

Company No: 9952084

**THE COMPANIES ACT 2006  
COMPANY LIMITED BY SHARES**

**HEADFORD DIGITAL LIMITED  
("Company")**

**Written Resolution**

*1 June 2018*  
**("Circulation Date")**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolution is passed as a special resolution:

**SPECIAL RESOLUTION**

That new articles of association of the Company in the form attached to this resolution be and are adopted in substitution for and to the exclusion of the existing articles of association.

**AGREEMENT**

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

We, being members of the Company representing not less than the majority of the total voting rights of eligible members of the Company specified in section 283(1) of the Companies Act 2006, hereby irrevocably agree to the resolution.

*Edward Handford*  
.....  
Signed by Edward Handford

Date: *1 June 2018*

*Lloyd Bromhead*  
.....  
Signed by Lloyd Bromhead

Date: *1 June 2018*



**NOTES:**

- 1 If you agree with the resolution, please indicate your agreement by signing and dating this document where indicated above and delivering the signed copy by hand to any director of the Company. If you do not agree to the resolution, you do not need to do anything. You will not be deemed to agree to the resolution if you fail to reply.
- 2 If you agree with the resolution, please ensure that your agreement reaches us on or before the date which is 28 days from and including the Circulation Date set out above (the "End Date"). If your agreement reaches us after the End Date, it will be ineffective. Further, unless by the End Date sufficient agreement has been received for this resolution to pass, it will lapse.

# STEVENS&BOLTON

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**  
of

**HEADFORD DIGITAL LIMITED**

Company number: 9952084

## CONTENTS

	Page
1 DEFINITIONS AND INTERPRETATION	1
PART A	3
2 LIABILITY OF MEMBERS	3
3 METHODS OF APPOINTING DIRECTORS	3
4 TERMINATION OF DIRECTOR'S APPOINTMENT	3
5 QUORUM FOR DIRECTORS' MEETINGS	3
6 QUORUM FOR GENERAL MEETINGS	4
7 ALLOTMENT OF SHARES	4
8 SHARE TRANSFERS – GENERAL PROVISIONS	4
9 VOLUNTARY TRANSFERS OF SHARES	5
10 COMPULSORY TRANSFERS OF SHARES	5
11 DETERMINATION AND PAYMENT OF THE TRANSFER PRICE AND THE DEEMED TRANSFER PRICE	6
12 ALLOCATION OF TRANSFER SHARES OR DEEMED TRANSFER SHARES	7
13 DRAG RIGHTS AND OBLIGATIONS	9
PART B	12
14 DIRECTORS' GENERAL AUTHORITY	12
15 SHAREHOLDERS' RESERVE POWER	12
16 DIRECTORS MAY DELEGATE	12
17 COMMITTEES	12
18 DIRECTORS TO TAKE DECISIONS COLLECTIVELY	12
19 UNANIMOUS DECISIONS	13
20 CALLING A DIRECTORS' MEETING	13
21 PARTICIPATION IN DIRECTORS' MEETINGS	13
22 CHAIRING OF DIRECTORS' MEETINGS	13
23 CASTING VOTE	14
24 AUTHORISATION OF CONFLICTS	14
25 INTERESTS IN PROPOSED OR EXISTING TRANSACTIONS OR ARRANGEMENTS	15
26 RECORDS OF DECISIONS TO BE KEPT	15
27 DIRECTORS' DISCRETION TO MAKE FURTHER RULES	16
28 DIRECTORS' REMUNERATION	16
29 DIRECTORS' EXPENSES	16
30 ALTERNATE DIRECTORS	16
31 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS	16
32 TERMINATION OF ALTERNATE DIRECTORSHIP	17
33 SECRETARY	17
34 POWERS TO REDESIGNATE AND ISSUE DIFFERENT CLASSES OF SHARES	17
35 POWER TO PURCHASE OWN SHARES	18
36 COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS	18
37 SHARE CERTIFICATES	18
38 REPLACEMENT SHARE CERTIFICATES	18
39 TRANSMISSION OF SHARES	19
40 EXERCISE OF TRANSMITTEES' RIGHTS	19
41 TRANSMITTEES BOUND BY PRIOR NOTICES	19

42	PROCEDURE FOR DECLARING DIVIDENDS	19
43	PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS	20
44	NO INTEREST ON DISTRIBUTIONS	20
45	UNCLAIMED DISTRIBUTIONS	20
46	NON-CASH DISTRIBUTIONS	21
47	WAIVER OF DISTRIBUTIONS	21
48	AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS	21
49	ATTENDANCE AND SPEAKING AT GENERAL MEETINGS	22
50	CHAIRING GENERAL MEETINGS	22
51	ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS	23
52	ADJOURNMENT	23
53	VOTING - GENERAL	23
54	ERRORS AND DISPUTES	24
55	POLL VOTES	24
56	CONTENT OF PROXY NOTICES	24
57	DELIVERY OF PROXY NOTICES	25
58	AMENDMENTS TO RESOLUTIONS	25
59	MEANS OF COMMUNICATION TO BE USED	25
60	COMPANY SEALS	26
61	NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS	26
62	PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS	26
63	INDEMNITY AND INSURANCE	26

## 1 DEFINITIONS AND INTERPRETATION

1.1 In these articles, unless expressly stated to the contrary:

**Associate** means, in relation to:

- (a) any body corporate, any of its group undertakings (as defined in section 1161 of the Companies Act); and
- (b) any individual, a person connected with him within the meaning of section 1122 of the Corporation Tax Act 2010 or any partnership of which he is a partner;

**Bad Leaver** means a Leaver who is not a Good Leaver;

**Base Cost** means the aggregate purchase price paid by the relevant shareholder for the Deemed Transfer Shares;

**Companies Act** means Companies Act 2006;

**Deemed Transfer Notice** has the meaning given in article 10.1;

**Deemed Transfer Price** has the meaning given in article 11.3;

**Deemed Transfer Shares** has the meaning given in article 10.1;

**Eligible Director** means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);

**Good Leaver** means a Leaver who:

- (a) has died; or
- (b) retires, as agreed between the company and the Leaver;
- (c) suffers mental or physical ill health which renders him unable to perform all or substantially all of his duties for a period of 13 weeks or more supported by at least two medical reports from independent specialists;
- (d) is made redundant by the company or any of its group undertakings;
- (e) has been wrongfully dismissed by the company or any of its group undertakings; or
- (f) has been unfairly dismissed by the company or any of its group undertakings, or otherwise where the directors determine that he is a Good Leaver;

**Leaver** has the meaning given in article 10.1;

**Majority Shareholders** has the meaning given in article 13.1.2;

**Minority Shareholders** has the meaning given in article 13.1;

**Model Articles** means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008;

**Purchase Offer** has the meaning given in article 13.1.1;

**Qualifying Person** means:

- (a) an individual who is a shareholder; or

- (b) a person authorised under section 323 of the Companies Act to act as the representative of a corporation in relation to a meeting; or
- (c) a person appointed as a proxy of a shareholder in relation to the meeting;

**Seller** has the meaning given in article 9;

**Shareholder Majority** means shareholders who together hold a majority of the shares of the company in issue from time to time (calculated exclusive of any shares held as treasury shares) *acting together*;

**Subscription Rights** means rights to call for the allotment, issue or transfer of shares in the company (whether under options, warrants, on conversion of any indebtedness or otherwise);

**Total Transfer Condition** has the meaning given in article 9.3;

**Transfer Notice** has the meaning given in article 9;

**Transfer Price** has the meaning given in article 11.1;

**Transfer Shares** has the meaning given in article 9.1; and

**Valuer** has the meaning given in article 11.5.

- 1.2 Words or expressions contained in these articles bear the same meaning as in the Model Articles as in force on the date when these articles become binding on the company.
- 1.3 Unless the context otherwise requires:
  - 1.3.1 other words or expressions contained in these articles bear the same meaning as in the Companies Act as in force on the date when these articles become binding on the company; and
  - 1.3.2 references to the “directors” or the “board” are references to the board of directors of the company.
- 1.4 Words denoting the singular include the plural (and vice versa). Words denoting any one gender include all genders. References to persons include individuals, partnerships, bodies corporate and unincorporated associations.
- 1.5 Save as set out in article 1.2, the Model Articles shall not apply to the company and these articles constitute the articles of association of the company to the exclusion of any provision of the Model Articles.

## **PART A**

### **2 LIABILITY OF MEMBERS**

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

### **3 METHODS OF APPOINTING DIRECTORS**

- 3.1 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:
  - 3.1.1 by ordinary resolution; or
  - 3.1.2 by a decision of the directors with the prior written consent of a Shareholder Majority.
- 3.2 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.
- 3.3 For the purposes of article 3.2 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.
- 3.4 A Shareholder Majority may from time to time and at any time by notice in writing appoint up to two persons as a director or directors and to remove from office any director so appointed. Any such appointment or removal shall be effected by notice in writing signed by the shareholder or shareholders making the same, or in the case of a shareholder being a company signed by one of its directors on its behalf, and shall take effect on and from the date on which the same is left or received at the registered office of the company.

### **4 TERMINATION OF DIRECTOR'S APPOINTMENT**

A person ceases to be a director as soon as:

- 4.1 that person ceases to be a director by virtue of any provision of the Companies Act or is prohibited from being a director by law;
- 4.2 a bankruptcy order is made against that person;
- 4.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 4.4 the board by a resolution of the directors determines that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- 4.5 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.

### **5 QUORUM FOR DIRECTORS' MEETINGS**

- 5.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on except a proposal to call another meeting.
- 5.2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors and unless otherwise fixed it is two Eligible Directors, at least one of whom shall be a director appointed by a Shareholder Majority. This is subject to article 5.3 in the case of a sole director.



- 5.3 Where there is only one director in office for the time being, the quorum is one director.
- 5.4 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:
  - 5.4.1 to appoint further directors; or
  - 5.4.2 to call a general meeting so as to enable the shareholders to appoint further directors.

## **6 QUORUM FOR GENERAL MEETINGS**

- 6.1 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 at the time when the meeting proceeds to business.
- 6.2 Where, for the time being, the company has only one member, one Qualifying Person present at a meeting is a quorum. Otherwise, subject to article 6.3, two Qualifying Persons who are present at a meeting are a quorum.
- 6.3 Two Qualifying Persons present at a meeting shall not form a quorum if:
  - 6.3.1 each is a Qualifying Person only because he is authorised under section 323 of the Companies Act to act as the representative of a corporation in relation to the meeting, and they are representatives of the same corporation; or
  - 6.3.2 each is a Qualifying Person only because he is appointed as proxy of a member in relation to the meeting, and they are proxies of the same member.

## **7 ALLOTMENT OF SHARES**

- 7.1 The directors have the powers given by section 550 of the Companies Act to allot shares in the company, or to grant rights to subscribe for or to convert any security into shares in the company.
- 7.2 In accordance with section 567(1) of the Companies Act, sections 561 and 562 of the Companies Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Companies Act) by the company.

## **8 SHARE TRANSFERS – GENERAL PROVISIONS**

- 8.1 Unless otherwise determined by the board with the prior written consent of a Shareholder Majority, no share or any interest in any share in the capital of the company shall be transferred or disposed of except in accordance with articles 9, 10, 13 and 39.
- 8.2 Shares may be transferred by means of an instrument of transfer in any usual form, or any other form approved by the directors, or by a contract in the case of an own share purchase, which is executed by or on behalf of the transferor.
- 8.3 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 8.4 The company may retain any instrument of transfer which is registered.
- 8.5 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it or (if an own share purchase) until the share is cancelled or held in treasury by the company.
- 8.6 The directors shall be required to register any transfer of any share made in accordance with these articles and shall refuse to register any transfer of any share made otherwise than in

accordance with these articles. Where the directors are required to refuse to register the transfer of a share, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

- 8.7 Subject to article 13.3, where under any provision of these articles a shareholder (or his personal representative(s) or trustee(s) in bankruptcy, as the case may be) after having become bound to transfer or dispose of any shares defaults in so doing, the company may authorise and instruct any director on behalf of that shareholder (or his personal representative(s) or trustee(s) in bankruptcy, as the case may be) to take any actions, enter into any agreements and receive, accept and execute any documents to effect the transfer(s) or disposal of such shares to the buyer(s) or the company as the case may be in accordance with these articles.
- 8.8 On a transfer, the company shall receive any consideration for the purchase on behalf of the transferor and following receipt shall cause the buyer(s) to be registered as the holders of those shares. The company shall be entitled to apply the consideration so far as necessary to meet any tax or other liability of the transferor to the company or any of its group undertakings but shall otherwise hold the consideration on trust for him against delivery to the buyer(s) by the transferor of the certificate in respect of the shares or an indemnity in respect of the same. The company shall not be bound to earn or (if earned) pay interest on such consideration. The receipt by the company of the consideration shall be a good discharge to the buyer(s) and, after the transfer has been recorded in the relevant company registers in exercise of the above power, the buyer's (or buyers') title to the shares shall not be affected by any irregularity in or invalidity of the proceedings relating to their disposal under this article and the validity of the transaction shall not be challenged by any person.

## **9 VOLUNTARY TRANSFERS OF SHARES**

Except as provided in these articles, if a shareholder wishes to transfer any shares, that shareholder ("Seller") shall, before making or agreeing to make such transfer, notify the directors in writing of his wish to do so. Such notification (a "Transfer Notice") shall not be revocable except with the prior written consent of a Shareholder Majority and shall:

- 9.1 specify the number of shares which the Seller wishes to transfer ("Transfer Shares") (which may be all or part only of the shares then held by the Seller);
- 9.2 specify any price at which the Seller wishes to sell the Transfer Shares, and the identity of any person who has indicated a willingness to purchase the Transfer Shares at such price;
- 9.3 state whether the Seller wishes to impose a condition that unless all of the Transfer Shares are sold pursuant to the following provisions of this article none shall be so sold ("Total Transfer Condition"), provided that in the absence of such a statement the Transfer Notice shall be deemed not to include a Total Transfer Condition; and
- 9.4 constitute the company his agent for the sale of all the Transfer Shares at the Transfer Price.

## **10 COMPULSORY TRANSFERS OF SHARES**

- 10.1 Subject to article 10.2, if a shareholder:
- 10.1.1 dies; or
- 10.1.2 is adjudicated bankrupt or makes any arrangement or composition with his creditors generally; or

- 10.1.3 is an employee and/or a director of the company or any of its group undertakings, and ceases for whatever reason to be an employee or director of the company or any of its group undertakings (without remaining, or immediately becoming, an employee or director of the company or another of its group undertakings); or
- 10.1.4 is an employee of the company or any of its group undertakings, and serves notice on the company or a subsidiary terminating his employment, or
- 10.1.5 is an employee and/or a director of the company or any of its group undertakings, and commences or has commenced any period of garden leave being any period during which the company or any of its group undertakings shall, in respect of that employee and/or director and pursuant to the service contract between the company or its relevant group undertaking and that employee and/or director, cease or have ceased to provide that employee with work;
- that shareholder and any of his Associates who hold shares (each a "Leaver") shall be deemed to have served on the company immediately prior to such event a notice ("Deemed Transfer Notice") offering all the shares held by that person ("Deemed Transfer Shares") for transfer or disposal at the Deemed Transfer Price. A Deemed Transfer Notice shall not be revocable except with the prior written consent of a Shareholder Majority and shall be deemed not to include a Total Transfer Condition.
- 10.2 Article 10.1 does not apply if the directors with the prior written consent of a Shareholder Majority determine that it does not apply.
- 10.3 If any former shareholder, or shareholder in respect of whom a Deemed Transfer Notice is deemed to have been given, subsequently acquires any shares pursuant to a Subscription Right granted to or otherwise vested in him prior to the date on which he became a Leaver, then he shall be deemed to have served a Deemed Transfer Notice on the company in respect of such shares with effect from the date on which they were acquired by him.
- 11 DETERMINATION AND PAYMENT OF THE TRANSFER PRICE AND THE DEEMED TRANSFER PRICE**
- 11.1 Subject to article 11.2, the price to be paid for Transfer Shares ("Transfer Price") shall be such price as is specified in the Transfer Notice.
- 11.2 If either:
- 11.2.1 no price is specified in the Transfer Notice; or
- 11.2.2 if a Shareholder Majority notifies the Seller within 7 days of the date of the Transfer Notice that they are not satisfied that such price is *bona fide* and at arm's length and in good faith,
- then the Transfer Price shall be determined in accordance with articles 11.3 to 11.6 inclusive below.
- 11.3 The price to be paid for the Deemed Transfer Shares ("Deemed Transfer Price") shall be:
- 11.3.1 if the Leaver is a Good Leaver, the Deemed Transfer Price shall be determined in accordance with articles 11.4 to 11.7 inclusive below; or
- 11.3.2 if the Leaver is a Bad Leaver, the Deemed Transfer Price shall be the lower of the Base Cost of the Deemed Transfer Shares and the price determined in accordance with articles 11.3 to 11.6 inclusive below.
- 11.4 Notwithstanding articles 11.4 to 11.7, the Seller (or Leaver, as the case may be) (or his personal representative(s) or trustee(s) in bankruptcy, as the case may be) and the directors (excluding the Seller or Leaver, if a director) may:

- 11.4.1 agree in writing a Transfer Price or Deemed Transfer Price, as the case may be; or
- 11.4.2 in seeking to appoint a Valuer in accordance with article 11.5, agree in writing the identity of the Valuer; or
- 11.4.3 agree in writing additional terms of reference in respect of the Valuer's valuation, but for the avoidance of doubt, nothing in this article 11 shall prejudice the ability of either the Seller (or Leaver, as the case may be) (or his personal representative(s) or trustee(s) in bankruptcy, as the case may be) or the directors (excluding the Seller or Leaver, if a director) to appoint a Valuer in accordance with article 11.5 or to proceed with the procedures set out in the remaining provisions of this article 11 at any time when such agreement has not been reached.
- 11.5 The Transfer Price or the Deemed Transfer Price (as the case may be) shall be established, subject to article 11.4 above, by an independent chartered accountant ("Valuer") appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of the Seller (or Leaver, as the case may be) (or his personal representative(s) or trustee(s) in bankruptcy, as the case may be) or the directors (excluding the Seller or Leaver, if a director) at any time after such Transfer Notice or Deemed Transfer Notice is served or deemed to have been served.
- 11.6 Any Valuer appointed pursuant to this article 11 shall act as expert not arbitrator and shall establish the Transfer Price for the Transfer Shares or the Deemed Transfer Price for the Deemed Transfer Shares as the fair market price on a going concern basis assuming a willing seller and a willing buyer of such shares determined as at the date of service or deemed service of the Transfer Notice or Deemed Transfer Notice (as the case may be) and by reference to the information available to the company at that date. For the purpose of this article 11.6, the market value of each share comprised in the Transfer Notice or Deemed Transfer Notice shall not be discounted or enhanced by reference to the number of shares referred to in the Transfer Notice or Deemed Transfer Notice nor any rights attaching or not attaching to such shares.
- 11.7 The Seller (or Leaver, as the case may be) (or his personal representative(s) or trustee(s) in bankruptcy, as the case may be) and the directors (excluding the Seller or Leaver, if a director) may seek to agree detailed terms of reference with the Valuer, but the Valuer shall be entitled in his absolute discretion (but subject always to this article 11) to settle and determine such detailed terms of reference with or without involving them. The Valuer's decision shall be final and binding. Subject to article 12.1, any fees and expenses of the Valuer shall be borne as to one half by the Seller or Leaver (as the case may be) and as to the other half by the company, so far as permitted by law.

## **12 ALLOCATION OF TRANSFER SHARES OR DEEMED TRANSFER SHARES**

- 12.1 Upon the Transfer Price being determined by a Valuer in accordance with article 11, the company shall forthwith notify the Seller in writing of such determination. The Seller shall be entitled within 7 days from receipt of such notice or from the date of written agreement of the Transfer Price pursuant to article 11.4 (as appropriate), to notify the directors in writing of his wish to withdraw his Transfer Notice in full, in which case the Seller shall bear all fees and expenses (if any) of the Valuer and such payment shall be made in cleared funds no later than the expiry of such 7 day period, failing which the Seller's purported withdrawal shall be invalid unless otherwise agreed by the directors (excluding the Seller, if a director).

- 12.2 Within 30 days from the later of:
- 12.2.1 the date of the Transfer Notice, where that Transfer Notice specifies the Transfer Price and no notice is given under article 11.2.2; or
  - 12.2.2 where the Transfer Notice does not specify a Transfer Price or in respect of Deemed Transfer Shares, the date on which the Transfer Price or Deemed Transfer Price (as the case may be) is agreed or determined in accordance with article 11,
- and unless the relevant Transfer Notice is withdrawn in accordance with article 12.1, the directors (excluding the Seller or Leaver, if a director) with the prior written approval of a Shareholder Majority, may nominate any person or persons (including, subject to it being legally able, the company) to purchase some or all of the Transfer Shares at the Transfer Price or the Deemed Transfer Shares at the Deemed Transfer Price.
- 12.3 If the directors do not nominate a purchaser for all of the Transfer Shares or Deemed Transfer Shares pursuant to article 12.2, then the company shall forthwith give to the shareholders (other than any other shareholder whose shares are at that time already the subject of a Transfer Notice or Deemed Transfer Notice) notice in writing:
- 12.3.1 stating the number and price of the Transfer Shares or Deemed Transfer Shares not taken up; and
  - 12.3.2 offering each of them a number of those Transfer Shares or Deemed Transfer Shares in proportion (as nearly as may be) to the existing number of shares then held by them respectively; and
  - 12.3.3 inviting each of them to notify the company in writing within 21 days from the date of the notice whether he is willing to purchase any such shares and if so what maximum number of shares he wishes to purchase (which maximum number may for the avoidance of doubt exceed the entitlement of such shareholder pursuant to such offer).
- 12.4 If any shareholder fails to accept his whole entitlement pursuant to the offer referred to in article 12.3, then the company shall within 7 days of the expiry of the 21 day period mentioned in article 12.3 allocate the shares not so accepted to the shareholder(s) who have accepted in full their allocation of Transfer Shares or Deemed Transfer Shares originally offered to them and expressed a willingness to purchase further shares. Such further allocation shall be made in proportion (as nearly as may be) to the existing number of shares then held respectively as between such shareholders (provided that no shareholder shall be required to purchase more than the maximum number of shares indicated by him pursuant to article 12.3).
- 12.5 Within 14 days of the exhaustion of the procedure set out in articles 12.2 to 12.4, the company shall notify the shareholders (including the Seller or Leaver (or his personal representative(s) or trustee(s) in bankruptcy, as the case may be)) of the allocation of the Transfer Shares or Deemed Transfer Shares (or part thereof).
- 12.6 Notwithstanding the provisions of this article 12, if the Transfer Notice in question contained a Total Transfer Condition, then no offer of Transfer Shares made by the company pursuant to this article shall be capable of acceptance until all of the Transfer Shares shall have been accepted pursuant to the procedure set out in articles 12.2 to 12.4. If the company does not dispose of all the Transfer Shares pursuant to the procedure set out in articles 12.2 to 12.4, none of the Transfer Shares will be sold to the person or persons accepting any of such Transfer Shares pursuant to the procedure set out in articles 12.2 to 12.4 and during the period of 30 days next following the receipt of the company's notice pursuant to article 12.5 the Seller may sell all (but not part only) of the Transfer Shares to any person nominated in

the Transfer Notice as the potential purchaser of the Transfer Shares at a price not less than the Transfer Price.

- 12.7 If the Transfer Notice in question did not contain a Total Transfer Condition, completion of the sale of the Transfer Shares disposed of pursuant to the procedure set out in articles 12.2 to 12.4 shall take place at the company's registered office as soon as practicable following and in any event within 7 days of receipt by the Seller of the company's notice pursuant to article 12.5, but the Seller (or his personal representative(s) or trustee(s) in bankruptcy, as the case may be) may and during the period of 30 days next following the receipt of the company's notice pursuant to article 12.5 sell all or part of any unsold Transfer Shares to any person nominated in the Transfer Notice as the potential purchaser of the Transfer Shares at a price not less than the price per share derived from the Transfer Price.

For the avoidance of doubt, a Leaver may not sell to any person all or any part of any Deemed Transfer Shares which remain unsold pursuant to the procedure set out in articles 12.2 to 12.4 and the directors (excluding the Leaver, if a director), with the prior written approval of a Shareholder Majority, may during the period of 60 days next following the receipt of the company's notice pursuant to article 12.5 nominate any person or persons (including, subject to it being legally able, the company) to purchase some or all of such unsold Deemed Transfer Shares at the Deemed Transfer Price.

### 13 DRAG RIGHTS AND OBLIGATIONS

- 13.1 If any offer is:

13.1.1 made on bona fide arm's length terms to the holders of all of the shares in the company and to all of the holders of Subscription Rights granted to or otherwise vested in any person prior to the date of such offer (but only to the extent that such Subscription Rights are capable of exercise and the resulting share allotment would have occurred in accordance with their terms prior to the date of such offer) (such offer to include an offer by an existing member, or any person connected with or acting in concert with that member, to acquire all of the shares in the company not already owned by that member) ("Purchase Offer"); and

13.1.2 approved in writing by shareholders who together hold more than 50% of the shares in issue at that time (excluding any treasury shares) ("Majority Shareholders");

then each of the other shareholders (together the "Minority Shareholders") shall be deemed as security for the due performance of their obligations under these articles to have accepted the Purchase Offer and shall, subject to article 13.2, become bound to transfer their shares to the proposed purchaser at or as near as practicable to the same time as the transfer of the Majority Shareholders' shares to the proposed purchaser is completed.

- 13.2 The consideration per share payable to each Minority Shareholder in respect of the transfer of their shares pursuant to article 13.1 shall be at least commensurate to the consideration per share being offered to the Majority Shareholders provided that, where the consideration being offered to the Majority Shareholders in the Purchase Offer is in a form other than cash, the Minority Shareholders will (to the extent the offeror so elects) be deemed to have accepted a commensurate per-share cash alternative to such non-cash consideration.

- 13.3 The Majority Shareholders shall be entitled (but not obliged) to notify the Minority Shareholders that they have become bound to transfer their shares to the proposed purchaser in accordance with article 13.1, provided that article 13.4 shall apply (subject to article 13.5) notwithstanding any failure to notify the Minority Shareholders that they have

become so bound or, where such notification has been given, without further notice should any Minority Shareholder fail to effect the transfer of its shares in accordance with article 13.1.

- 13.4 Where a shareholder (or his personal representative(s) or trustee(s) in bankruptcy, as the case may be) has become bound to transfer any shares under article 13.1, the Majority Shareholders may authorise and instruct any person on behalf of that shareholder (or his personal representative(s) or trustee(s) in bankruptcy, as the case may be) to take any actions, enter into any agreements and receive, accept and execute any documents to effect the transfer(s) of such shares to the buyer(s) in accordance with these articles and, where relevant, to remove that shareholder from the company's PSC Register (with this article constituting deemed voluntary notice of the relevant change for the purposes of section 790E(8) of the Companies Act 2006). The Majority Shareholders shall receive any consideration for the purchase on behalf of the transferor and following receipt shall cause the buyer(s) to be registered as the holders of those shares. The Majority Shareholders shall be entitled to (i) apply the consideration so far as necessary to meet any tax or other liability of the transferor to the company or any of its group undertakings; and (ii) deduct from the consideration a proportion of the costs of the sale to the proposed purchaser pro-rata to the number of shares held by the transferor, but shall otherwise hold the consideration on trust for him against delivery to the buyer(s) by the transferor of the certificate in respect of the shares or an indemnity in respect of the same. The Majority Shareholders shall not be bound to earn or (if earned) pay interest on such consideration. The receipt by the Majority Shareholders of the consideration shall be a good discharge to the buyer(s) and, after the transfer has been recorded in the relevant company registers in exercise of the above power, the buyer's (or buyers') title to the shares shall not be affected by any irregularity in or invalidity of the proceedings relating to their disposal under this article and the validity of the transaction shall not be challenged by any person.
- 13.5 The powers of any person acting on behalf of a defaulting Minority Shareholder pursuant to article 13.4 shall be subject to the following restrictions:
- 13.5.1 he shall not be authorised to agree or to enter into any representation, warranty, indemnity or undertaking which is binding upon his Minority Shareholder appointor other than reasonable warranties as to the appointor's unencumbered title to the relevant shares and capacity and authority to agree to sell those shares;
- 13.5.2 he shall not agree to any terms which materially adversely affect any Minority Shareholder compared to the Majority Shareholders and/or each other; and
- 13.5.3 he shall not accept any deferred payment terms in relation to any consideration for the sale of the Minority Shareholder's shares other than reasonable escrow arrangements.
- 13.6 Following the issue of a Purchase Offer, on any person becoming a shareholder of the company or increasing their shareholding in the company pursuant to the exercise of any Subscription Rights granted to or otherwise vested in them prior to the date of the Purchase Offer ("New Shareholder"), the New Shareholder shall be deemed to have immediately accepted the Purchase Offer in respect of all such shares and shall then be bound to sell and transfer all shares so acquired to the proposed purchaser and the provisions of this article 13 shall apply to the New Shareholder with the necessary changes, including that completion of the sale of the New Shareholder's shares shall take place immediately following such deemed acceptance of the Purchase Offer where completion of the proposed transfer has already occurred.

- 13.7 Notwithstanding any other provision contained in these articles, any shares of any class in the capital of the company may be transferred to any person where such transfer is made pursuant to the terms of a "takeover offer" as such term is defined in section 974 of the Companies Act and articles 13.1 to 13.6 shall not apply in those circumstances.



## **PART B**

### **14 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.

### **15 SHAREHOLDERS' RESERVE POWER**

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

### **16 DIRECTORS MAY DELEGATE**

- 16.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:
  - 16.1.1 to such person or committee;
  - 16.1.2 by such means (including by power of attorney);
  - 16.1.3 to such an extent;
  - 16.1.4 in relation to such matters or territories; and
  - 16.1.5 on such terms and conditions as they think fit.
- 16.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 16.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

### **17 COMMITTEES**

- 17.1 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.
- 17.2 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.

### **18 DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

- 18.1 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 19.
- 18.2 If:
  - 18.2.1 the company only has one director for the time being; and
  - 18.2.2 no provision of the articles requires it to have more than one director,the general rule does not apply and the sole director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the articles relating to

directors' decision-making, and shall have the authority to exercise all the powers and discretions under these articles expressed to be vested in the directors generally.

## **19 UNANIMOUS DECISIONS**

- 19.1 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.
- 19.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 19.3 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.

## **20 CALLING A DIRECTORS' MEETING**

- 20.1 Any director may call a directors' meeting by giving, except in a case of genuine emergency, at least 7 days' prior notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
- 20.2 Notice of any directors' meeting must indicate:
  - 20.2.1 its proposed date and time;
  - 20.2.2 where it is to take placeand contain an agenda of the business to be discussed at that meeting.
- 20.3 Notice of a directors' meeting must be given to each director but need not be in writing.
- 20.4 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 at any time before or not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting or of any business conducted at it.

## **21 PARTICIPATION IN DIRECTORS' MEETINGS**

- 21.1 Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
  - 21.1.1 the meeting has been called and takes place in accordance with the articles; and
  - 21.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 21.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 21.3 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.

## **22 CHAIRING OF DIRECTORS' MEETINGS**

- 22.1 The directors may appoint a director to chair their meetings.
- 22.2 The person so appointed for the time being is known as the chairman.
- 22.3 The directors may terminate the chairman's appointment at any time.

- 22.4 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.

## 23 **CASTING VOTE**

If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote but this does not apply if, in accordance with the articles or the Companies Act, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

## 24 **AUTHORISATION OF CONFLICTS**

- 24.1 The directors may, subject to and in accordance with this article 24, authorise any matter or situation which would otherwise result in a director breaching his duty under section 175 of the Companies Act to avoid conflicts of interest.
- 24.2 Any authorisation under article 24.1 shall be effective only if any requirement as to the quorum for consideration of the relevant matter or situation is met without counting the interested director and any other interested director, and it is agreed to without their voting or would have been agreed to if their vote(s) had not been counted.
- 24.3 Any authorisation under article 24.1 may be given subject to such terms and conditions, if any, as the directors may think fit to impose from time to time, whether at the time of authorisation or subsequently. In particular the directors may:
- 24.3.1 extend such authorisation to any actual or potential conflict of interest which may reasonably be expected to arise out of the conflict so authorised;
  - 24.3.2 require that the interested director is excluded from the receipt of documentation and information, the participation in discussions and/or the making of decisions (whether at meetings of the board or otherwise) related to such matter or situation;
  - 24.3.3 provide that the interested director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to the matter or situation of conflict;
  - 24.3.4 provide that, where the interested director obtains or has obtained (through his involvement with the matter or situation of conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he shall not be obliged to disclose that confidential information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence;
  - 24.3.5 allow the interested director to absent himself from the discussion of matters relating to the conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent that they relate to such matter or situation of conflict; and
  - 24.3.6 allow the interested director to make such arrangements as he thinks fit for board and committee papers to be received and read by a professional adviser on behalf of that director.
- 24.4 The directors may vary or revoke such authorisation at any time, but this will not affect anything done by the interested director in accordance with the terms of such authorisation prior to such revocation or variation.
- 24.5 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, any subsidiary or holding

company of the company or any other body corporate in which the company is otherwise directly or indirectly interested and no further authorisation under article 24.1 shall be necessary in respect of any such interest.

- 24.6 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 in accordance with these articles, by the company or by these articles (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.

## **25 INTERESTS IN PROPOSED OR EXISTING TRANSACTIONS OR ARRANGEMENTS**

- 25.1 Provided he has declared the nature and extent of his interest in accordance with the requirements of section 177 and/or section 182 (but subject to sections 177(5), 177(6), 182(5) and 182(6) of the Companies Act), a director who is in any way, whether directly or indirectly interested in a proposed or existing transaction or arrangement with the company:
- 25.1.1 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;
- 25.1.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 25.1.3 shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- 25.1.4 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 holding company or subsidiary of the company or any other body corporate in which the company is otherwise directly or indirectly interested; and
- 25.1.5 shall not, save as he may otherwise agree, be accountable to the company for any remuneration, profit or other benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such holding company, subsidiary or other body corporate and no such transaction or arrangement shall be liable to be avoided on such grounds, nor shall the receipt of any such remuneration, profit or other benefit constitute a breach of his duty under section 176 of the Companies Act.
- 25.2 The provisions of articles 25.1.1 to 25.1.5 are subject, where applicable, to any terms and conditions imposed by the directors in accordance with article 24.3.

## **26 RECORDS OF DECISIONS TO BE KEPT**

The directors must ensure that the company keeps a record in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

## **27 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.

## **28 DIRECTORS' REMUNERATION**

- 28.1 Directors may undertake any services for the company that the directors decide.
- 28.2 Directors are entitled to such remuneration as the directors determine:
  - 28.2.1 for their services to the company as directors; and
  - 28.2.2 for any other services which they undertake for the company.
- 28.3 Subject to the articles, a director's remuneration may:
  - 28.3.1 take any form; and
  - 28.3.2 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.
- 28.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 28.5 Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

## **29 DIRECTORS' EXPENSES**

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

- 29.1 meetings of directors or committees of directors;
- 29.2 general meetings; or
- 29.3 separate meetings of the holders of any class of shares or of debentures of the company or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

## **30 ALTERNATE DIRECTORS**

- 30.1 Any director may appoint as an alternate any other director, or any other person approved by resolution of the directors with the prior written consent of a Shareholder Majority, to:
  - 30.1.1 exercise that director's powers; and
  - 30.1.2 carry out that director's responsibilitiesin relation to the taking of decisions by the directors, in the absence of the alternate's appointor.
- 30.2 Any appointment or removal of an alternate pursuant to article 30.1 must be effected by notice in writing to the company, signed by the appointor, or in any other manner approved by the directors with the prior written consent of a Shareholder Majority.

## **31 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

- 31.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.
- 31.2 Except as the articles specify otherwise, alternate directors:

31.2.1 are deemed for all purposes to be directors;  
31.2.2 are liable for their own acts and omissions;  
31.2.3 are subject to the same restrictions as their appointors; and  
31.2.4 are not deemed to be agents of or for their appointors  
and in particular (without limitation) each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.

31.3 A person who is an alternate director but not a director:

31.3.1 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);

31.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an Eligible Director in relation to that decision but does not participate); and

31.3.3 shall not be counted as more than one director for the purposes of articles 31.3.1 and 31.3.2.

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

31.5 An alternate director is not entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

## **32 TERMINATION OF ALTERNATE DIRECTORSHIP**

An alternate director's appointment as an alternate terminates:

32.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;

32.2 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;

32.3 on the death of the alternate's appointor; or

32.4 when the alternate's appointor's appointment as a director terminates.

## **33 SECRETARY**

The company shall not be required to have a company secretary. However, the directors may in their discretion and from time to time appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement.

## **34 POWERS TO REDESIGNATE AND ISSUE DIFFERENT CLASSES OF SHARES**

34.1 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.

- 34.2 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.
- 34.3 The company may by ordinary resolution redesignate shares in the capital of the company.

### **35 POWER TO PURCHASE OWN SHARES**

Without limiting or otherwise prejudicing any power conferred on the company to purchase its own shares pursuant to Chapter 4 of Part 18 of the Companies Act, the company may purchase its own shares with cash pursuant to section 692(1)(b) of the Companies Act up to an amount in any financial year specified in that section.

### **36 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.

### **37 SHARE CERTIFICATES**

- 37.1 The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- 37.2 Every certificate must specify:
- 37.2.1 in respect of how many shares, of what class, it is issued;
  - 37.2.2 the nominal value of those shares;
  - 37.2.3 that the shares are fully paid; and
  - 37.2.4 any distinguishing numbers assigned to them.
- 37.3 No certificate may be issued in respect of shares of more than one class.
- 37.4 If more than one person holds a share, only one certificate may be issued in respect of it.
- 37.5 Certificates must be executed in accordance with the Companies Act.

### **38 REPLACEMENT SHARE CERTIFICATES**

- 38.1 If a certificate issued in respect of a shareholder's shares is:
- 38.1.1 damaged or defaced; or
  - 38.1.2 said to be lost, stolen or destroyed
- that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- 38.2 A shareholder exercising the right to be issued with such a replacement certificate:
- 38.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
  - 38.2.2 must return the certificate which is to be replaced to the company if it is damaged or defaced; and
  - 38.2.3 must comply with such conditions as to evidence, indemnity and the payment of reasonable expenses as the directors decide.

## **39 TRANSMISSION OF SHARES**

- 39.1 If title to a share passes to a transmittee in accordance with these articles, the company may only recognise the transmittee as having any title to that share.
- 39.2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:
- 39.2.1 may, subject to these articles, elect either to become the holder of those shares or to have them transferred to another person but in either case subject to article 10 having been complied with; and
- 39.2.2 subject to these articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 39.3 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 in accordance with these articles.

## **40 EXERCISE OF TRANSMITTEES' RIGHTS**

- 40.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- 40.2 If the transmittee wishes to have a share transferred to another person then, subject to these articles, the transmittee must execute an instrument of transfer in respect of it.
- 40.3 Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

## **41 TRANSMITTEES BOUND BY PRIOR NOTICES**

If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name, or the name of any person(s) named as transferee(s) in an instrument of transfer executed under article 40.2, has been entered in the register of members.

## **42 PROCEDURE FOR DECLARING DIVIDENDS**

- 42.1 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 42.2 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.
- 42.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 42.4 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.
- 42.5 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.



- 42.6 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.
- 42.7 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.

#### **43 PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

- 43.1 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:
- 43.1.1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
  - 43.1.2 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;
  - 43.1.3 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
  - 43.1.4 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.
- 43.2 In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable:
- 43.2.1 the holder of the share; or
  - 43.2.2 if the share has two or more joint holders, whichever of them is named first in the register of members; or
  - 43.2.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

#### **44 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:

- 44.1 the terms on which the share was issued; or
- 44.2 the provisions of another agreement between the holder of that share and the company.

#### **45 UNCLAIMED DISTRIBUTIONS**

- 45.1 All dividends or other sums which are:
- 45.1.1 payable in respect of shares; and
  - 45.1.2 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.
- 45.2 The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.
- 45.3 If:

- 45.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment; and
  - 45.3.2 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.

#### **46 NON-CASH DISTRIBUTIONS**

- 46.1 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 shares or other securities in any company).
- 46.2 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:
  - 46.2.1 fixing the value of any assets;
  - 46.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
  - 46.2.3 vesting any assets in trustees.

#### **47 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:

- 47.1 the share has more than one holder; or
  - 47.2 more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise
- the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

#### **48 AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS**

- 48.1 Subject to the articles, the directors may, if they are so authorised by an ordinary resolution:
  - 48.1.1 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
  - 48.1.2 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.
- 48.2 Subject to article 48.6, capitalised sums must be applied:
  - 48.2.1 on behalf of the persons entitled; and
  - 48.2.2 in the same proportions as a dividend would have been distributed to them.
- 48.3 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 and, where relevant, to the company as contemplated by article 48.6.
- 48.4 A capitalised sum which was appropriated from profits available for distribution may be applied:

- 48.4.1 in or towards paying up any amounts unpaid on existing shares held by the persons entitled and, where relevant, by the company as contemplated by article 48.6; or
- 48.4.2 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.
- 48.5 Subject to the articles the directors may:
  - 48.5.1 apply capitalised sums in accordance with articles 48.3 and 48.4 partly in one way and partly in another;
  - 48.5.2 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
  - 48.5.3 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.
- 48.6 The company shall be entitled to participate in a capitalisation in relation to any shares held by it as treasury shares at that time and the proportionate entitlement of the persons entitled to the distribution shall be calculated accordingly.

#### **49 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

- 49.1 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.
- 49.2 A person is able to exercise the right to vote at a general meeting when:
  - 49.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
  - 49.2.2 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.
- 49.3 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.
- 49.4 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.
- 49.5 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.

#### **50 CHAIRING GENERAL MEETINGS**

- 50.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 50.2 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:
  - 50.2.1 the directors present; or
  - 50.2.2 (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.

- 50.3 The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

## **51 ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS**

- 51.1 Directors may attend and speak at general meetings, whether or not they are shareholders.
- 51.2 The chairman of the meeting may permit other persons who are not:
- 51.2.1 shareholders of the company; or
  - 51.2.2 otherwise entitled to exercise the rights of shareholders in relation to general meetings,
- to attend and speak at a general meeting.

## **52 ADJOURNMENT**

- 52.1 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.
- 52.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:
- 52.2.1 the meeting consents to an adjournment; or
  - 52.2.2 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.
- 52.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 52.4 When adjourning a general meeting, the chairman of the meeting must:
- 52.4.1 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
  - 52.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 52.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
- 52.5.1 to the same persons to whom notice of the company's general meetings is required to be given; and
  - 52.5.2 containing the same information which such notice is required to contain.
- 52.6 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.

## **53 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.

## **54 ERRORS AND DISPUTES**

- 54.1 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.
- 54.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

## **55 POLL VOTES**

- 55.1 A poll on a resolution may be demanded:
  - 55.1.1 in advance of the general meeting where it is to be put to the vote; or
  - 55.1.2 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.
- 55.2 A poll may be demanded by:
  - 55.2.1 the chairman of the meeting;
  - 55.2.2 the directors;
  - 55.2.3 two or more persons having the right to vote on the resolution; or
  - 55.2.4 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.
- 55.3 A demand for a poll may be withdrawn if:
  - 55.3.1 the poll has not yet been taken; and
  - 55.3.2 the chairman of the meeting consents to the withdrawal.

A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.
- 55.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

## **56 CONTENT OF PROXY NOTICES**

- 56.1 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:
  - 56.1.1 states the name and address of the shareholder appointing the proxy;
  - 56.1.2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
  - 56.1.3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
  - 56.1.4 is delivered to the company in accordance with the articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised (provided that in calculating such period no account shall be taken of any part of a day that is not a working day) and in accordance with any instructions contained in the notice of the general meeting to which they relate;

and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting.
- 56.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 56.3 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.
- 56.4 Unless a proxy notice indicates otherwise, it must be treated as:

- 56.4.1 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
- 56.4.2 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.

## **57 DELIVERY OF PROXY NOTICES**

- 57.1 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.
- 57.2 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.
- 57.3 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.
- 57.4 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.

## **58 AMENDMENTS TO RESOLUTIONS**

- 58.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
  - 58.1.1 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
  - 58.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 58.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
  - 58.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
  - 58.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 58.3 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.

## **59 MEANS OF COMMUNICATION TO BE USED**

- 59.1 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 provides for documents or information which are authorised or required by any provision of that Companies Act to be sent or supplied by or to the company.
- 59.2 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.

- 59.3 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.

## **60 COMPANY SEALS**

- 60.1 Any common seal may only be used by the authority of the directors.
- 60.2 The directors may decide by what means and in what form any common seal is to be used.
- 60.3 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.
- 60.4 For the purposes of this article, an authorised person is:
- 60.4.1 any director of the company;
  - 60.4.2 the company secretary (if any); or
  - 60.4.3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

## **61 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.

## **62 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.

## **63 INDEMNITY AND INSURANCE**

- 63.1 Subject to the provisions of the Companies Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer of the company (other than any person, whether an officer or not, engaged by the company as auditor) shall be indemnified and kept indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.
- 63.2 Without prejudice to any indemnity to which a director may otherwise be entitled (including, for the avoidance of doubt, any indemnity under or pursuant to these articles), the directors shall, to the extent permitted by the Companies Act, have the power to grant, on such terms as they see fit, to any director or other officer of the company, an indemnity or indemnities out of the assets of the company in respect of any liability incurred by him as such, and to

amend, vary or extend the terms of such indemnity so granted, again on such terms as the directors see fit.

- 63.3 The directors shall have the power to purchase and maintain indemnity insurance for any director, as contemplated by section 233 of the Companies Act.
- 63.4 Subject to the Companies Act, the directors shall have the power to make a loan to any director or otherwise do anything to enable a director to avoid incurring expenditure in defending himself in an investigation by a regulatory authority, or against action proposed to be taken by a regulatory authority, or in any criminal or civil proceedings or in connection with any application under sections 661(3) or 1157 of the Companies Act.
- 63.5 This article shall not be deemed to provide for, or entitle any such person to, indemnification to the extent that it would cause this article, or any element of it, to be treated as void under the Companies Act.