduction. But the Company need not (in the absence of a request from the member) issue any new certificate if—
  - (a) all the shares which the member no longer holds as a result of the reduction, and
  - (b) none of the shares which the member retains following the reduction, were, immediately before the reduction, represented by the same certificate
- (3) A member may request the Company, in writing, to replace—
  - (a) the member's separate certificates with a consolidated certificate, or
  - (b) the member's consolidated certificate with two or more separate certificates representing such proportion of the shares as the member may specify
- (4) When the Company complies with such a request it may charge such reasonable fee as the Directors may decide for doing so
- (5) A consolidated certificate must not be issued unless any certificates which it is to replace have first been returned to the Company for cancellation

**69 Replacement share certificates**

- (1) If a certificate issued in respect of a member's shares is—
  - (a) damaged or defaced, or
  - (b) said to be lost, stolen or destroyed, that member is entitled to be issued with a replacement certificate in respect of the same shares
- (2) A member exercising the right to be issued with such a replacement certificate—
  - (a) may at the same time exercise the right to be issued with a single certificate or separate certificates,
  - (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced, and
  - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide

## **SHARES NOT HELD IN CERTIFICATED FORM**

**70 Uncertificated shares**

- (1) In this article, "the relevant rules" means—
  - (a) any applicable provision of the Companies Acts about the holding, evidencing of title to, or transfer of shares other than in certificated form, and
  - (b) any applicable legislation, rules or other arrangements made under or by virtue of such provision

- (2) The provisions of this article have effect subject to the relevant rules
- (3) Any provision of the articles which is inconsistent with the relevant rules must be disregarded, to the extent that it is inconsistent, whenever the relevant rules apply
- (4) Any share or class of shares of the Company may be issued or held on such terms, or in such a way, that–
  - (a) title to it or them is not, or must not be, evidenced by a certificate, or
  - (b) it or they may or must be transferred wholly or partly without a certificate
- (5) The Directors have power to take such steps as they think fit in relation to–
  - (a) the evidencing of and transfer of title to uncertificated shares (including in connection with the issue of such shares),
  - (b) any records relating to the holding of uncertificated shares,
  - (c) the conversion of certificated shares into uncertificated shares, or
  - (d) the conversion of uncertificated shares into certificated shares
- (6) The Company may by notice to the holder of a share require that share–
  - (a) if it is uncertificated, to be converted into certificated form, and
  - (b) if it is certificated, to be converted into uncertificated form, to enable it to be dealt with in accordance with the articles
- (7) If–
  - (a) the articles give the Directors power to take action, or require other persons to take action, in order to sell, transfer or otherwise dispose of shares, and
  - (b) uncertificated shares are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument, the Directors may take such action as is necessary or expedient to achieve the same results when exercising that power in relation to uncertificated shares
- (8) In particular, the Directors may take such action as they consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it
- (9) Unless the Directors otherwise determine, shares which a member holds in uncertificated form must be treated as separate holdings from any shares which that member holds in certificated form
- (10) A class of shares must not be treated as two classes simply because some shares of that class are held in certificated form and others are held in uncertificated form

## **71 Share warrants**

- (1) The Directors may issue a share warrant in respect of any fully paid share
- (2) Share warrants must be–
  - (a) issued in such form, and
  - (b) executed in such manner, as the Directors decide
- (3) A share represented by a share warrant may be transferred by delivery of the warrant representing it
- (4) The Directors may make provision for the payment of dividends in respect of any share represented by a share warrant
- (5) Subject to the articles, the Directors may decide the conditions on which any share warrant is issued. In particular, they may–

- (a) decide the conditions on which new warrants are to be issued in place of warrants which are damaged or defaced, or said to have been lost, stolen or destroyed,
  - (b) decide the conditions on which bearers of warrants are entitled to attend and vote at general meetings,
  - (c) decide the conditions subject to which bearers of warrants may surrender their warrant so as to hold their shares in certificated or uncertificated form instead, and
  - (d) vary the conditions of issue of any warrant from time to time, and the bearer of a warrant is subject to the conditions and procedures in force in relation to it, whether or not they were decided or specified before the warrant was issued
- (6) Subject to the conditions on which the warrants are issued from time to time, bearers of share warrants have the same rights and privileges as they would if their names had been included in the register as holders of the shares represented by their warrants
  - (7) The Company must not in any way be bound by or recognise any interest in a share represented by a share warrant other than the absolute right of the bearer of that warrant to that warrant

## **PARTLY PAID SHARES**

### **72 Company's lien over partly paid shares**

- (1) The Company has a lien ("the Company's lien") over every share which is partly paid for any part of–
  - (a) that share's nominal value, and
  - (b) any premium at which it was issued, which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it
- (2) The Company's lien over a share–
  - (a) takes priority over any third party's interest in that share, and
  - (b) extends to any dividend or other money payable by the Company in respect of that share and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share
- (3) The Directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part

### **73 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

#### **74 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

#### **75 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

**76 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

**77 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

**78 Power of chargee to make calls**

If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may delegate to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the members in respect of the uncalled capital and to sue in the name of the Company or otherwise for the recovery of moneys (including any moneys due under Article 76(1)(b) becoming due in respect of calls so made and to give valid receipts for such moneys. The power so delegated may (if so expressed) be assignable

**79 Differentiation of calls**

The Directors from time to time on the issue of shares differentiate between the holders with regard to the number of calls to be paid on those shares and the times of payment

**80 Payments in advance of calls**

- (1) The Directors may accept from any member all or any part of the money payable on his shares in advance of any calls made under Article 74. The Directors can agree to pay interest on the money paid in advance, at a rate agreed between the Directors and the member which must not exceed, without

the consent of the Company by ordinary resolution, the appropriate rate from the date of the advance until the date the call would become payable

- (2) In determining a member's dividend entitlement, payments made in advance of calls shall be disregarded until, and to the extent that, a call is actually made

#### **81 Notice of intended forfeiture**

- (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 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

#### **82 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

#### **83 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

**84 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

**85 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

## **TRANSFER AND TRANSMISSION OF SHARES**

**86 Transfers of certificated shares**

- (1) Certificated 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—
  - (a) the transferor, and
  - (b) (if any of the shares is partly paid) the transferee
- (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 certificated share until the transferee's name is entered in the register of members as holder of it



- (5) The Directors may refuse to register the transfer of a certificated share if–
- (a) the share is not fully paid,
  - (b) the transfer is not lodged at the Company's registered office or such other place as the Directors have appointed,
  - (c) the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the Directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf,
  - (d) the transfer is in respect of more than one class of share,
  - (e) the transfer is in favour of more than four transferees, or
  - (f) the company has issued a Section 793 Notice in respect of the share but the Company has received no response within a reasonable time of issuing the notice
- (6) If the Directors refuse to register the transfer of a share, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent

**87. Transfer of uncertificated shares**

A transfer of an uncertificated share must not be registered if it is in favour of more than four transferees

**88 Directors' discretion to register uncertificated shares**

In respect of a share held in uncertificated form the Directors may only register or refuse to register the transfer of such a share in accordance with the Uncertificated Securities Regulations

**89 Transmission of shares**

- (1) If title to a share passes to a transferee, the Company may only recognise the transferee as having any title to that share
- (2) Nothing in these articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member

**90 Transferees' rights**

- (1) A transferee who produces such evidence of entitlement to shares as the Directors may properly require–
  - (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
  - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had
- (2) But transferees do not have the right to attend or vote at a general meeting 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
- (3) The Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and, if the notice is not complied with within 60 days of service, the Directors may withhold payment of the dividend and other moneys payable on or in respect of the share until the requirements of the notice have been complied with

**91. Exercise of transferees' rights**

- (1) Transferees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish
- (2) If the share is a certificated share and a transferee wishes to have it transferred to another person, the transferee must execute an instrument of transfer in respect of it

- (3) If the share is an uncertificated share and the transmittee wishes to have it transferred to another person, the transmittee must–
  - (a) procure that all appropriate instructions are given to effect the transfer, or
  - (b) procure that the uncertificated share is changed into certificated form and then execute an instrument of transfer in respect of it
- (4) 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

## **92 Transmittees bound by prior notices**

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

## **CONSOLIDATION OF SHARES**

### **93 Procedure for disposing of fractions of shares**

- (1) This article applies where
  - (a) there has been a consolidation or division of shares, and
  - (b) as a result, members are entitled to fractions of shares
- (2) The Directors may–
  - (a) sell the shares representing the fractions to any person including the Company for the best price reasonably obtainable,
  - (b) in the case of a certificated share, authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and
  - (c) distribute the net proceeds of sale in due proportion among the holders of the shares
- (3) Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the Directors, that member's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland
- (4) The person to whom the shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions
- (5) The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale

## **DISTRIBUTIONS**

### **94 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 members' respective rights
- (4) Unless the members' resolution to declare or Directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it
- (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

**95 Calculation of dividends**

- (1) Except as otherwise provided by the articles or the rights attached to shares, all dividends must be—
  - (a) declared and paid according to the amounts paid up on the shares on which the dividend is paid, and
  - (b) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid
- (2) If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly
- (3) For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount

**96. 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) in the case of shares held in uncertified form, payment by means of Relevant System, or
  - (e) 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

**97 Deductions from distributions in respect of sums owed to the Company**

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

- (2) Money so deducted must be used to pay any of the sums payable in respect of that share
- (3) The Company must notify the distribution recipient in writing of–
  - (a) the fact and amount of any such deduction,
  - (b) any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction, and
  - (c) how the money deducted has been applied

**98 No interest on distributions**

- (1) 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

**99 Unclaimed and retained 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

**100 Payment as good discharge**

Payment of a cheque or similar financial instrument by the banker upon whom it is drawn or debiting of the Company's account in respect of a bank or funds transfer or, in the case of shares in uncertificated form, the making of payment in accordance with the facilities and requirements of a Relevant System shall be a good discharge to the Company

**101 Cheques etc to be at sole risk**

Every cheque, bank or funds transfer or payment made by any other method will be sent at the sole risk of the person entitled

**102 Right to stop sending distribution cheques by post**

- (1) Notwithstanding Article 96 or any authorisation given to the Company, the Company may stop sending dividend cheques by post in relation to a share if
  - (a) dividend cheques have been sent by post and returned undelivered or left uncashed during the periods for which the same are valid on two consecutive occasions, or
  - (b) a dividend cheque has been sent by post to the registered address of the member or other person entitled to the dividend on that share and returned undelivered or left uncashed during the period for which the same are valid and reasonable enquiries have failed to establish any new address for such member or person
- (2) The Company must recommence sending cheques or warrants (or using another method of payment) in respect of dividends if the member or other person entitled to the dividend claims the arrears of

dividend and does not instruct the Company to pay future dividends in some other way

**103 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) If the shares in respect of which such a non-cash distribution is paid are uncertificated, any shares in the Company which are issued as a non-cash distribution in respect of them must be uncertificated
- (3) 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

**104 Retention of distributions where a Section 793 Notice has not been complied with**

- (1) Subject to the provisions of Article 105 the Directors may also retain any distribution if
  - (a) a Section 793 Notice has been duly served in respect of the shares, and
  - (b) the share or shares which were the subject of that Section 793 Notice represented in aggregate at least 0.25 per cent, of that class of shares (calculated exclusive of any treasury shares of that class), and
  - (c) the person or persons on whom the Section 793 Notice was served failed to comply with the requirements of that notice within the period for compliance specified in the notice (being not less than 14 days from the date of service of the notice) and remains in default in complying with such notice

**105. When right of retention under Article 104 ceases**

- (1) If any right of retention has arisen under the provisions of Article 104, it shall cease to apply to those shares if,
  - (a) the person or persons on whom the notice referred to in Article 104 was served ceases to be in default in complying with such notice, or
  - (b) the Directors decide (in their absolute discretion) that the right of retention has ceased to apply to those shares, or
  - (c) a period of seven days has expired which commences on the date the Company receives a notice that the share has been sold either through a recognised investment exchange or overseas exchange, or as a result of an acceptance of a takeover offer
- (2) If and for as long as a person is in default in complying with a notice referred to in Article 104, the consequences of default set out in that Article will also apply (with effect from allotment) to any additional share allotted to that person after service of the notice in right of the shares that were the subject of the notice (including shares allotted on a rights issue or capitalisation issue) as if such additional share had also been the subject of the notice
- (3) For the purposes of Article 104 and the provisions of this Article 104, a person shall be deemed to be in default in complying with a notice referred to in those Articles if he fails or refuses to give all the information required by the notice to the satisfaction of the Directors or if he gives information which he knows to be false or if he recklessly gives information which is false

**106. 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**

### **107. 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—

(a) in or towards paying up any amounts unpaid on existing shares held by the persons 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

(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

### **107A Directors' authority to use reserves to settle Stock Appreciation Rights**

This Article (which is without prejudice to the generality of the provisions of the preceding Article 107) applies where, pursuant to an employees' share scheme operated by the Company -

(1) A person is granted an option to subscribe in cash for shares in the Company at a subscription price and the Company has determined to satisfy such option as a stock appreciation right ("Stock Appreciation Right")

(2) In any such case the Directors -

(a) shall transfer to a reserve account a sum equal to the aggregate nominal value of the shares required to settle such Stock Appreciation Right from the profits or reserves

of the Company which are available for distribution and not required for the payment of any preferential dividend, and

- (b) (subject to paragraph 4 below) shall not apply that reserve account for any purpose other than paying up the nominal value of such shares
- (3) Whenever the Company is required to allot shares pursuant to such Stock Appreciation Right, the Directors shall (subject to the Statutes) appropriate to capital out of the reserve account an amount equal to the aggregate nominal value applicable to those shares, apply that amount in paying up the aggregate nominal value of those shares and allot those shares credited as fully paid to the person entitled to them
- (4) If any person ceases to be entitled to subscribe for shares as described above, the restrictions on the reserve account shall cease to apply in relation to such part of the account as is equal to the amount of the nominal value applicable to those shares

## **PART 5 MISCELLANEOUS PROVISIONS**

### **COMMUNICATIONS**

#### **108 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 Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company
- (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.

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

- (1) If–
  - (a) the Company sends two consecutive documents to a member over a period of at least 12 months, and
  - (b) each of those documents is returned undelivered, or the Company receives notification that it has not been delivered, that member ceases to be entitled to receive notices from the Company
- (2) A member who has ceased to be entitled to receive notices from the Company becomes entitled to receive such notices again by sending the Company–
  - (a) a new address to be recorded in the register of members, or
  - (b) if the member has agreed that the Company should use a means of communication other than sending things to such an address, the information that the Company needs to use that means of communication effectively

#### **110. Notice to joint holders**

In the case of joint holders of a share all notices shall be given to the joint holder (if any) described in the Register as having an address for service in the United Kingdom and who is named first in the Register  
Notice so given shall be treated as sufficient notice to all the joint holders

#### **111 Death or bankruptcy of a member**

- (1) Subject to the provisions of Article 88 a person entitled to a share as a result of the death or bankruptcy of a member is entitled to service or delivery of any notice or document to which the member would have been entitled provided that he has supplied to the Company

(a) evidence, reasonably required by the Directors, to show his title to the shares, and

(b) an address for service within the United Kingdom or an address which notices may be sent using electronic communication

- (2) Service or delivery in accordance with (106 a) will be deemed to be sufficient service on or delivery to any person who is interested in the shares whether jointly with or claiming through or under the person entitled under Article (106 a)

- (3) Except as provided for in Articles (106 a) and (106 b) any notice or document delivered or sent by post, fax, electronic mail or electronic communication to or left at the registered address of any member named on the Register shall be deemed to have been duly served or delivered despite the member's death or bankruptcy and whether or not the Company had notice of his death or bankruptcy

#### **112 Members with addresses outside the UK**

A member who has no registered address within the United Kingdom and has not supplied to the Company an address within the United Kingdom for service of notices or an address to which notices may be sent using electronic communication shall not be entitled to receive notices or documents from the Company

#### **113 Attendance at meeting to signify receipt of notice**

Any member present, either personally or by proxy, at any meeting of the Company or class of members of the Company is deemed to have received notice of such meeting and, if required, of the purposes for which the meeting was called

#### **114. Suspension of postal services**

If at any time postal services in the United Kingdom are suspended or curtailed for whatever reason and the Company is unable effectively to convene a general meeting, a general meeting may be convened by a notice advertised in at least one national daily newspaper. The notice in the national newspaper shall be deemed to have been duly served on all members at noon on the day when the advertisement appears. In any such case the Company must send confirmatory copies of the notice in writing at least seven days before the meeting, if it becomes practicable to do so

#### **115 Record dates for service**

Any notice or other document may be served or delivered by the Company by reference to the Register as it stands at any time not more than 21 days before the date of service or delivery. No change in the Register after that time will invalidate that service or delivery. If any notice or other document is served on or delivered to any person in respect of a share in accordance with these Articles, a person deriving any title or interest in that share shall not be entitled to any further service or delivery of that notice or document. That person will be bound by every notice (unless otherwise provided by these Articles) in respect of such shares which, before his name and address are entered in the Register has been duly given to the person from whom he derives his title

#### **116 Signature of notice**

The signature to any notice to be given by the Company may be written or printed

#### **117. Power of Company to sell shares of untraced members**

- (1) Subject to the Statutes, the Company may sell at the best price reasonably obtainable any share provided that

(a) for a period of twelve years no cheque or warrant sent by the Company through the post in a prepaid envelope addressed to the member or to a person entitled by transmission to the share to either his address on the Register or his last known address, has been cashed, and no communication has been received by the Company from the member or the person entitled by transmission, and

(b) no less than three dividend warrants have been sent by post to the address referred to in Article



113 in the twelve year period referred to in that Article, and

(c) the Company has at the end of the twelve year period given notice of its intention to sell the share by advertising in both a national daily newspaper and in a newspaper circulating in the area in which the address referred to in Article 113 a is located, and

(d) the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the member or person entitled by transmission

- (2) If, during any twelve year period referred to in Article 113, further shares have been allotted in right of those held at the beginning of the period or of any previously allotted during such period and all the requirements of Articles 113 c to 113 d inclusive have been satisfied in regard to the further shares, the Company may also sell those further shares
- (3) If any share referred to in Article 113 c is sold, the Directors may appoint some person to execute or otherwise effect a transfer of the share or shares in the name and on behalf of the registered holder or the person (if any) entitled by transmission to the share or shares. The Directors may enter the purchaser's name in the Register as holder. The purchaser will not be obliged to see how the purchase money is applied and his title to the shares will not be affected if the transfer was irregular or invalid in any way. After the purchaser's name is entered in the Register the validity of the sale cannot be impeached by any person, and the remedy of any person aggrieved by the sale will be in damages only and only against the Company. The Company must account to the member or other person entitled to the share for the net proceeds of sale and will be deemed to be his debtor and not a trustee for him in respect of the sale. Any moneys not accounted for must be transferred to a separate account and will be a permanent debt of the Company, but may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding Company if any) as the Directors may from time to time think fit

## SECRECY

**118. Members not entitled to information which the Directors consider would be inappropriate to communicate to the public**

If the Directors think it would not be expedient in the interests of the Company to communicate information to the public, no member or general meeting or other meeting of members is entitled to require discovery of or any information relating to the Company's trading or the trading of any of its subsidiaries or any matter that is or may be in the nature of a trade secret or secret process, or that may relate to the conduct of the business of the Company or any of its subsidiaries

## ADMINISTRATIVE ARRANGEMENTS

**119. 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 or securities 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, or
  - (c) any person authorised by the Directors for the purpose of signing documents to which the common seal is applied
- (5) If the Company has an official seal for use abroad, it may only be affixed to a document if its use on that document, or documents of a class to which it belongs, has been authorised by a decision of the Directors

- (6) If the Company has a securities seal, it may only be affixed to securities by the Company secretary or a person authorised to apply it to securities by the Company secretary
- (7) For the purposes of the articles, references to the securities seal being affixed to any document include the reproduction of the image of that seal on or in a document by any mechanical or electronic means which has been approved by the Directors in relation to that document or documents of a class to which it belongs

#### **120 Destruction of documents**

- (1) The Company is entitled to destroy–
  - (a) all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entries are made in the register of members, from six years after the date of registration,
  - (b) all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address, from two years after they have been recorded,
  - (c) all share certificates which have been cancelled from one year after the date of the cancellation,
  - (d) all paid dividend warrants and cheques from one year after the date of actual payment, and
  - (e) all proxy notices from one year after the end of the meeting to which the proxy notice relates
- (2) If the Company destroys a document in good faith, in accordance with the articles, and without notice of any claim to which that document may be relevant, it is conclusively presumed in favour of the Company that–
  - (a) entries in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed were duly and properly made,
  - (b) any instrument of transfer so destroyed was a valid and effective instrument duly and properly registered,
  - (c) any share certificate so destroyed was a valid and effective certificate duly and properly cancelled, and
  - (d) any other document so destroyed was a valid and effective document in accordance with its recorded particulars in the books or records of the Company
- (3) This article does not impose on the Company any liability which it would not otherwise have if it destroys any document before the time at which this article permits it to do so
- (4) In this article, references to the destruction of any document include a reference to its being disposed of in any manner

#### **121 No right to inspect accounts and other records**

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

#### **122 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**

#### **123 Indemnity**

- (1) Subject to paragraph (2), a relevant Director/officer of the Company or an associated Company may be indemnified out of the Company's assets against–

- (a) any liability incurred by that Director/officer 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/officer 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 Companies Act 2006),
  - (c) any other liability incurred by that Director/officer 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/officer” means any Director/officer or former Director/officer of the Company or an associated Company

**124 Insurance**

- (1) The Directors/officers may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant Director/officer in respect of any relevant loss
- (2) In this article–
- (a) a “relevant Director” means any Director/officer or former Director/officer 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