

**APPLIANSYS LIMITED (the "Company")**  
**A PRIVATE COMPANY LIMITED BY SHARES**  
**WRITTEN RESOLUTION OF THE MEMBERS**

Circulation Date:

30th November .. .. 2015

Date Passed:

30th November .. .. 2015

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose and recommend that the following resolution is passed as a special resolution of the members of the Company (the "**Resolution**")

**SPECIAL RESOLUTION**

IT IS RESOLVED THAT the form of document attached be and is hereby adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company

**Agreement: Please read the notes at the end of this document before signifying your agreement to the Resolution.**

The undersigned, being the persons entitled to vote on the Resolution on the Circulation Date set out above, hereby irrevocably agree to the passing of the Resolution

Signed by **MICHAEL ROBERT CLARK**

Member

.. .. Michael R Clark .. ..

Date of signature.

.... 30th November ..... 2015

Signed by **MAGDALENA MELJANAC**

Member

... .. Magdalena Meljanac .. ..

Date of signature:

.. 30th November ... .. 2015

MONDAY




A13 06/06/2016 #68  
COMPANIES HOUSE

Company No 07608382

Signed by **ROGER CLARK**  
**Member**

Date of signature

  
30th November 2015

2015

**Notes:**

- 1 If you agree to the Resolution, please indicate your agreement by signing and dating this document above and then return it to the Company by delivering it by hand to or posting it to Appliansys Limited at Appliansys House, Harry Weston Road, Coventry CV3 2UB
- 2 If you do not agree to the Resolution you do not need to do anything you will not be deemed to have agreed to the Resolution by failing to reply
- 3 Once you have indicated your agreement to the Resolution you may not revoke that agreement
- 4 Unless within 28 days of the Circulation Date noted at the beginning of this document sufficient agreement has been received for the Resolution to pass, the Resolution will lapse. If you do agree to the Resolution, please ensure that this document, duly signed and dated as explained in Note 1 above, is received by Appliansys Limited at Appliansys House, Harry Weston Road, Coventry CV3 2UB within 28 days of the Circulation Date
- 5 If you are signing this document on behalf of a person under a power of attorney or other similar authority, you must send a certified copy of that power of attorney or other authority when returning this document

---

**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**APPLIANSYS LIMITED**

---

**ADOPTED BY A SPECIAL RESOLUTION ON 30<sup>th</sup> NOVEMBER 2015**



Legal Clarity Limited, Avebury House, 55 Newhall Street, Birmingham, B3 3RB  
T: 08456 800 727 F 08456 800 729  
[www.legalclarity.co.uk](http://www.legalclarity.co.uk) Email [customerservice@legalclarity.co.uk](mailto:customerservice@legalclarity.co.uk)

## **CONTENTS**

### **PART 1**

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

- 1 Interpretation
- 2 Liability of members

### **PART 2**

#### **DIRECTORS**

##### *Directors' powers and responsibilities*

- 3 Directors' general authority
- 4 Shareholders' reserve power
- 5 Directors may delegate
- 6 Committees

##### *Decision-making by directors*

- 7 Directors to take decisions collectively
- 7A. Number of directors
- 8 Unanimous decisions
- 9 Calling a directors' meeting
- 10 Participation in directors' meetings
- 11 Quorum for directors' meetings
- 12 Chairing of directors' meetings
- 13 Casting vote
- 13A Alternates voting at directors' meetings

##### *Transactions or other arrangements with the company*

- 14 Conflicts of interest
- 14A. Directors' conflicts of interest
- 15 Records of decisions to be kept
- 16 Directors' discretion to make further rules

##### *Appointment of directors*

- 17 Methods of appointing directors
- 17A. Directors - Appointment and Removal

- 18 Termination of director's appointment
- 19 Directors' remuneration
- 20. Directors' expenses

*Alternate directors*

- 20A Appointment and removal of alternates
- 20B. Rights and responsibilities of alternate directors
- 20C. Termination of alternate directorship

*Secretary*

- 20D. Appointment of company secretary

**PART 3**

**SHARES AND DISTRIBUTIONS**

*Shares*

- 21A. Share class rights
- 21B. Modification of class rights
- 21C Authority to allot shares
- 22 Powers to issue different classes of share
- 23. Company not bound by less than absolute interests
- 23A. Issue of shares and pre-emption rights

*Share certificates*

- 24. Share certificates
- 24A. Consolidated share certificates
- 25. Replacement share certificates

*Lien*

- 25A Company's lien over partly paid shares
- 25B. Enforcement of the company's lien

*Calls on shares and forfeiture*

- 25C. Call notices
- 25D Liability to pay calls
- 25E. When call notice need not be issued
- 25F Failure to comply with call notice: automatic consequences

- 25G Notice of intended forfeiture
- 25H. Directors' power to forfeit shares
- 25I Effect of forfeiture
- 25J Procedure following forfeiture
- 25K Surrender of shares

*Share transfers*

- 26. Share transfers general
- 26A Share transfers subject to pre-emption rights
- 26B. Mandatory transfers
- 26C Right to require evidence

*Transmission of shares*

- 27 Transmission of shares
- 28. Exercise of transmitters' rights
- 29 Transmitters bound by prior notices

*Fractions of shares*

- 29A Procedure for disposing of fractions of shares

*Dividends and other distributions*

- 30 Procedure for declaring dividends
- 30A Calculation of dividends
- 31. Payment of dividends and other distributions
- 32 No interest on distributions
- 33. Unclaimed distributions
- 34 Non-cash distributions
- 35. Waiver of distributions

*Capitalisation of profits*

- 36. Authority to capitalise and appropriation of capitalised sums

**PART 4**

**DECISION-MAKING BY SHAREHOLDERS**

*Organisation of general meetings*

- 37. Attendance and speaking at general meetings

- 38 Quorum for general meetings
- 39 Chairing general meetings
- 40 Attendance and speaking by directors and non-shareholders
- 41. Adjournment

*Voting at general meetings*

- 42 Voting: general
- 43. Errors and disputes
- 44 Poll votes
- 45 Content of proxy notices
- 46. Delivery of proxy notices
- 47 Amendments to resolutions

**PART 5**

**ADMINISTRATIVE ARRANGEMENTS**

- 48 Means of communication to be used
- 49. Company seals
- 50 No right to inspect accounts and other records
- 51. Provision for employees on cessation of business

*Directors' indemnity and insurance*

- 52 Indemnity
- 53 Insurance

*Communication*

- 54 Communication

**ARTICLES OF ASSOCIATION**  
**OF**  
**APPLIANSYS LIMITED (the "company")**  
**A PRIVATE COMPANY LIMITED BY SHARES**  
**INCORPORATED UNDER THE COMPANIES ACT 2006**

Adopted by a special resolution of the company on 30<sup>th</sup> November 2015

**PART 1**

**INTERPRETATION AND LIMITATION OF LIABILITY**

**1. Interpretation**

(1) The model articles for private companies limited by shares set out in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) shall not apply to the company.

(2) In the articles, unless the context requires otherwise

<b>"A' ordinary shares"</b>	means the 'A' ordinary shares of £0.01 each in the share capital of the company;
<b>"alternate"</b>	has the meaning given in article 20A;
<b>"alternate director"</b>	has the meaning given in article 20A,
<b>"appointor"</b>	has the meaning given in article 20A,
<b>"articles"</b>	means the company's articles of association,
<b>"asset sale"</b>	means the sale or transfer by the company of the whole or substantially the whole of its business and assets,
<b>"B' ordinary shares"</b>	means the 'B' ordinary shares of £0.01 each in the share capital of the company;
<b>"bad leaver"</b>	has the meaning given in article 26B(4);
<b>"bankruptcy"</b>	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
<b>"buyer"</b>	has the meaning given in article 26A(19),
<b>"C' ordinary shares"</b>	means the 'C' ordinary shares of £0.01 each in the share capital of the company;
<b>"call"</b>	has the meaning given in article 25C,
<b>"call notice"</b>	has the meaning given in article 25C,



<b>"call payment date"</b>	has the meaning given in article 25F,
<b>"called members"</b>	has the meaning given in article 26A(19);
<b>"chairman"</b>	has the meaning given in article 12;
<b>"chairman of the meeting"</b>	has the meaning given in article 39,
<b>"Companies Acts"</b>	means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company,
<b>"company's lien"</b>	has the meaning given in article 25A,
<b>"connected"</b>	has the meaning given to that word by section 252 of the Companies Act 2006,
<b>"control"</b>	has the meaning given to that word by section 1124 of the Corporation Tax Act 2010;
<b>"'D' ordinary shares"</b>	means the 'D' ordinary shares of £0 01 each in the share capital of the company,
<b>"deferred shares"</b>	means the deferred shares of £0 01 each in the share capital of the company;
<b>"director"</b>	means a director of the company, and includes any person occupying the position of director, by whatever name called,
<b>"distribution recipient"</b>	has the meaning given in article 31;
<b>"document"</b>	includes, unless otherwise specified, any document sent or supplied in electronic form;
<b>"drag along notice"</b>	has the meaning given in article 26A(19);
<b>"electronic form"</b>	has the meaning given in section 1168 of the Companies Act 2006;
<b>"forfeiture notice"</b>	has the meaning given in article 25F,
<b>"founder"</b>	means Michael Robert Clark;
<b>"fully paid"</b>	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,
<b>"hard copy form"</b>	has the meaning given in section 1168 of the Companies Act 2006,
<b>"holder"</b>	in relation to shares means the person whose name is entered in the register of members as the holder of the shares;
<b>"instrument"</b>	means a document in hard copy form,

<b>"lien enforcement notice"</b>	has the meaning given in article 25B,
<b>"mandatory transfer event"</b>	has the meaning given in article 26B(1);
<b>"offer notice"</b>	has the meaning given in article 26A(10);
<b>"ordinary resolution"</b>	has the meaning given in section 282 of the Companies Act 2006;
<b>"ordinary shares"</b>	means the ordinary shares of £0.01 each in the share capital of the company;
<b>"paid"</b>	means paid or credited as paid,
<b>"participate"</b>	in relation to a directors' meeting, has the meaning given in article 10;
<b>"partly paid"</b>	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;
<b>"permitted transfer"</b>	has the meaning given in article 26A(18);
<b>"proposing transferor"</b>	has the meaning given in article 26A(1),
<b>"proxy notice"</b>	has the meaning given in article 45,
<b>"purchasing members"</b>	has the meaning given in article 26A(9),
<b>"relevant officer"</b>	means any director or other officer or former director or other officer of the company or an associated company but excluding in each case any person engaged by the company (or associated company) as an auditor (whether or not he is also a director or other officer), to the extent that he acts in his capacity as auditor;
<b>"relevant rate"</b>	has the meaning given in article 25F,
<b>"sale notice"</b>	has the meaning given in article 26A(12);
<b>"sale shares"</b>	has the meaning given in article 26A(3),
<b>"same class"</b>	has the meaning given in article 23A,
<b>"secretary"</b>	means the secretary of the company, if any, appointed in accordance with article 20D or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary;
<b>"sellers"</b>	has the meaning given in article 26A(19);
<b>"shareholder"</b>	means a person who is the holder of a share,
<b>"shareholder director"</b>	means any director appointed by a member

	under article 17A,
<b>"shares"</b>	means shares in the company,
<b>"share sale"</b>	means the sale or transfer or series of transfers or other disposition of any interest in any shares in the company to any bona fide third party purchaser (and any other person or persons who in relation to such third party purchaser is a connected person and/or with whom he is acting in concert (within the meaning set out in the City Code on Takeovers and Mergers)) which results in such third party purchaser (and any connected person or concert party of such third party purchaser) holding the entire issued share capital of the company,
<b>"special resolution"</b>	has the meaning given in section 283 of the Companies Act 2006;
<b>"subsidiary"</b>	has the meaning given in section 1159 of the Companies Act 2006;
<b>"transfer notice"</b>	has the meaning given in article 26A(1);
<b>"transfer price"</b>	has the meaning given in article 26A(4),
<b>"transfer terms"</b>	that the shares being sold shall be sold and bought free from any encumbrance with full title guarantee together with all rights attaching thereto or at any time thereafter,
<b>"transmittee"</b>	means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law;
<b>"value"</b>	has the meaning given in article 26A(11),
<b>"value notice"</b>	has the meaning given in article 26A(11),
<b>"working day"</b>	means any day other than Saturday or Sunday or a public or bank holiday in the part of the United Kingdom in which the company is registered;
<b>"writing"</b>	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;

- (3) In these articles, any reference to a provision of the Companies Act 2006 shall be deemed to include a reference to any statutory modification, replacement, consolidation or re-enactment of that provision in force from time to time

- (4) In these articles, unless the context otherwise requires, the masculine includes the feminine and the neuter, and the singular includes the plural and vice versa
- (5) 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. Liability of members**

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

## **PART 2**

### **DIRECTORS**

#### *Directors' powers and responsibilities*

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

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

## **4. Shareholders' reserve power**

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

## **5. Directors may delegate**

- (1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles
  - (a) to such person or committee;
  - (b) by such means (including by power of attorney),
  - (c) to such an extent;
  - (d) in relation to such matters or territories, and
  - (e) on such terms and conditions,as they think fit.
- (2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated
- (3) The directors may revoke any delegation in whole or part, or alter its terms and conditions

## **6. Committees**

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

### *Decision-making by directors*

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

- (1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.
- (2) If
  - (a) the company only has one director; and
  - (b) no provision of the articles requires it to have more than one director,the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making
- (3) For the avoidance of doubt, article 11 shall not be construed as requiring the company to have more than one director and shall not apply in the event the company has only one director.
- (4) Subject to these articles, each director participating in a directors' meeting has one vote.

## **7A. Number of directors**

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

## **8. Unanimous decisions**

- (1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- (2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing
- (3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting
- (4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

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

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

## **10. Participation in directors' meetings**

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

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

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

- (b) to call a general meeting so as to enable the shareholders to appoint further directors.

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

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

## **13. Casting vote**

If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting shall not have a casting vote

## **13A. Alternates voting at directors' meetings**

A director who is also an alternate director has an additional vote on behalf of each of his appointors who is:

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

*Transactions or other arrangements with the company*

## **14. Conflicts of interest**

- (1) Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Companies Act 2006 and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Act 2006, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company
  - (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company, or in which the company is otherwise (directly or indirectly) interested,
  - (b) shall be an eligible director for the purposes of any proposed decision of the directors (or committee) in respect of such contract or proposed contract in which he is interested,
  - (c) shall be entitled to vote at a meeting of directors or of a committee of the directors, or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;
  - (d) may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,
  - (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any

body corporate in which the company is otherwise (directly or indirectly) interested, and

- (f) shall not, save as he may otherwise agree, be accountable to the company for the benefit which he (or a person connected with him) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Companies Act 2006
- (2) For the purpose of this article 14, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting
- (3) Subject to article 14(4), if a question arises at a meeting of directors or 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
- (4) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

#### **14A. Directors' conflicts of interest**

- (1) For the purposes of section 175 of the Companies Act 2006 the directors may, in accordance with the requirements set out in this article 14A authorise any matter proposed to them by any director which would, if not authorised constitute or give rise to a situation in which a director has or can have, a direct or indirect interest which conflicts, or possibly may conflict with the interest of the company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the company could take advantage of it) (a "**conflict**")
- (2) Any authorisation under this article 14A (a "**conflict authorisation**") will be effective only if:
  - (a) the director has disclosed to the other directors the nature and extent of his interest in any conflict, such disclosure to be made as soon as reasonably practicable,
  - (b) the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these articles or in such other manner as the directors may determine,
  - (c) 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



- (d) the matter was agreed to without his voting or would have been agreed to if his vote had not been counted
- (3) Any conflict authorisation may (whether at the time of giving the authority or subsequently):
  - (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised,
  - (b) be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine, and
  - (c) be terminated or varied by the directors at any time.

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

- (4) In giving a conflict authorisation, the directors may decide (whether at the time of giving the authority or subsequently) that if a director has obtained any information through his involvement in the conflict otherwise than as a director of the company and in respect of which he owes a duty of confidentiality to another person the director is under no obligation to
  - (a) disclose such information to the directors or to any director or other officer or employee of the company; and
  - (b) use or apply any such information in performing his duties as a director of the company,

where to do so would amount to a breach of that confidence

- (5) In giving a conflict authorisation the directors may provide (whether at the time of giving the authority or subsequently) without limitation to article 14A(3)(b) that the director:
  - (a) is excluded from discussions and / or the making of decisions (whether at meetings of directors or otherwise) related to the conflict;
  - (b) is not given any documents or other information relating to the conflict; and
  - (c) may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the conflict
- (6) Where the directors give a conflict authorisation:
  - (a) the terms of the conflict authorisation shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded),
  - (b) the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the conflict authorisation; and
  - (c) the director will not infringe any duty he owes to the company by virtue of sections 171 to 177 of the Companies Act 2006 provided

he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of the conflict authorisation

- (7) A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

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

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

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

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

#### *Appointment of directors*

#### **17. Methods of appointing directors**

- (1) 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
- (2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.
- (3) For the purposes of paragraph (2), where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder

#### **17A. Directors - Appointment and removal**

- (1) The members holding a simple majority of the ordinary shares shall be entitled to appoint and remove a director
- (2) If any shareholder director shall die or be removed from or vacate office for any cause, the members holding a simple majority of ordinary shares shall be entitled to appoint in his place another person to be a shareholder director.
- (3) Any appointment or removal of a shareholder director pursuant to this article shall be in writing and signed by the members appointing him and served on the company at its registered office. Any such appointment or removal shall take effect when received by the company or at such later time as shall be specified in the notice

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

A person ceases to be a director as soon as:

- (a) that person ceases to be a director by virtue of any provision of the 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 three months; or
- (e) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

## **19. 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

## **20. 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, or
- (b) general meetings; or
- (c) separate meetings of the holders of any class of shares or of debentures of the company, or
- (d) otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

*Alternate directors*

**20A. 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 ("**alternate**" or "**alternate director**").
- (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.

**20B. 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 present (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

## **20C. Termination of alternate directorship**

An alternate director's appointment as an alternate terminates:

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

*Secretary*

## **20D. Appointment of company secretary**

A secretary may be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

# **PART 3**

## **SHARES AND DISTRIBUTIONS**

*Shares*

## **21A. Share class rights**

### **Ordinary shares**

- (1) Notwithstanding anything else in these articles
  - (a) The ordinary shares confer on the holders thereof the right to attend and vote and speak at any general meeting of the company and to receive notice thereof.
  - (b) The ordinary shares confer on the holders thereof the right to receive the whole of such dividends and other distributions as are resolved to be distributed out of the profits of the company available for distribution to the holders of the ordinary shares, in proportion to the amount paid up thereon (excluding any premium paid on subscription) For the avoidance of doubt:
    - (i) each of the ordinary shares shall rank equally in respect of dividends and other distributions resolved to be distributed to the holders of the ordinary shares; and
    - (ii) the holders of the ordinary shares shall NOT have a right to participate in any dividend or other distribution of the company other than those expressly resolved to be distributed to the holders of the ordinary shares
  - (c) The ordinary shares confer on the holders thereof, in the event of a winding-up or other return of capital, the right to participate in the assets of the company available for distribution amongst the

members in proportion to the amount paid up thereon (excluding any premium paid on subscription)

- (d) The ordinary shares are not redeemable

**'A' ordinary shares**

- (2) Notwithstanding anything else in these articles

- (a) The 'A' ordinary shares DO NOT confer on the holders thereof the right to attend or vote or speak at any general meeting of the company or to receive notice thereof except that if the business of the general meeting includes the consideration of a resolution varying any of the rights attached to the 'A' ordinary shares, the holders of the 'A' ordinary shares shall be entitled to receive notice of and to attend and vote at a separate general meeting of the holders of the 'A' ordinary shares called to consider whether to consent to such variation
- (b) The 'A' ordinary shares confer on the holders thereof the right to receive the whole of such dividends and other distributions as are resolved to be distributed out of the profits of the company available for distribution to the holders of the 'A' ordinary shares, in proportion to the amount paid up thereon (excluding any premium paid on subscription). For the avoidance of doubt
- (i) each of the 'A' ordinary shares shall rank equally in respect of dividends and other distributions resolved to be distributed to the holders of the 'A' ordinary shares, and
- (ii) the holders of the 'A' ordinary shares shall NOT have a right to participate in any dividend or other distribution of the company other than those expressly resolved to be distributed to the holders of the 'A' ordinary shares
- (c) The 'A' ordinary shares DO NOT confer on the holders thereof, in the event of a winding-up or other return of capital, the right to participate in the assets of the company available for distribution amongst the members.
- (d) Save for 'A' ordinary shares held by the founder, all the 'A' ordinary shares held by an employee of the company shall be converted into deferred shares automatically on the cessation of the employee's employment with the company
- (e) All the 'A' ordinary shares held by a shareholder shall be converted into deferred shares automatically on the shareholder
- i) in the case of a body corporate, proposing or passing a resolution for its winding up, being subject to an order or notice issued by a court or other authority of competent jurisdiction for its winding up or striking off, having an administrator appointed in respect of it, proposing, making or being subject to an arrangement or composition with its creditors generally, applying to a court of competent jurisdiction for protection from its creditors generally or for a scheme of arrangement under Part 26 of the Companies Act 2006 (save in the latter case for the purpose of a voluntary

reconstruction or amalgamation) or having a receiver or a provisional liquidator appointed over any of its assets, undertaking or income;

- ii) in the case of a real person, proposing, making or becoming the subject of an arrangement or composition with his creditors generally or having a bankruptcy order made against him;
- iii) dying;
- iv) becoming a patient for the purposes of any statute relating to mental health,
- v) in the case of a body corporate, being subject to a change of control;
- vi) who is a director, failing to attend three consecutive duly convened meetings of the board of directors (without good reason); or
- vii) committing a material or persistent breach of any shareholders agreement to which he is a party in relation to the shares in the company which if capable of remedy has not been so remedied within 14 working days of the others requiring such remedy.

(f) The 'A' ordinary shares are not redeemable

#### **'B' ordinary shares**

(3) Notwithstanding anything else in these articles

- (a) The 'B' ordinary shares DO NOT confer on the holders thereof the right to attend or vote or speak at any general meeting of the company or to receive notice thereof except that if the business of the general meeting includes the consideration of a resolution varying any of the rights attached to the 'B' ordinary shares, the holders of the 'B' ordinary shares shall be entitled to receive notice of and to attend and vote at a separate general meeting of the holders of the 'B' ordinary shares called to consider whether to consent to such variation.
- (b) The 'B' ordinary shares confer on the holders thereof the right to receive the whole of such dividends and other distributions as are resolved to be distributed out of the profits of the company available for distribution to the holders of the 'B' ordinary shares, in proportion to the amount paid up thereon (excluding any premium paid on subscription). For the avoidance of doubt
  - (i) each of the 'B' ordinary shares shall rank equally in respect of dividends and other distributions resolved to be distributed to the holders of the 'B' ordinary shares, and
  - (ii) the holders of the 'B' ordinary shares shall NOT have a right to participate in any dividend or other distribution of the company other than those expressly resolved to be distributed to the holders of the 'B' ordinary shares.

- (c) The 'B' ordinary shares DO NOT confer on the holders thereof, in the event of a winding-up or other return of capital, the right to participate in the assets of the company available for distribution amongst the members
- (d) All the 'B' ordinary shares held by an employee shall be converted into deferred shares automatically on the cessation of the employee's employment with the company in circumstances where he is a bad leaver. Where the employee is not a bad leaver, the employee may continue to hold the 'B' ordinary shares after he ceases to be an employee and they may be transferred with the consent of the board of directors
- (e) All the 'B' ordinary shares held by a shareholder shall be converted into deferred shares automatically on the shareholder.
  - i) in the case of a body corporate, proposing or passing a resolution for its winding up, being subject to an order or notice issued by a court or other authority of competent jurisdiction for its winding up or striking off, having an administrator appointed in respect of it, proposing, making or being subject to an arrangement or composition with its creditors generally, applying to a court of competent jurisdiction for protection from its creditors generally or for a scheme of arrangement under Part 26 of the Companies Act 2006 (save in the latter case for the purpose of a voluntary reconstruction or amalgamation) or having a receiver or a provisional liquidator appointed over any of its assets, undertaking or income,
  - ii) in the case of a real person, proposing, making or becoming the subject of an arrangement or composition with his creditors generally or having a bankruptcy order made against him;
  - iii) dying;
  - iv) becoming a patient for the purposes of any statute relating to mental health,
  - v) in the case of a body corporate, being subject to a change of control,
  - vi) who is a director, failing to attend three consecutive duly convened meetings of the board of directors (without good reason); or
  - vii) committing a material or persistent breach of any shareholders agreement to which he is a party in relation to the shares in the company which if capable of remedy has not been so remedied within 14 working days of the others requiring such remedy
- (f) The 'B' ordinary shares are not redeemable



**'C' ordinary shares**

(4) Notwithstanding anything else in these articles:

- (a) The 'C' ordinary shares DO NOT confer on the holders thereof the right to attend or vote or speak at any general meeting of the company or to receive notice thereof except that if the business of the general meeting includes the consideration of a resolution varying any of the rights attached to the 'C' ordinary shares, the holders of the 'C' ordinary shares shall be entitled to receive notice of and to attend and vote at a separate general meeting of the holders of the 'C' ordinary shares called to consider whether to consent to such variation
- (b) The 'C' ordinary shares confer on the holders thereof the right to receive the whole of such dividends and other distributions as are resolved to be distributed out of the profits of the company available for distribution to the holders of the 'C' ordinary shares, in proportion to the amount paid up thereon (excluding any premium paid on subscription) For the avoidance of doubt:
  - (i) each of the 'C' ordinary shares shall rank equally in respect of dividends and other distributions resolved to be distributed to the holders of the 'C' ordinary shares; and
  - (ii) the holders of the 'C' ordinary shares shall NOT have a right to participate in any dividend or other distribution of the company other than those expressly resolved to be distributed to the holders of the 'C' ordinary shares.
- (c) The 'C' ordinary shares DO NOT confer on the holders thereof, in the event of a winding-up or other return of capital, the right to participate in the assets of the company available for distribution amongst the members
- (d) All the 'C' ordinary shares held by an employee of the company shall be converted into deferred shares automatically on the cessation of the employee's employment with the company
- (e) All the 'C' ordinary shares held by a shareholder shall be converted into deferred shares automatically on the shareholder:
  - i) in the case of a body corporate, proposing or passing a resolution for its winding up, being subject to an order or notice issued by a court or other authority of competent jurisdiction for its winding up or striking off, having an administrator appointed in respect of it, proposing, making or being subject to an arrangement or composition with its creditors generally, applying to a court of competent jurisdiction for protection from its creditors generally or for a scheme of arrangement under Part 26 of the Companies Act 2006 (save in the latter case for the purpose of a voluntary reconstruction or amalgamation) or having a receiver or a provisional liquidator appointed over any of its assets, undertaking or income,
  - ii) in the case of a real person, proposing, making or becoming the subject of an arrangement or composition with his

creditors generally or having a bankruptcy order made against him;

- iii) dying;
- iv) becoming a patient for the purposes of any statute relating to mental health,
- v) in the case of a body corporate, being subject to a change of control,
- vi) who is a director, failing to attend three consecutive duly convened meetings of the board of directors (without good reason); or
- vii) committing a material or persistent breach of any shareholders agreement to which he is a party in relation to the shares in the company which if capable of remedy has not been so remedied within 14 working days of the others requiring such remedy.

(f) The 'C' ordinary shares are not redeemable

#### **'D' ordinary shares**

(5) Notwithstanding anything else in these articles

- (a) The 'D' ordinary shares DO NOT confer on the holders thereof the right to attend or vote or speak at any general meeting of the company or to receive notice thereof except that if the business of the general meeting includes the consideration of a resolution varying any of the rights attached to the 'D' ordinary shares, the holders of the 'D' ordinary shares shall be entitled to receive notice of and to attend and vote at a separate general meeting of the holders of the 'D' ordinary shares called to consider whether to consent to such variation
- (b) The 'D' ordinary shares confer on the holders thereof the right to receive the whole of such dividends and other distributions as are resolved to be distributed out of the profits of the company available for distribution to the holders of the 'D' ordinary shares, in proportion to the amount paid up thereon (excluding any premium paid on subscription). For the avoidance of doubt
  - (i) each of the 'D' ordinary shares shall rank equally in respect of dividends and other distributions resolved to be distributed to the holders of the 'D' ordinary shares; and
  - (ii) the holders of the 'D' ordinary shares shall NOT have a right to participate in any dividend or other distribution of the company other than those expressly resolved to be distributed to the holders of the 'D' ordinary shares.
- (c) The 'D' ordinary shares DO NOT confer on the holders thereof, in the event of a winding-up or other return of capital, the right to participate in the assets of the company available for distribution amongst the members

- (d) All the 'D' ordinary shares held by an employee of the company shall be converted into deferred shares automatically on the cessation of the employee's employment with the company.
- (e) All the 'D' ordinary shares held by a shareholder shall be converted into deferred shares automatically on the shareholder.
  - i) in the case of a body corporate, proposing or passing a resolution for its winding up, being subject to an order or notice issued by a court or other authority of competent jurisdiction for its winding up or striking off, having an administrator appointed in respect of it, proposing, making or being subject to an arrangement or composition with its creditors generally, applying to a court of competent jurisdiction for protection from its creditors generally or for a scheme of arrangement under Part 26 of the Companies Act 2006 (save in the latter case for the purpose of a voluntary reconstruction or amalgamation) or having a receiver or a provisional liquidator appointed over any of its assets, undertaking or income;
  - ii) in the case of a real person, proposing, making or becoming the subject of an arrangement or composition with his creditors generally or having a bankruptcy order made against him;
  - iii) dying;
  - iv) becoming a patient for the purposes of any statute relating to mental health,
  - v) in the case of a body corporate, being subject to a change of control,
  - vi) who is a director, failing to attend three consecutive duly convened meetings of the board of directors (without good reason); or
  - vii) committing a material or persistent breach of any shareholders agreement to which he is a party in relation to the shares in the company which if capable of remedy has not been so remedied within 14 working days of the others requiring such remedy.

#### **Deferred Shares**

- (6) Notwithstanding anything else in these articles, deferred shares shall have no rights, powers or benefits attached to them whatsoever and, without limitation
  - (a) The deferred shares DO NOT confer on the holders thereof the right to attend or vote or speak at any general meeting of the company or to receive notice thereof.
  - (b) The deferred shares DO NOT confer on the holders thereof the right to participate in any dividend or other distribution of the company.
  - (c) The deferred shares DO NOT confer on the holders thereof, in the

event of a winding-up or other return of capital, the right to participate in the assets of the company available for distribution amongst the members.

- (d) The deferred shares are not redeemable
- (e) No share certificates will be issued for the deferred shares.
- (f) The company may reduce the share capital paid up or treated as paid up on the deferred shares in any way (in accordance with the Companies Act 2006). Any such reduction will be in accordance with the rights attaching to the deferred shares and will not involve a variation of those rights. The company may reduce its capital (in accordance with the Companies Act 2006) at any time without the consent of the holders of the deferred shares
- (g) The passing by the company of any special resolution for the cancellation of the deferred shares for no consideration by means of a reduction of share capital shall not constitute a modification or abrogation of the rights or privileges attaching to the deferred shares and accordingly the deferred shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with the Companies Act 2006 without any such sanction on the part of the holders of the deferred shares.

#### **Rights on share sale or asset sale**

- (7) The proceeds of a share sale shall be distributed in the following order of priority
  - (a) first, in paying to the holders of the 'A' ordinary shares, 'C' ordinary shares and 'D' ordinary shares the nominal value of such shares, and
  - (b) second, in paying the balance to the holders of the ordinary shares and 'B' ordinary shares *pari passu* as if the same constituted one class of share
- (8) The directors shall not register any transfer of shares if the proceeds of sale are not distributed in that manner (save in respect of any shares not sold in connection with that share sale), provided that, if the proceeds of sale are not settled in their entirety on completion of the share sale the directors may register the transfer of the relevant shares, provided that the proceeds have been distributed in the order of priority set out in article 21A(7).
- (9) On an asset sale, the surplus assets of the company remaining after payment of its liabilities shall be distributed (to the extent that the company is lawfully able to do so) in the order of priority set out in article 21A(7). If it is not lawful for the company to distribute its surplus assets in accordance with the provisions of these articles, the members shall take such action as the holders of the ordinary shares shall think fit, by majority vote with each shareholder having one vote per share held.

#### **21B. Modification of class rights**

Subject to the Companies Act 2006, all or any of the rights for the time being attached to any class of shares for the time being issued may from time to time

(whether or not the company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions of the regulations of the company as to general meetings of the company shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy or by representative not less than one-third of the issued shares of the class or, where there is only one holder of shares of the class, the quorum shall be such holder or his proxy or representative. If such separate meeting shall be adjourned owing to the absence of a quorum and if at the adjourned meeting a quorum shall not be present within half-an-hour from the time appointed for such adjourned meeting the holder or holders of shares of the class concerned who are present in person or by proxy or by representative shall constitute a quorum. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him and any holder of shares of the class present in person or by proxy or by representative may demand a poll.

#### **21C. Authority to Allot Shares**

The directors do not have authority to allot any shares in the capital of the company without the authority being granted by ordinary resolution of the ordinary shareholders and said authority shall specify the number and class of shares to be allotted, the price to be paid and details of the allottees and their proposed allotment and a time limit for the authority to be exercised.

#### **22. 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.

#### **23. 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.

#### **23A. Issue of shares and pre-emption rights**

- (1) Shares may be issued as nil, partly or fully paid.
- (2) Unless the members of the company by special resolution direct otherwise, all ordinary shares or any interest therein which the directors propose to issue or grant must first be offered to the holders of ordinary shares in accordance with the following provisions of this article.
- (3) Ordinary shares must be offered to members who are holders of the ordinary shares at the time of the offer in proportion as nearly as may be to the number of existing shares of that class held by them respectively.

- (4) The offer shall be made by notice specifying the.
  - (a) terms of the offer (including the price per share),
  - (b) the class of shares offered,
  - (c) number of shares offered to all offerees in aggregate;
  - (d) number of shares offered to the offeree to whom the offer is made, and
  - (e) period, being not less than 14 days within which the offer, if not accepted, will be deemed to have been declined.
- (5) An offeree shall be entitled to accept the offer by notice to the company for all or any of the shares offered to him. After the expiry of the offer period or, if earlier, on receipt of notices from all the offerees as to whether or not they accept the offer, the shares for which acceptances are not received shall be offered to the offerees who have accepted the previous offer in full, in proportion to their existing holdings of Ordinary shares and shall be on the same terms and be open for the same period as the original offer. Further offers shall then be made on the same terms and in the same manner until such time as the shares are not capable of being offered as aforesaid other than by way of fractions
- (6) On the expiry of the first offer, or if any further offers are made, the last offer, to members who are holders of ordinary shares, the accepting offerees shall pay the subscription price to the company and the directors shall allot the shares accordingly
- (7) Shares which are offered in accordance with this article but for which acceptances are not received by members who are holders of ordinary Shares, shall not be offered to members who are at the time of the offer holders of classes of shares other than ordinary shares or third parties
- (8) In accordance with section 567 of the Companies Act 2006, sections 561 and 562 of the Companies Act 2006 shall not apply.

*Share certificates*

**24. Share certificates**

- (1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds
- (2) Every certificate must specify:
  - (a) in respect of how many shares, of what class, it is issued,
  - (b) the nominal value of those shares,
  - (c) the amount paid-up on those shares; and
  - (d) any distinguishing numbers assigned to them
- (3) No certificate may be issued in respect of shares of more than one class
- (4) If more than one person holds a share, only one certificate may be issued in respect of it

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

**24A. 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.

**25. Replacement share certificates**

- (1) If a certificate issued in respect of a shareholder's shares is:
  - (a) damaged or defaced; or
  - (b) said to be lost, stolen or destroyed,that shareholder is entitled to be issued with a replacement certificate in respect of the same shares

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

*Lien*

**25A. Company's lien over partly paid shares**

- (1) The company has a first and paramount lien (the "**company's lien**") over every share (whether or not such share is fully or partly paid) standing registered in the name of any person indebted or under any liability to the company, whether he is the sole holder thereof or is one of two or more joint holders, for all monies payable by him and his estate to the company (whether or not such moneys are presently due and payable).
- (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.

**25B. Enforcement of the company's lien**

- (1) Subject to the provisions of this article, if:
  - (a) a notice of the company's intention to enforce a lien (a "**lien enforcement notice**") has been sent in respect of a share, and
  - (b) the person to whom the notice was sent 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 sent 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; and
  - (b) second, in payment 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.

*Calls on shares and forfeiture*

**25C. 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

**25D. 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

**25E. 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 allotted, 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

## **25F. 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 (a **"forfeiture notice"**) 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 date on which 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 annum
- (3) The relevant rate must not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.
- (4) The directors may waive any obligation to pay interest on a call wholly or in part

## **25G. Notice of intended forfeiture**

A forfeiture notice

- (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 forfeiture notice,
- (d) must state how the payment is to be made, and
- (e) must state that if the forfeiture notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited

## **25H. Directors' power to forfeit shares**

If a forfeiture notice is not complied with before the date by which payment of the call is required in the forfeiture notice, 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

## **25I. 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 in whose name the share was registered 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 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

## **25J. 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

#### **25K. Surrender of shares**

- (1) A member may surrender any share
  - (a) in respect of which the directors may issue a forfeiture notice,
  - (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.

#### *Share transfers*

#### **26. Share transfers: general**

- (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 nil or 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 share until the transferee's name is entered in the register of members as holder of it
- (5) No member may transfer any 'A' ordinary shares, 'B' ordinary shares, 'C' ordinary shares or 'D' ordinary shares otherwise than:
  - (a) on a share sale or asset sale;
  - (b) pursuant to articles 26A(19) and 26A(20) (drag along), or
  - (c) in the case of 'B' ordinary shares only, in accordance with article 21A(3)(d)
- (6) The deferred shares are not transferrable

#### **26A. Ordinary Share transfers subject to pre-emption rights**

- (1) Any member ("**proposing transferor**") proposing to transfer any ordinary shares or beneficial interest in ordinary shares shall give notice in writing ("**transfer notice**") to the company that he desires to transfer the same and specifying the price per share at which he is willing to sell them. Such transfer notice shall constitute the company the agent of the proposing transferor in accordance with article 26A(9) in the event that the company declines an offer or is deemed to have declined an offer to purchase the shares which are the subject of a transfer notice
- (2) A transfer notice shall not be revocable except with the sanction of all of the directors or as provided in article 26A(11)(f)
- (3) The giving of a transfer notice shall constitute an offer of the shares comprised in that transfer notice ("**sale shares**") to the company. The company shall have 14 working days from receipt of a transfer notice to accept this offer by giving written notice to the proposing transferor. If the company fails to accept an offer made by transfer notice within this time period it shall be deemed to have declined such offer
- (4) The company has the right to request a certificate of value under article 26A(11). Unless a transfer notice is withdrawn in accordance with article 26A(11)(f), the company may purchase the sale shares at the lower of the price specified in the transfer notice and (if applicable) their value certified in accordance with article 26A(11) ("**transfer price**").
- (5) If the company requests a certificate of value, the offer noted in article 26A(3) will remain open for acceptance until the expiry of a period of 15 working days commencing on the date that the notice of the certified value is given to the company pursuant to article 26A(11).
- (6) If the company accepts the offer noted in article 26A(3) the proposing transferor shall be bound upon payment of the price due in respect of all the sale shares to the company. The company may not accept an offer comprised in the transfer notice in part only.
- (7) If the company accepts the offer noted in article 26A(3) it shall pay the price due in respect of all of the sale shares on a date falling no later than 40 working days after the acceptance of such offer

- (8) Any acceptance by the company of the offer noted in article 26A(3) is given on the basis that the company has, or will have on the date of transfer of the shares, satisfied the requirements of the Companies Act 2006 and any other applicable legislation in relation to the purchase of all the sale shares. If the company cannot purchase all the sale shares as a result of being unable to satisfy the requirements of the Companies Act 2006 or other applicable legislation in relation to such purchase then the company shall be deemed to have declined the offer on the date that such inability became apparent to the directors.
- (9) If the company declines or is deemed to have declined the offer noted in article 26A(3), the transfer notice shall constitute the company the agent of the proposing transferor for the sale of all (but not some only) of the sale shares together with all rights then attached thereto to any member or members holding ordinary shares and willing to buy the same ("**purchasing members**" (and "**purchasing member**" shall be interpreted accordingly)) at the transfer price.
- (10) Within five working days of the company declining an offer or being deemed to have declined an offer to purchase the sale shares, the sale shares shall be offered to the members (other than the proposing transferor) as nearly as may be in proportion to the number of ordinary shares held by them respectively. Such offer shall be made by notice in writing ("**offer notice**") which shall state
  - (a) the identity of the proposing transferor, the number of sale shares and the price per share specified in the transfer notice and inform the members that shares are offered to them in accordance with the provisions of this article 26A(10);
  - (b) that the sale shares are offered in the first instance in the proportion referred to in the opening sentence of this article 26A(10) but go on to invite each member to state in his reply whether he wishes to buy more or less shares than his proportionate entitlement and if so what number;
  - (c) that each member has the right to request a certificate of value under article 26A(11), the form of such certificate to be as near as circumstances permit to that of the first sentence of that article,
  - (d) that each of the sale shares is being offered to members at the transfer price;
  - (e) the period in which the offer may be accepted (not being less than 20 working days or more than 40 working days after the date of the offer notice), and
  - (f) that, if such a certificate of value is requested, the offer will remain open for acceptance until the expiry of a period of 15 working days commencing on the date of the notice of the certified value given to members pursuant to article 26A(11) or until the expiry of the period referred to in article 26A(10)(e) whichever is the later.

For the purpose of this article an offer shall be deemed to be accepted on the day on which the acceptance is received by the company and may, if so specified in the acceptance, be accepted by a member in respect of a lesser number of shares than his full proportionate entitlement. If all the holders of ordinary shares do not accept the offer in respect of their

respective proportions in full the sale shares not so accepted shall be used to satisfy any claims for additional shares (notified in response to the invitation referred to in article 26A(10)(b)) as nearly as may be in proportion to the number of shares already held by the members claiming additional sale shares, provided that no member shall be obliged to take more shares than he shall have applied for. If any shares shall not be capable of being offered to the members in proportion to their existing holdings, except by way of fractions then (a) if any member so requires, the members shall procure that the shares are sub-divided (so that there are ten shares after such division for every one share before such sub-division), and (b) if the shares still cannot be offered to the members in proportion to their existing holdings, or if no member requires such sub-division, the same shall be offered to the members, or some of them, in such proportions as may be determined by lots drawn in regard thereto, and the lots shall be drawn in such manner as the directors may think fit.

- (11) In the case of an offer to members, any member (other than the proposing transferor) may, not later than ten working days after the date of the offer notice, serve on the company a notice in writing, and in the case of an offer to the company, the company may not later than ten working days after the receipt of a transfer notice deem such a notice to have been served ("**value notice**") requesting that a firm of accountants to be approved by the proposing transferor, the relevant members (if the relevant offer is made to members) and the directors certify in writing the sum which in their opinion represents the fair value ("**value**") of each of the sale shares as at the date of the transfer notice and the following provisions shall apply:
- (a) if the proposing transferor, the relevant members (if the relevant offer is made to members) and the directors fail to agree on a firm of accountants to certify the value, within ten working days of the value notice, or if the accountants decline such appointment at their discretion, a person nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales on the application of the directors or any member shall be instructed to give such certificate. Any following reference in these articles to the accountants shall include any person so agreed or nominated;
  - (b) forthwith upon receipt of the value notice, or deemed service of such a notice, the company shall instruct the accountants to certify the value, and the costs of producing such certificate shall be apportioned among the proposing transferor and the purchasing members and borne by any one or more of them as the accountants in their absolute discretion shall decide;
  - (c) in determining the value, the following bases and assumptions will apply
    - (i) the transfer is an arm's length sale between a willing buyer and a willing seller;
    - (ii) if the company is then carrying on business as a going concern, it will continue to do so;
    - (iii) the value of the sale shares shall be that proportion of the fair market value of the entire issued ordinary share capital of the company that the sale shares bear to the total number of issued ordinary shares, and



- (iv) any other factors that the accountants reasonably believe should be taken into account shall be so taken into account,
  - (d) in certifying the value the accountants shall be entitled to obtain professional valuations in respect of any of the company's assets and shall be considered to be acting as experts and not as arbitrators or arbiters and accordingly any provisions of law or statute relating to arbitration shall not apply;
  - (e) in the case of a value notice requested by a member, forthwith upon receipt of the certificate of the accountants, the company shall by notice in writing inform all members of the certified value and of the price per share (being the lower of the price specified in the transfer notice and the certified value divided by the number of sale shares) at which the sale shares are offered for sale; and
  - (f) if the value is less than the aggregate price for the sale shares specified in the transfer notice then, notwithstanding any provisions to the contrary contained in this article 26A, the proposing transferor shall be entitled (save in the case where a transfer notice shall have been deemed or required to have been served pursuant to these articles) to give a counter-notice in writing to the directors within ten working days of the issue of such certificate electing to withdraw the transfer notice.
- (12) In the case of an offer to members holding ordinary Shares, if purchasing members shall be found for all the shares comprised in the transfer notice within the appropriate period specified pursuant to article 26A(10), the company shall not later than ten working days after the expiry of such period give notice in writing ("**sale notice**") to the proposing transferor specifying the purchasing members and the proposing transferor shall be bound upon payment of the price due in respect of all the sale shares to transfer the sale shares to the purchasing members.
- (13) If in any case the proposing transferor, after having become bound as aforesaid makes default in transferring any sale shares, the company shall receive (or in the case of a transfer of shares to the company, hold) the purchase money on his behalf and the members shall procure that the company authorises some person to execute a transfer of such sale shares on behalf of and as attorney for the proposing transferor in favour of the purchasing members or the company (as the case may be). The company shall hold the purchase monies on trust for the proposing transferor.
- (14) In the case of a transfer of sale shares to members, the receipt of the company for the purchase money shall be a good discharge to the purchasing member or purchasing members as the case may be

#### **Sale to a third party**

- (15) If the company is not obliged to give a sale notice to the proposing transferor within the time specified for that purpose in article 26A(12) in respect of sales to purchasing members, the proposing transferor shall, during the period of three months next following the expiry of the time so specified, be at liberty to transfer all but not some only of the shares comprised in the transfer notice to any person or persons provided that the price per share obtained upon such share transfer shall in no circumstances be less than the transfer price and the proposing transferor shall upon request furnish such information to the other members as they

shall require in relation to the price per share obtained as aforesaid. The other members may require to be satisfied that such shares are being transferred in pursuance of a *bona fide* sale for the consideration stated in the transfer without deduction, rebate or allowance whatsoever to the buyer, and if not so satisfied, may procure that the directors refuse to register the instrument of transfer.

#### **Unauthorised transfers null and void**

- (16) Except for a permitted transfer (as defined in article 26A(18)), any transfer or purported transfer of a share (or any interest therein) made otherwise than in accordance with the provisions of this article 26A is void, and for the avoidance of doubt the directors shall decline to register any such transfer

#### **Permitted transfers**

- (17) The provisions of article 26A(1) to article 26A(15) (inclusive) will not apply to a permitted transfer (as defined in article 26A(18))
- (18) A "**permitted transfer**" means:
- (a) any transfer of any ordinary shares to which all the members holding ordinary shares give their consent in writing; or
  - (b) any transfer pursuant to article 26A(19) and article 26A(20).

#### **Drag along**

- (19) If any shareholder or shareholders holding in aggregate more than 50% of the ordinary shares (the "**sellers**") wish to transfer their shares to any independent third party (the "**buyer**") pursuant to a bona fide arm's length transaction, then the sellers shall also have the option to require all of the other holders of shares to transfer their shares to the buyer, or as the buyer directs, by giving notice (the "**drag along notice**") to that effect to all such other holders or persons (the "**called members**") specifying that the called members are or will be required to transfer their shares pursuant to articles 26A(19) and 26A(20) free from all liens, charges and encumbrances at the price per share determined in accordance with article 21A(7).
- (20) If the called members (or any of them) default in transferring their shares pursuant to article 26A(19), the provisions of article 26A(13) shall apply to the transfer of such shares mutatis mutandis
- (21) Following the service of a drag along notice and for as long as such notice remains in effect, shares held by called members may not be transferred otherwise than under article 26A(19).

#### **26B. Mandatory transfers**

- (1) A mandatory transfer event ("**mandatory transfer event**") shall occur in relation to a member holding ordinary shares other than the founder if:
- (a) in the case of a body corporate, such member proposing or passing a resolution for its winding up, being subject to an order or notice issued by a court or other authority of competent jurisdiction for its winding up or striking off, having an administrator appointed in

respect of it, proposing, making or being subject to an arrangement or composition with its creditors generally, applying to a court of competent jurisdiction for protection from its creditors generally or for a scheme of arrangement under Part 26 of the Companies Act 2006 (save in the latter case for the purpose of a voluntary reconstruction or amalgamation) or having a receiver or a provisional liquidator appointed over any of its assets, undertaking or income,

- (b) he proposes, makes or is subject to an arrangement or composition with his creditors generally or has a bankruptcy order made against him;
  - (c) he ceases to be an employee the company for any reason whatsoever,
  - (d) he dies,
  - (e) he is or becomes a patient for the purposes of any statute relating to mental health,
  - (f) he fails to attend four consecutive duly convened general meetings (without good reason),
  - (g) in the case of a body corporate, is subject to a change of control,
  - (h) if the member is a director, he fails to attend three consecutive duly convened meetings of the board of directors (without good reason), or
  - (i) he commits a material or persistent breach of any shareholders agreement to which he is a party in relation to the shares in the company which if capable of remedy has not been so remedied within 14 working days of the others requiring such remedy.
- (2) If a member (in this article 26B called a "**mandatory transferor**" (which expression shall be deemed to include the personal representatives of a deceased member)) is subject to a mandatory transfer event, any other member may at any time within 30 working days of becoming aware of the mandatory transfer event serve notice in writing on the mandatory transferor in which event such member shall be deemed immediately prior to the occurrence of the mandatory transfer event to have given a transfer notice pursuant to article 26A(1) in respect of his entire holding of ordinary shares and to have specified in such transfer notice as the price per share:
- (a) where the member is a bad leaver, the lower of
    - (i) the average amount paid by such member per share on acquisition, whether on subscription or transfer, and
    - (ii) the fair value of each share to be certified in accordance with article 26A(11).
  - (b) in all other circumstances, the fair value of each share to be certified in accordance with article 26A(11)

Any transfer notice served by the mandatory transferor in respect of any of his shares before the mandatory transfer event shall lapse

- (3) The provisions of articles 26A(1) to 26A(15) (inclusive) shall apply mutatis mutandis to any ordinary shares to be transferred pursuant to this article 26B, but on the basis that there is no requirement that all but not some only of the shares which are the subject of the deemed transfer notice must be sold to the other members
- (4) In these articles, the expression "**bad leaver**" shall mean any member who ceases to be a director or employee of the company or a subsidiary other than as a result of
  - (a) death;
  - (b) permanent disability or permanent incapacity through ill health;
  - (c) dismissal by the company which is held by an employment tribunal and / or other court of law from which there is no right of appeal, or where such right exists it has not been exercised within the relevant time limits, to be unfair or wrongful,
  - (d) redundancy, or
  - (e) retirement at normal retirement age,unless the board of directors agree that such member should not be treated as a bad leaver.
- (5) If the mandatory transferor fails to complete the transfer of shares as required under this article 26B, the company
  - (a) is irrevocably authorised to appoint any person as agent to transfer the shares on the transferor's behalf and to do anything else that the transferee(s) may reasonably require to complete the sale, and
  - (b) may receive the purchase price in trust for the transferor, giving a receipt that shall discharge the transferees.

#### **26C. Right to require evidence**

- (1) For the purpose of ensuring that a transfer of shares is duly authorised under article 26A or whether circumstances have arisen whereby any transfer notice is required to be served under article 26B, the members (other than the transferor) may from time to time require any member or past member or the personal representatives, trustee in bankruptcy, receiver, administrative receiver, liquidator, administrator or similar officer of any member or any person named as a transferee in any instrument of transfer lodged for registration, to furnish to them such information and evidence as they may reasonably think fit regarding any matter which they consider relevant to establish whether such transfer is duly authorised or whether any circumstances have arisen whereby a transfer notice is required to be served. Failing such information being furnished to the reasonable satisfaction of the members (other than the transferor) within a reasonable time after it has been requested, or if in the reasonable opinion of the members (other than the transferor) any such information or evidence is false in any material respect, the members may procure that the directors refuse to register the relevant transfer and / or declare by notice in writing to the relevant member, personal representatives, trustees in bankruptcy, receiver, administrative receiver or administrator

or similar officer that a transfer notice shall be deemed to have been given in respect of any relevant shares

- (2) Where a member transfers any shares pursuant to this article 26C or article 26B to another member the selling member shall sell its shares on the transfer terms.

#### *Transmission of shares*

### **27. Transmission of shares**

- (1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share
- (2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require
  - (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person; and
  - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- (3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares
- (4) 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

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

- (1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- (2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it
- (3) All the articles relating to the transfer of shares apply to:
  - (a) any notice in writing given to the company by a transmittee in accordance with article 28(1), and
  - (b) any instrument of transfer executed by a transmittee in accordance with article 28(2),

as if such notice or instrument were an instrument of transfer executed by the person from whom the transmittee derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred

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

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

*Fractions of shares*

**29A. Procedure for disposing of fractions of shares**

- (1) This article applies where
  - (a) there has been a consolidation or sub-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.

*Dividends and other distributions*

**30. Procedure for declaring dividends**

- (1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- (2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- (3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- (4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it
- (5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear

- (6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment
- (7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

### **30A. 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.

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

- (1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means
  - (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,
  - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
  - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide, or
  - (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- (2) In the articles, the "**distribution recipient**" means, in respect of a share in respect of which a dividend or other sum is payable:
  - (a) the holder of the share; or
  - (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or

- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or
- (d) otherwise by operation of law, the transmittee.

### **32. No interest on distributions**

The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the company.

### **33. Unclaimed distributions**

- (1) All dividends or other sums which are
  - (a) payable in respect of shares; and
  - (b) unclaimed after having been declared or become payable,may be invested or otherwise made use of by the directors for the benefit of the company until claimed
- (2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.
- (3) If.
  - (a) 12 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.

### **34. Non-cash distributions**

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



### 35. 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
- (c) 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*

### 36. 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.

## **PART 4**

### **DECISION-MAKING BY SHAREHOLDERS**

#### *Organisation of general meetings*

#### **37. 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

#### **38. 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

#### **39. Chairing general meetings**

- (1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so

- (2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:
  - (a) the directors present, or
  - (b) (if no directors are present), the meeting,must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting
- (3) The person chairing a meeting in accordance with this article is referred to as the "**chairman of the meeting**".

#### **40. Attendance and speaking by directors and non-shareholders**

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

#### **41. 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 seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given).
  - (a) to the same persons to whom notice of the company's general meetings is required to be given; and
  - (b) containing the same information which such notice is required to contain
- (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*

**42. 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

**43. Errors and disputes**

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

**44. Poll votes**

- (1) A poll on a resolution may be demanded
  - (a) in advance of the general meeting where it is to be put to the vote, or
  - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- (2) A poll may be demanded by:
  - (a) the chairman of the meeting;
  - (b) the directors;
  - (c) 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 shareholders 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
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

#### **45. Content of proxy notices**

- (1) Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:
  - (a) states the name and address of the shareholder appointing the proxy,
  - (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed,
  - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine,
  - (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, and
  - (e) proxy notices and any authentication of such notices demanded by the company must be received at an address specified by the company in the proxy notice not less than 48 hours before the time for holding the meeting or adjourned meeting at which the proxy appointed pursuant to the proxy notice proposes to vote; and any proxy notice or authentication of such notice received at such address less than 48 hours before the time for holding the meeting or adjourned meeting shall be invalid.
- (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

#### **46. Delivery of proxy notices**

- (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given

- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf

#### **47. Amendments to resolutions**

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

### **PART 5**

#### **ADMINISTRATIVE ARRANGEMENTS**

#### **48. 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.

**49. Company seals**

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

**50. No right to inspect accounts and other records**

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

**51. 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*

**52. Indemnity**

- (1) Subject to article 52(2) but without prejudice to any other indemnity to which the relevant officer is otherwise entitled
  - (a) each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and / or discharge of his duties, or in relation to them, including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of any duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability from negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs, and
  - (b) the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 52(1)(a) and

otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

- (2) This article 52 does not authorise any indemnity which would be prohibited or rendered void by the provisions of the Companies Act 2006 or by any provision of law
- (3) In this article companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate

### **53. Insurance**

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

### *Communication*

### **54. Communication**

- (1) Subject to the provisions of the Companies Act 2006, a document or information may be sent or supplied by the company to a person by being made available on a website
- (2) A member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be sent to him or an address to which notices may be sent by electronic means is entitled to have notices sent to him at that address, but otherwise no such member is entitled to receive any notices from the company
- (3) If any share is registered in the name of joint holders, the company may send notices and all other documents to the joint holder whose name stands first in the register of members in respect of the joint holding and the company is not required to serve notices or other documents on any of the other joint holders
- (4) If the company sends or supplies notices or other documents by first class post and the company proves that such notices or other documents were properly addressed, prepaid and posted, the intended recipient is deemed to have received such notices or other documents 48 hours after posting
- (5) If the company sends or supplies notices or other documents by electronic means and the company proves that such notices or other documents were properly addressed, the intended recipient is deemed to have received such notices or other documents 24 hours after they were sent or supplied.



- (6) If the company sends or supplies notices or other documents by means of a website, the intended recipient is deemed to have received such notices or other documents when such notices or other documents first appeared on the website or, if later, when the intended recipient first received notice of the fact that such notices or other documents were available on the website
- (7) For the purposes of this article 54, no account shall be taken of any part of a day that is not a working day.