

Company number: 10444564

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

PHYTOPONICS LIMITED

("the Company")

FRIDAY

COMPANIES HOUSE



A11

"A5KHKCLK"  
25/11/2016

#74

CIRCULATION DATE: 14 November 2016

DATE PASSED: 23 November 2016

Pursuant to chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolution ("Resolution"), be passed as a special resolution and that such Resolution be as valid and effectual as if it had been passed at a general meeting of the Company duly convened and held

**SPECIAL RESOLUTION**

THAT the regulations contained in the document attached hereto and initialled for the purpose of identification be 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 hereby irrevocably agree to the Resolution

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

Name	Signature	Date
Adam Dixon		23 / 11 / 16
James Griffiths		23 / 11 / 16
Luke Parkins		23 / 11 / 16
Richard Perks		23 / 11 / 16

**Notes**

- 1 If you agree to the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company by hand or by post to the registered office of the Company
- 2 If you do not agree to the Resolution, you do not need to do anything. You will not be deemed to agree if you fail to reply.
- 3 Once you have indicated your agreement to the Resolution, you may not revoke your agreement.
- 4 Unless by the date 28 days from the Circulation Date sufficient agreement has been received for the Resolution to pass, it will lapse. If you agree to the Resolution, please ensure that your agreement reaches us before or during this date.
- 5 If you are signing this document on behalf of a person under a power of attorney or other authority, please send a copy of the relevant power of attorney or authority when returning this document.

**Company number 10444564**  
**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**PHYTOPONICS LIMITED**

**(Adopted by special resolution passed on 23 November 2016)**

**INTRODUCTION**

**1 INTERPRETATION**

1.1 The following definitions and rules of interpretation apply in these Articles

**Accepting Shareholder(s).** has the meaning given in article 52.5

**Act:** means the Companies Act 2006

**appointor:** has the meaning given in article 11.1

**Articles:** means the company's articles of association for the time being in force

**Bad Leaver:** means an Employee Shareholder who ceases to be an employee of the company for any reason other than death or serious illness

**Business Day** means any day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business

**Buyer:** has the meaning given in article 52.1

**Called Shares:** has the meaning given in article 51.1

**Called Shareholders:** has the meaning given in article 51.1

**Completion Date:** has the meaning given in article 51.5

**Compulsory Employee Buyback:** has the meaning given in article 32

**Conflict:** has the meaning given in article 7.1

**Departing Employee:** means an Employee who ceases to be a director or employee of the company

**Drag Along Notice:** has the meaning given in article 51.2

**Drag Along Option:** has the meaning given in article 51.1.

**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)

**Employee** means an individual who is, or has been, a director and/or an employee of the company

**Good Leaver.** means an Employee who becomes a Departing Employee by reason of death or permanent disability or permanent incapacity through ill-health

**Interested Director:** has the meaning given in article 14 1

**Issue Price** means in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium

**Offer:** has the meaning given in article 52 2

**Offer Notice** has the meaning given in article 52 3

**Offer Shares** has the meaning given in article 52 3

**Proposed Buyer** has the meaning given in article 51 1.

**Proposed Transfer** has the meaning given in article 52 1

**Proposed Transferors** has the meaning given in article 52 1

**Relevant Shares:** means in relation to an Employee means all Shares held by

(a) the Employee in question, and

(b) any Permitted Transferee of that Employee,

and including any Shares acquired by any such person after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice

**Sale Date.** has the meaning given in article 52 3

**Selling Shareholder** has the meaning given in article 51 1

**Shareholder:** each party from time to time to this agreement

**Shares:** means shares (of any class) in the capital of the company and "Share" shall be construed accordingly

**Specified Price:** has the meaning given in article 52 2

**Termination Date:** means (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires

1 2 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles

- 1 3 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise
- 1 4 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time
- 1 5 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision
- 1 6 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms
- 1 7 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them

## **DIRECTORS**

### **2 GENERAL AUTHORITY**

Subject to the Articles and to the applicable provisions for the time being of the Act, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company

### **3 SHAREHOLDERS' RESERVE POWER**

- 3 1 The shareholders' may, by special resolution, direct the directors to take, or refrain from taking, specified action
- 3 2 No such special resolution invalidates anything which the directors have done before the passing of the resolution

### **4 DIRECTORS MAY DELEGATE**

- 4 1 Subject to the Articles, the directors may delegate any of the powers which are conferred on them under the Articles
  - 4 1 1 to such person or committee,
  - 4 1 2 by such means (including by power of attorney),
  - 4 1 3 to such an extent,
  - 4 1 4 in relation to such matters or territories, and
  - 4 1 5 on such terms and conditions,as they think fit
- 4 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

- 4 3 The directors may revoke any delegation in whole or part, or alter its terms and conditions

## **5 COMMITTEES**

- 5 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
- 5 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

## **6 DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

- 6 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 7

- 6 2 If

6 2 1 the company only has one director, and

6 2 2 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

## **7 UNANIMOUS DECISIONS**

- 7 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.
- 7 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
- 7 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
- 7 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

## **8 CALLING A DIRECTORS' MEETING**

- 8 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

- 8 2 Notice of a directors' meeting shall be given to each director but need not be in writing

## **9 PARTICIPATION IN DIRECTORS' MEETINGS**

- 9 1 Subject to the Articles, directors participate in a directors' meeting, or part of a directors' meeting, when—
- 9 1 1 the meeting has been called and takes place in accordance with the Articles, and
  - 9 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
- 9 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
- 9 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

## **10 QUORUM FOR DIRECTORS' MEETINGS**

- 10 1 Subject to article 10 2, the quorum for the transaction of business at a meeting of directors is any two eligible directors
- 10 2 For the purposes of any meeting (or part of a meeting) held pursuant to article 14 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director
- 10 3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision
- 10 3 1 to appoint further directors, or
  - 10 3 2 to call a general meeting so as to enable the shareholders to appoint further directors

## **11 CHAIRING OF DIRECTORS' MEETINGS**

- 11 1 The directors may appoint a director to chair their meetings
- 11 2 The person so appointed for the time being is known as the chairman
- 11 3 The directors may terminate the chairman's appointment at any time
- 11 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

## **12 CASTING VOTE**

- 12 1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting has a casting vote
- 12 2 Article 12 1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other director is not an eligible director for the purposes of that meeting (or part of a meeting)

## **13 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

- 13 1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company
- 13 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,
- 13 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,
- 13 1 3 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 existing or proposed transaction or arrangement in which he is interested,
- 13 1 4 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,
- 13 1 5 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
- 13 1 6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such 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 Act



## 14 DIRECTORS' CONFLICTS OF INTEREST

- 14 1 The directors may, in accordance with the requirements set out in this article 14, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**)
- 14 2 Any authorisation under this article 14 will be effective only if
- 14 2 1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration 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,
  - 14 2 2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director, and
  - 14 2 3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted
- 14 3 Any authorisation of a Conflict under this article 14 may (whether at the time of giving the authorisation or subsequently)
- 14 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
  - 14 3 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,
  - 14 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 any resolution related to the Conflict,
  - 14 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,
  - 14 3 5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that 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, and
  - 14 3 6 permit 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 they relate to such matters

- 14 4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict
- 14 5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation
- 14 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 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**

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye

## **16 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

## **17 APPOINTMENT OF DIRECTORS**

In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director

## **18 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

- 18 1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to

- 18 1 1 exercise that director's powers, and

- 18 1 2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor

- 18 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

- 18 3 The notice must

- 18 3 1 identify the proposed alternate, and
- 18 3 2 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

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

- 19 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
- 19 2 Except as the Articles specify otherwise, alternate directors
  - 19 2 1 are deemed for all purposes to be directors,
  - 19 2 2 are liable for their own acts and omissions,
  - 19 2 3 are subject to the same restrictions as their appointors, and
  - 19 2 4 are not deemed to be agents of or for their appointorsand, 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
- 19 3 A person who is an alternate director but not a director
  - 19 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),
  - 19 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
  - 19 3 3 shall not be counted as more than one director for the purposes of article 10
- 19 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 shall not count as more than one director for the purposes of determining whether a quorum is present
- 19 5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be 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

## **20 TERMINATION OF ALTERNATE DIRECTORSHIP**

- 20 1 An alternate director's appointment as an alternate terminates

- 20 1 1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate,
- 20 1 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,
- 20 1 3 on the death of the alternate's appointor, or
- 20 1 4 when the alternate's appointor's appointment as a director terminates

## **21 SECRETARY**

The directors may 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, in each case by a decision of the directors

## **SHARES**

### **22 ALL SHARES TO BE FULLY PAID UP**

- 22 1 No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue (other than the 64 ordinary shares to be issued to Smartbootcamps Food Tech which may be issued part paid)
- 22 2 This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum

### **23 POWERS TO ISSUE DIFFERENT CLASSES OF SHARE**

- 23 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
- 23 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

### **24 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

### **25 SHARE CERTIFICATES**

- 25 1 The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds

25 2 Every certificate must specify—

25 2 1 in respect of how many shares, of what class, it is issued,

25 2 2 the nominal value of those shares,

25 2 3 that the shares are fully paid, and

25 2 4 any distinguishing numbers assigned to them

25 3 No certificate may be issued in respect of shares of more than one class

25 4 If more than one person holds a share, only one certificate may be issued in respect of it

25 5 Certificates must—

25 5 1 have affixed to them the company's common seal, or

25 5 2 be otherwise executed in accordance with the Act

## **26 REPLACEMENT SHARE CERTIFICATES**

26 1 If a certificate issued in respect of a shareholder's shares is—

26 1 1 damaged or defaced, or

26 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

26 2 A shareholder exercising the right to be issued with such a replacement certificate—

26 2 1 may at the same time exercise the right to be issued with a single certificate or separate certificates,

26 2 2 must return the certificate which is to be replaced to the company if it is damaged or defaced, and

26 2 3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide

## **27 SHARE TRANSFERS**

27 1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor

27 2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share

27 3 The company may retain any instrument of transfer which is registered

- 27 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
- 27 5 The directors may refuse to register the transfer of a share, and if they do so, 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

## **28 TRANSMISSION OF SHARES**

- 28 1 If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share
- 28 2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require—
- 28 2 1 may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person, and
- 28 2 2 subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had
- 28 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

## **29 EXERCISE OF TRANSMITTEES' RIGHTS**

- 29 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
- 29 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
- 29 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

## **30 TRANSMITTEES BOUND BY PRIOR NOTICES**

- 30 1 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

## **31 PURCHASE OF OWN SHARES**

- 31 1 Subject to the Act, but without prejudice to any other provision of these Articles, the company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of
- 31 1 1 £15,000, and

- 31 1 2 the nominal value of 5% of the company's fully paid share capital at the beginning of each financial year of the company

## **32 COMPULSORY BUYBACK**

- 32 1 If an Employee becomes a Departing Employee, notice shall, unless the directors otherwise direct in writing in respect of any particular Relevant Shares prior to or within ten Business Days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares (a "**Compulsory Employee Buyback**")
- 32 2 Notwithstanding any other provisions of these Articles, the price in respect of a Compulsory Employee Buyback shall, where the Departing Employee is
- 32 2 1 a Bad Leaver, be restricted to the aggregate Issue Price of such Shares, and
- 32 2 2 a Good Leaver, be the market value of such Shares
- 32 3 Forthwith upon notice of the buyback being deemed to be served under article 32 1, the Relevant Shares shall cease to confer on the holder of them any rights
- 32 3 1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares, or
- 32 3 2 to receive dividends or other distributions otherwise attaching to those Shares
- 32 3 The Directors may determine (in its absolute discretion) that the Shares which are the subject of a Compulsory Employee Buyback are offered for sale to each of the other Shareholders on a pro rata basis instead of the Shares being bought back by the Company

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **33 PROCEDURE FOR DECLARING DIVIDENDS**

- 33 1 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends
- 33 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
- 33 3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights
- 33 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

- 33 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.
- 33 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
- 33 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

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

- 34 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—
  - 34 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,
  - 34 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,
  - 34 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
  - 34 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
- 34 2 In the Articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—
  - 34 2 1 the holder of the share, or
  - 34 2 2 if the share has two or more joint holders, whichever of them is named first in the register of members, or
- 34 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

#### **35 NO INTEREST ON DISTRIBUTIONS**

- 35 1 The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—
  - 35 1 1 the terms on which the share was issued, or



- 35 1 2 the provisions of another agreement between the holder of that share and the company

## **36 UNCLAIMED DISTRIBUTIONS**

- 36 1 All dividends or other sums which are—
  - 36 1 1 payable in respect of shares, and
  - 36 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
- 36 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
- 36 3 If
  - 36 3 1 twelve years have passed from the date on which a dividend or other sum became due for payment, and
  - 36 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

## **37 NON-CASH DISTRIBUTIONS**

- 37 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)
- 37 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—
  - 37 2 1 fixing the value of any assets,
  - 37 2 2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and
  - 37 2 3 vesting any assets in trustees

## **38 WAIVER OF DISTRIBUTIONS**

- 38 1 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—
  - 38 1 1 the share has more than one holder, or

- 38 1 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

## **CAPITALISATION OF PROFITS**

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

- 39 1 Subject to the articles, the directors may, if they are so authorised by an ordinary resolution
- 39 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
- 39 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
- 39 2 Capitalised sums must be applied—
- 39 2 1 on behalf of the persons entitled, and
- 39 2 2 in the same proportions as a dividend would have been distributed to them
- 39 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
- 39 4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct
- 39 5 Subject to the Articles the directors may—
- 39 5 1 apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another,
- 39 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
- 39 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

## **DECISION MAKING BY SHAREHOLDERS**

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

- 40 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
- 40 2 A person is able to exercise the right to vote at a general meeting when—
  - 40 2 1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - 40 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
- 40 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
- 40 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
- 40 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

### **41 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

### **42 CHAIRING GENERAL MEETINGS**

- 42 1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so
- 42 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—
  - 42 2 1 the directors present, or
  - 42 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

- 42.3 The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”

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

- 43 1 Directors may attend and speak at general meetings, whether or not they are shareholders
- 43 2 The chairman of the meeting may permit other persons who are not—
- 43 2 1 shareholders of the company, or
  - 43 2 2 otherwise entitled to exercise the rights of shareholders in relation to general meetings,
- to attend and speak at a general meeting

#### **44 ADJOURNMENT**

- 44 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
- 44 2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if—
- 44 2 1 the meeting consents to an adjournment, or
- 44 3 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
- 44 4 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting
- 44 5 When adjourning a general meeting, the chairman of the meeting must—
- 44 5 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
  - 44 5 2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- 44 6 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
- 44 6 1 to the same persons to whom notice of the company's general meetings is required to be given, and
  - 44 6 2 containing the same information which such notice is required to contain

- 44 7 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**

### **45 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

### **46 ERRORS AND DISPUTES**

- 46 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
- 46 2 Any such objection must be referred to the chairman of the meeting, whose decision is final

### **47 POLL VOTES**

- 47 1 A poll on a resolution may be demanded—
- 47 1 1 in advance of the general meeting where it is to be put to the vote, or
- 47 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
- 47 2 A poll may be demanded by—
- 47 2 1 the chairman of the meeting,
- 47 2 2 the directors,
- 47 2 3 two or more persons having the right to vote on the resolution, or
- 47 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
- 47 3 Polls must be taken immediately and in such manner as the chairman of the meeting directs
- 47 4 A demand for a poll may be withdrawn if—
- 47 4 1 the poll has not yet been taken, and
- 47 4 2 the chairman of the meeting consents to the withdrawal

- 47 5 A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made

#### **48 CONTENT OF PROXY NOTICES**

- 48 1 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which—

48 1 1 states the name and address of the shareholder appointing the proxy,

48 1 2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed,

48 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

48 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 and in accordance with any instructions contained in the notice of the general meeting (or adjourned 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

- 48 2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes

- 48 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

- 48 4 Unless a proxy notice indicates otherwise, it must be treated as—

48 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

48.4 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

#### **49 DELIVERY OF PROXY NOTICES**

- 49 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

- 49 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
- 49 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
- 49 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

## 50 AMENDMENTS TO RESOLUTIONS

- 50 1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
  - 50 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
  - 50 1 2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution
- 50 2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
  - 50 2 1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
  - 50 2 2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution
- 50 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

## 51 DRAG ALONG

- 51 1 If the holders of 65% in value of the nominal value of the shares ("**Selling Shareholders**") receive a bona fide offer from a purchaser on an arm's length basis ("**Proposed Buyer**") for all of their Shares in the company, they may require the other Shareholders ("**Called Shareholders**") to sell and transfer all of their shares ("**Called Shares**") to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this clause ("**Drag Along Option**")
- 51 2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders ("**Drag Along Notice**") at any time before the transfer of the Selling Shareholders' shares to the Proposed Buyer. The Drag Along Notice shall specify

- 51 2 1 that the Called Shareholders are required to transfer all of their Called Shares pursuant to this clause,
- 51 2 2 the person to whom the Called Shares are to be transferred,
- 51 2 3 the purchase price payable for the Called Shares which shall, for each Called Share, be not less than the Offer Price, and
- 51 2 4 the proposed date of the transfer
- 51 3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold their shares to the Proposed Buyer within 90 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice
- 51 4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this clause
- 51 5 Completion of the sale of the Called Shares shall take place on the date proposed for completion of the sale of the Selling Shareholders' shares ("**Completion Date**") unless
  - 51 5 1 all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders, or
  - 51 5 2 that date is less than 30 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be 30 Business Day after service of the Drag Along Notice
- 51 6 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or provide a suitable indemnity for any lost share certificates) to the company. On the Completion Date, the company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to Article 51 2 3 to the extent that the Proposed Buyer has put the company in the requisite funds. The company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest
- 51 7 To the extent that the Proposed Buyer has not, on the Completion Date, put the company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this Article in respect of their shares
- 51 8 If any Called Shareholder does not, on or before the Completion Date, execute and deliver transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against



receipt by the company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this clause.

## **52 TAG ALONG**

- 52 1 The provisions of this Article 52 shall apply if, in one or a series of related transactions, any Shareholder(s) propose(s) to transfer any of their shares ("**Proposed Transferors**") which would, if carried out, result in any person ("**Buyer**"), acquiring 50% or more of the entire issued share capital of the company at that time ("**Proposed Transfer**")
- 52 2 Before making a Proposed Transfer, the Proposed Transferors shall procure that the Buyer makes an offer ("**Offer**") to the other Shareholders to purchase all of the shares held by them for a consideration in cash per share that is at least equal to the highest price per share offered or paid by the Buyer in the Proposed Transfer or in any related previous transaction in the 12 months preceding the date of the Proposed Transfer ("**Specified Price**")
- 52 3 The Offer shall be made by written notice ("**Offer Notice**"), at least 30 Business Days before the proposed sale date ("**Sale Date**") To the extent not described in any accompanying documents, the Offer Notice shall set out
- 52 3 1 the identity of the Buyer,
- 52 3 2 the price and other terms and conditions of payment,
- 52 3 3 the proposed sale date, and
- 52 3 4 the number of shares proposed to be purchased by the Buyer ("**Offer Shares**")
- 52 4 If the Buyer fails to make the Offer to the remaining Shareholders in accordance with this article, the Proposed Transferors shall not be entitled to complete the Proposed Transfer and the company shall not register any transfer of shares effected in accordance with the Proposed Transfer
- 52 5 If the Offer is accepted by the remaining Shareholder(s) ("**Accepting Shareholder(s)**") in writing within 30 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholder(s)

## **ADMINISTRATIVE ARRANGEMENTS**

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

- 53 1 Subject to the Articles, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient

- 53 1 1 if delivered by hand, on signature of a delivery receipt, or
  - 53 1 2 if sent by fax, at the time of transmission, or
  - 53 1 3 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9 00 am on the second Business Day after posting, or
  - 53 1 4 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied, or
  - 53.1 5 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website, and
  - 53 1 6 if deemed receipt under the previous paragraphs of this article would occur outside business hours (meaning 9 00 am to 5 30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9 00 am on the day when business next starts in the place of deemed receipt For the purposes of this article, all references to time are to local time in the place of deemed receipt
- 53 2 To prove service, it is sufficient to prove that
- 53 2 1 if delivered by hand, the notice was delivered to the correct address, or
  - 53 2 2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number, or
  - 53 2 3 if sent by post, the envelope containing the notice was properly addressed, paid for and posted, or
  - 53 2 4 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient

#### **54 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

#### **55 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

## **56 INDEMNITY**

- 56 1 Subject to article 56 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled
- 56 1 1 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
- 56 1 1 1 in the actual or purported execution and/or discharge of his duties, or in relation to them, and
- 56 1 1 2 in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),
- 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 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 for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs, and
- 56 1 2 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 56 1 1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure
- 56 2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law
- 56 3 In this article
- 56 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- 56 3 2 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act))

## **57 INSURANCE**

- 57 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
- 57 2 In this article

- 57 2 1 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act)),
- 57 2 2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant 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
- 57 2 3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate