

The Companies Act 2006
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
THE EXETER GOLF AND COUNTRY CLUB LIMITED
COMPANY NUMBER: 00228045

(adopted by Special Resolution passed on 2025)

PRELIMINARY

1 In these Articles:

'Act' means the Companies Act 2006 (as amended) and any statutory modification or re-enactment thereof for the time being in force.

'Board' means the board of Directors from time to time.

'Club' means the leisure club known as Exeter Golf and Country Club.

'Deferred Conversion Date' has the meaning in Article 29.

'Deferred Shares' means deferred shares of £1.00 each in the capital of the Company from time to time.

'Director' means a director of the Company from time to time, and includes any person occupying the position of director, by whatever name called.

'Exempt Shareholder' has the meaning in Article 11.

'Member' means a member of the Club.

'Model Articles' means the model articles for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (S/2008/3229) as amended from time to time prior to the adoption of these Articles as attached at Annex 1. A reference in these Articles to an Article is a reference to the relevant numbered article of these Articles and a reference to a model article is a reference to the relevant article in the Model Articles.

'Ordinary Shares' means ordinary shares of £1.00 each in the capital of the Company from time to time.

'Permitted Maximum' has the meaning in Article 13.

'Price' has the meaning in Article 35.

'Qualifying Period' has the meaning in Article 18.

'Register' the register of members of the Company to be maintained under the Act.

'Rules and Bye Laws' means the rules regulating the conduct and management of the Members and the Club as prescribed by the Directors from time to time.

'Sale Shares' has the meaning in Article 25.

'Share' means, unless the context otherwise requires, the Ordinary Shares and the Deferred Shares.

'Shareholder' means a person who is the holder of an Ordinary Share (but excludes the Company holding Treasury Shares).

'Transferor' has the meaning in Article 25.

'Transfer Notice' has the meaning in Article 25.

'Treasury Shares' means shares in the capital of the Company held by the Company as treasury shares from time to time within the meaning set out in section 724(5) of the Act.

'Untraceable Shareholder' has the meaning in Article 18.

- 2 The Model Articles shall apply to the Company, except insofar as they are modified or excluded by, or are inconsistent with, these Articles.
- 3 Model articles 18, 24, 30 and 52 shall not apply to the Company.
- 4 The Company shall have a lien over every Share which is registered in the name of a person indebted or under any liability to the Company, whether such person is the sole registered holder of the Share or one of several joint holders, for all monies payable by them (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

ELIGIBILITY OF SHAREHOLDERS

- 5 No person is to be recognised by the Company as holding any Share upon any trust, and except as otherwise required by law, the Company is not in any way to be bound by or recognise any interest in a Share (including any equitable, contingent, future, partial, beneficial only or other claim to an interest) other than the holder's absolute legal and beneficial ownership of it and all the rights attaching to it.
- 6 No person or Shareholder shall at any time be permitted to hold or be issued or transferred Shares that would be in excess of the Permitted Maximum number of Shares (in accordance with Article 13) and the Directors shall refuse to register the transfer of such Shares.
- 7 Save in respect of Exempt Shareholders, no Ordinary Share shall be held, issued or transferred to any person who is not a Member or is not a natural person or persons (save the Company itself) and model article 26 shall be construed accordingly.

- 8 If at any time after the adoption of these Articles and for any reason whatsoever any Ordinary Share is registered in the name of a person who is not a Member in contradiction of Article 7 the Directors may (in their absolute discretion) give notice in writing to such person or persons (where an Ordinary Share is transferred into the names of two or more persons) requiring them to serve a mandatory transfer notice in respect of the Ordinary Shares held by them in accordance with Article 26 (but subject always to Article 28).
- 9 If an Ordinary Share is registered in the name of a person who is not a Member in the Club, the holder of such Ordinary Share shall not be entitled to receive notice of (subject to Article 12), attend or 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) at any general meeting of the Company, or to receive or vote in relation to or agree any written resolution of the Company.
- 10 For the avoidance of doubt, the Company shall not exercise any right in respect of any Treasury Shares, including any right to:
- (a) receive notice of or to attend or vote at any general meeting of the Company;
 - (b) receive or vote on any proposed written resolution; and
 - (c) receive a dividend or other distribution,
- save as otherwise permitted by section 726(4) of the Act.

MAXIMUM PERMITTED SHAREHOLDINGS

- 11 An **'Exempt Shareholder'** is a Shareholder that was a Shareholder in the Company on 2 December 1995 and has continuously held Ordinary Shares in the Company since that date (irrespective of whether or not they are or have been a Member of the Club). For the avoidance of doubt, any rights of an Exempt Shareholder pursuant to these Articles shall not be transferable to any transferee or transferee and, in the case of a corporate Exempt Shareholder, any rights shall cease on the winding up or insolvency of such corporate.
- 12 Exempt Shareholders are entitled to receive notice of a general meeting but are not entitled to attend or 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) at any general meeting of the Company, or to vote in relation to or agree any written resolution of the Company.
- 13 For the purposes of Article 14, the **'Permitted Maximum'** number of Shares shall mean:
- (a) in the case of any individual person or corporate shareholder who is an Exempt Shareholder, the greater of 5,000 Ordinary Shares and the aggregate of such Exempt Shareholder's holding of Shares as at 2 December 1995 and any additional Shares allotted to such Exempt Shareholder pursuant to the bonus issues of Shares referred to in the notice of general meeting of the Company held on 2 December 1995;
 - (b) in the case of Shares being held in the joint names of two Exempt Shareholders, the greater of 10,000 Ordinary Shares and the aggregate of such joint Exempt Shareholders' holding of Shares as at 2 December 1995 and any additional Shares allotted to such joint Exempt

Shareholder pursuant to the bonus issues of Shares referred to in the notice of general meeting of the Company held on 2 December 1995;

- (c) in the case of Shares being held in the joint names of two Shareholders in the Company and Members of the Club and not falling within Article(b) 12(b), 10,000 Ordinary Shares; and
 - (d) in any other case, 5,000 Ordinary Shares.
- 14 If at any time any person has, or is determined by the Directors as having, more than the Permitted Maximum number of Shares (as defined in Article 13 above) then the Directors may (in their absolute discretion) serve written notice on such person (and, if different, on the registered holder of the Shares in which such person is interested) setting out the requirements referred to in Article 13 and requiring such person or persons (including where such Shares are in the names of two persons) to serve a mandatory transfer notice in respect of such Shares in excess of the Permitted Maximum number of Shares in accordance with Article 26.
- 15 A registered holder of Shares in excess of the Permitted Maximum number of Shares shall not in respect of such excess Shares be entitled to receive notice of or to attend or vote at any general meeting of the Company (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 to receive or vote in relation to or agree any written resolution of the Company.
- 16 Any determination of the Directors under the provisions of Article 14 shall be made in their absolute discretion, without the need to assign reasons therefore, and shall be final and conclusive on all concerned.

UNTRACEABLE SHAREHOLDERS

- 17 If at any time any Shareholder (including for the avoidance of doubt an Exempt Shareholder) is determined by the Directors to be an Untraceable Shareholder, then the Directors may (in their absolute discretion) determine that such person shall have served a mandatory transfer notice in respect of all the Shares held by such Untraceable Shareholder in accordance with Article 26.
- 18 An **'Untraceable Shareholder'** is a Shareholder (which for the purposes of this Article 18 shall include a person entitled by transmission of shares) that:
- (a) for the period of 6 years before the date of sending of the notice referred to in Article 18(c) (the **"Qualifying Period"**) either (i) the Company has not held a current address for; or (ii) has not (in the Directors reasonable belief) received any notice, resolution, circular or any other Shareholder information sent by the Company (if any) (through the post in a pre-paid envelope addressed to the relevant Shareholder, at their address on the Register or other last known address (including any electronic address) given by the relevant Shareholder or person to which notices, resolutions, circulars or any other Shareholder information is to be sent);
 - (b) during the Qualifying Period has not communicated with the Company;
 - (c) on or after expiry of the Qualifying Period, the Company has given notice of its intention to deem such Shareholder an 'Untraceable Shareholder' by sending a notice to the relevant Shareholder at their address on the Register or other last known address given by the Shareholder (including any electronic address) and before sending such a notice to the Shareholder, the Company must have used reasonable efforts to trace the Shareholder,

which may include (where appropriate and proportionate to the number of Shares held) the Company giving notice of its intention to deem such Shareholder an 'Untraceable Shareholder' by advertisement in a national newspaper and/or in a newspaper circulating in the area of the address of the Shareholder shown in the Register; and

- (d) during the further period of six months following the date of the notice referred to in Article 18(c) and prior to the exercise of the Directors' discretion to determine that the Shareholder has served a mandatory transfer notice in accordance with Article 17 the Company has not received any communication in respect of such Share from the relevant Shareholder.

For the avoidance of doubt for the purposes of this Article 18, any part of all of the Qualifying Period can fall before or after the date of adoption of these Articles. Any determination of reasonable efforts and proportionality under the provisions of this Article 17 shall be in the Directors' absolute discretion.

TRANSFERS OF SHARES

- 19 A reference to a "transfer of Shares" or any similar expression shall include a transfer of any interest in any Shares (whether legal, beneficial or otherwise) and any charge, mortgage or other encumbrance granted over any Shares.
- 20 The Directors shall refuse to register any transfer of Shares made in contravention of the provisions of these Articles or any transfers not made in good faith and in bona fide circumstances.
- 21 The Company shall only be permitted to sell or transfer Treasury Shares to any person(s) as approved by the Directors (in their absolute discretion) and being a Member.

Purchase of own shares

- 22 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 Part 18 of the Act, including (but not limited to) out of capital. In respect of a purchase of own Shares out of capital this shall be limited to any amount in a financial year not exceeding the lower of:
 - (a) £15,000; and
 - (b) the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year.
- 23 On a purchase of Shares in accordance with Chapter 4 of Part 18 of the Act, the Company may:
 - (a) hold such Shares (or any of them) as 'Treasury Shares';
 - (b) deal with any of the Treasury Shares, at any time, in accordance with section 727 of the Act;
or
 - (c) cancel any Treasury Shares, at any time, in accordance with section 729 of the Act.

Voluntary Transfers

- 24 Subject to Article 5, a bona fide transfer of Ordinary Shares may be made between Members acting in good faith (who are also Shareholders in the Company or a new Member who is required by the Rules and Bye Laws to become a Shareholder) without the consent of the Board.
- 25 Other than in the case of a transfer permitted by Article 24 and/or required by Article 26:
- (a) any Shareholder (the '**Transferor**') who wishes to transfer any of his Ordinary Shares or to dispose of any interest therein ('**Sale Shares**') shall serve on the member secretary a notice in writing (a '**Transfer Notice**') of his wish so to do accompanied by the relevant share certificate(s) (if in his possession or control). Every Transfer Notice shall state the number of Sale Shares and the name of the proposed transferee (if any) and shall constitute the Company as the Transferor's fully authorised agent for the sale of the Sale Shares at the Price applicable at the time of the sale.
 - (b) at any time after being served (or in the case of a mandatory notice deemed served (whether before or after the date of adoption of these Articles)) with a Transfer Notice the Company may in the Directors' absolute discretion (as fully authorised agent for the Transferor) either:
 - i find from time to time a person (or any number of persons) who is also a Member(s) (including new Member(s)) and is a Shareholder or is required by the Rules and Bye Laws to become a Shareholder in the Company, willing to purchase all or some of the Sale Shares at the Price; or
 - ii elect for the Company to purchase all or some of the Shares at the Price subject to compliance with the Act and in accordance with Article 22,
- then the Company shall effect a transfer of such Sale Shares to the purchaser specified by the Company (or if in accordance with Article 22 the Company itself) and the provisions of Articles 36 to 39 shall apply.

A Shareholder may not serve a Transfer Notice in accordance with this Article 25 if doing so would result in such Shareholder (being a Member) ceasing to hold the required qualifying number of Shares as a Member in accordance with the Rules and Bye Laws.

Mandatory Transfers

- 26 Any Shareholder:
- (a) holding more than the Permitted Maximum number of Shares in accordance with Article 13;
 - (b) that is an Untraceable Shareholder; or
 - (c) who (subject to Article 28) has ceased to be a Member (however arising including, without limitation, on death) and has not served a Transfer Notice in respect of all Ordinary Shares held by them in accordance with Article 26

shall be deemed to have been served a Transfer Notice in respect of all Ordinary Shares held by them and the provisions of Article 25 and Articles 36 to 39 shall apply to such deemed mandatory Transfer Notice and the relevant shares subject to the notice shall be Sale Shares.

- 27 Upon the service or deemed service of such mandatory Transfer Notice the registered holder of the Ordinary Shares (being the Ordinary Shares subject of the Transfer Notice) shall not be entitled to receive notice of or to attend or 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 Shares) at any general meeting or to receive or vote in relation to or agree any written resolution of the Company.
- 28 Save in the case of death, nothing in Article 25(c) shall require any person who is an Exempt Shareholder to serve a Transfer Notice (or to have been deemed to have served a Transfer Notice). For the avoidance of doubt, the provisions of this Article 28 are personal to the Exempt Shareholder and these rights shall not be transferable to any transmittee or transferee.

Deferred Shares

- 29 Following the serving of a Transfer Notice (or a deemed mandatory transfer notice as the case may be) if a purchaser is not found in accordance with Article 24(b) and the Company declines or is unable to exercise such power to purchase some or all of the Sale Shares in accordance with Article 22 then the Company may (at the absolute discretion of the Directors) convert any remaining Sale Shares into deferred shares (**'Deferred Shares'**) (on the basis of one Deferred Share for each Ordinary Share) without further resolution, consent or approval of the Transferor or the other Shareholders. The date of conversion into Deferred Shares (**'Deferred Conversion Date'**) shall be such date as the Directors resolve and the Directors shall give notice in writing of such conversion to the Transferor, confirming the Deferred Conversion Date.
- 30 From the Deferred Conversion Date, the Company shall be entitled to enter the holder of the Deferred Shares in the register of members of the Company recording them as the holder of the appropriate number of Deferred Shares.
- 31 The rights attaching or relating to the Deferred Shares shall be as follows:
- (a) the Deferred Shares shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company;
 - (b) on a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares) where there is a surplus of assets of the Company remaining after payment of its liabilities, the holders of the Deferred Shares, if any, shall be entitled to a payment of £1.00 between them for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares); and
 - (c) the Deferred Shares (if any) shall not confer the right to any further or other participation in the profits or assets of the Company and the holders of Deferred Shares (if any) shall not be entitled to any other dividend, distribution or other return of capital.
- 32 The conversion or re-designation of shares into Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after their allotments, issue, conversion or re-designation, without obtaining the sanction of such holders (or the other Shareholders) to:

- (a) appoint any person to execute any transfer (or any agreement to transfer including, without limitation, a company buy-back agreement) such Deferred Shares to such person(s) as the Company may determine (as nominee or custodian thereof or otherwise);
- (b) give, on behalf of such holder, consent to the cancellation of such Deferred Shares; and/or
- (c) purchase such Deferred Shares in accordance with Article 22 (the buy-back of the Deferred Shares being effective under the powers contained in these Articles without the need for a separate agreement or any further authority from the Shareholders),

and with the Company having authority, pending such transfer, cancellation and/or purchase, to retain the certificates (if any) in respect thereof.

33 In the case of a Company's purchase of Deferred Shares pursuant to Article 32(c) the terms shall be as follows:

- (a) the shares to be purchased shall be all the Deferred Shares in issue;
- (b) the selling shareholders shall be all such persons holding such Deferred Shares;
- (c) the purchase of Deferred Shares shall be effective on the date being 15 days after the date the Directors determine the Company shall purchase the Deferred Shares; and
- (d) the price for all such Deferred Shares shall be (in aggregate) one penny (which amount shall be apportioned between the holders of Deferred Shares pro rata as to the number of Deferred Shares held and may be paid to any one or more holders of Deferred Shares on behalf of all holders of Deferred Shares).

If the Company is unable to account to the holders of Deferred Shares for the purchase money as set out in Article 32(d) the money will be forfeited and will belong to the Company

34 No Deferred Share may be transferred without the prior consent of the Directors.

Price

35 For the purposes of these Articles the expression '**the Price**' shall mean the lower of:

- (a) the average price per Ordinary Share at which Ordinary Shares have been sold in bona fide arm's length sales (at the sole discretion of the Board with the ability to disregard sales not made on such terms) made by the last 12 months preceding the transfer, as notified to and/or determined by the member secretary, such determination to be final and binding on all concerned; and
- (b) the price per Ordinary Share as the auditors of the Company (acting as experts not arbitrators) have determined (if requested to do so) in their absolute discretion to be the market value of such Ordinary Shares.

Any Shareholder or the Company may request the auditors valuation for the purposes of Article 33(b), the costs of obtaining such valuation shall be paid by the requesting party.

Authority and completion of share transfers

- 36 If a Transferor is bound to transfer any Sale Shares to a purchaser or the Company in accordance with Article 25 (Voluntary Transfers) or a person is required to transfer any Ordinary Shares in accordance with Article 26 (Mandatory Transfers) (each a '**Selling Shareholder**') the purchase shall be completed as soon as reasonably practicable at a place and time to be appointed by the Directors (or any one of them) shall be irrevocably and unconditionally appointed the agent of the Selling Shareholder with full authority and power to execute, complete and deliver all documents (including, without limitation, stock transfer form(s) and a company buy-back agreement) in the Selling Shareholder's name necessary to give effect to and facilitate the transfer of the Sale Shares or Ordinary Shares to any Member(s) or to the Company against payment of the Price to the Company. Upon payment of any applicable stamp duties, the Company shall enter the name of the purchaser (or the Company itself in the case of Treasury Shares) in the register of members of the Company as the holder of such of the Sale Shares or Ordinary Shares as shall have been transferred to them (or, if applicable and in the case of a Company purchase, arrange for such shares to be cancelled). The Company shall receive the purchase money on behalf of the Selling Shareholder and shall (subject to Article 38 and other than in the case of an Untraceable Shareholder) take reasonable steps to account for the same to the Selling Shareholder. If the Company is unable to account to the Selling Shareholder for the purchase money it shall hold such purchase money for 6 years in a separate account but shall not be bound to earn or pay interest thereon and the Company does not have to account for any money earned on them. The Company shall be deemed to be a debtor to, and not a trustee for, such Selling Shareholder. Monies carried to such separate account may either be employed in the business of the Company as the Board may think fit. If no valid claim for the money has been received by the Company during a period of 6 years from the date on which the purchase money was deposited with the Company under this Article 36, the money will be forfeited and will belong to the Company.
- 37 After a purchaser has paid the Company for any shares acquired and the purchaser's name has been entered on the Company's register of members, no person shall be entitled to question the validity of the proceedings as set out in Article 36 or otherwise.
- 38 Any money held on trust by the Company for the Selling Shareholder shall only be released to the Selling Shareholder if on the member secretary's request they produce the relevant share certificates (or an appropriate indemnity for any lost share certificates) for the Sale Shares or Ordinary Shares that have been transferred to the Member of the Club or to the Company (as appropriate).
- 39 Nothing in these Articles shall require the Company to sell all the Shares of a Selling Shareholder at one time or to one purchaser, and the Company shall be authorised to effect any number of transfers for each Selling Shareholder.

STOCK TRANSFER FORMS

- 40 Each Shareholder shall, upon becoming a Member and a Shareholder or, if later, at the request of the Company, execute (including by electronic means) a partially complete stock transfer form relating to their Shares in the Company (incomplete only insofar as the number of Shares, the price and the transferee are concerned). Each Shareholder authorises the Company to retain such stock transfer form and appoints and authorises the Directors (or any one of them) to be their agent with full authority to complete, execute (including by electronic means) and deliver all such stock transfer forms (and any other documentation required in connection with the

transfer or purchase of the Shares including, without limitation, a company buy-back agreement) on their behalf in order to effect the transfer of their Shares howsoever arising but only in accordance with these Articles.

BORROWING POWERS

- 41 The Directors may exercise all of the powers of the Company to raise or borrow such sum or sums of money as they think fit, and may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company, present and future, including its uncalled or unissued capital, or by the issue, at such price as they may think fit, of bonds or debentures, either charged upon the whole or any part of the property and assets of the Company or not so charged, or in such other way as the Directors may think expedient.

ANNUAL GENERAL MEETING AND GENERAL MEETINGS

- 42 An annual general meeting shall be held once in a year at such time and place as may be determined by the Board and in accordance with the Act ('**Annual General Meeting**'). In addition to the Annual General Meeting, the Directors may call a general meeting of the Members at any time.
- 43 General meetings, including/ the Annual General Meeting, are called on a minimum of 14 clear days' notice.
- 44 A general meeting may be called by shorter notice if it is so agreed by a majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority who together hold not less than 90% of the total voting rights.
- 45 The notice shall specify the date, time and place of the meeting and the general nature of the business to be transacted. It shall also include a statement pursuant to the Act setting out the right of Members to appoint proxies.
- 46 The notice shall be given to each Shareholder entitled to receive such notice, each Director and the auditor for the time being of the Company.
- 47 Proceedings at a general meeting (including the Annual General Meeting) shall not be invalidated because a person entitled to receive notice of the meeting did not receive it because of an accidental omission by the Company.
- 48 No business shall be transacted at any meeting unless a quorum is present. Ten persons entitled to vote upon the business to be transacted, each being a Shareholder and a Member or a proxy for a Shareholder shall be a quorum and model article 38 shall be modified accordingly.

VOTES OF MEMBERS

- 49 The provisions of Articles 9, 10, and 27 shall apply and such Shareholders shall not be entitled to receive notice of or to attend or 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 Shares at any general meeting or to receive or vote in relation to or agree any written resolution of the Company. Any determination by the chair as to the eligibility of Shareholders to receive notice

or vote at any Shareholder meeting (in accordance under this Article 49 or otherwise) shall be final.

- 50 At a general meeting a resolution put to the vote shall be decided on a show of hands unless, before or on the declaration of the result of the show of hands, a poll is demanded by the chair or by at least five Shareholders present in person or by proxy and entitled to vote and holding or representing by proxy not less than 10% of the total voting rights of the Shareholders having the right to vote at the meeting. Unless a poll is demanded as above, a declaration by the chair that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute books shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 51 If a poll is demanded, it shall be taken at such time (either at the meeting at which the poll is demanded or within 30 days of the meeting) and place and in such manner as the chair directs (including the use of ballot or voting papers or tickets). The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A poll demanded on the election of the chair or on a question of adjournment shall be taken immediately. The demand for a poll may be withdrawn before the close of the meeting or the taking of the poll, whichever is the earlier, but, if a demand is withdrawn, the chair of the meeting or other Shareholders entitled to require a poll may himself or themselves demand a poll.
- 52 Where there are joint holders of an Ordinary Share, the joint Shareholders shall be deemed to be split equally (with any fractions accruing to the first named) between the joint Shareholders and the corresponding proportion of the total votes attaching to all the jointly held Ordinary Shares shall be split on the same manner.

DIRECTORS

- 53 The number of Directors shall not be less than six nor more than eight and the quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be three; model article 11 shall be modified accordingly.
- 54 The Directors shall have power at any time and from time to time to appoint any person to be a Director of the Company either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number of Directors in accordance with these Articles. Any Director so appointed shall hold office only until the next following annual general meeting, when they shall retire, but shall be eligible for re-election.
- 55 Every Director shall hold in his own right and as sole holder of Ordinary Shares in the capital of the Company no less than the necessary qualifying Ordinary Shares required to be held by an individual Member in accordance with the Rules and Bye Laws.

PROCEEDINGS OF DIRECTORS

- 56 Any Director or member of a committee of the Directors may participate in a meeting of the Directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.

- 57 The Directors may delegate any of their powers to any committee consisting of one or more Directors and any committee shall have the power, if the Directors direct, to co-opt as a member or members of the committee any person or persons although not being a Director of the company. They may also delegate to any managing director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him.

RETIREMENT OF DIRECTORS

- 58 At every Annual General Meeting, any Director then in office who has been appointed by the Board in accordance with Article 54 and one-third, or, if their number is not divisible by three, the number nearest to one-third, of the other Directors shall retire by rotation under Article 59, but may offer themselves for reappointment by the Shareholders.
- 59 The Directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment. As between persons who were appointed or last reappointed on the same day, those to retire shall (unless they agree otherwise among themselves) be determined by drawing lots.
- 60 If a Director is required by the Articles to retire at an Annual General Meeting the retirement shall take effect on the conclusion of that meeting.
- 61 If the Company, at any Annual General Meeting at which a Director retires in accordance with these Articles, does not fill the office vacated by such Director, the retiring Director, if willing to act, shall be deemed to be re-appointed unless at that meeting the resolution to re-appoint them is put to the meeting and lost.
- 62 No person, other than a retiring Director (by rotation or otherwise), shall be appointed or re-appointed a Director at an Annual General Meeting unless either:
- (a) they are recommended by the Board; or
 - (b) at least seven but not more than 14 clear days before the relevant Annual General Meeting, the Company has received notice from a person (other than the person proposed) who is entitled to vote at the Annual General Meeting of their intention to propose the appointment or reappointment of that proposed person. Any such notice of intention shall be lodged with the Company and shall confirm the relevant proposed person's full name, home address, date of birth and occupation (being the details that would be required for the Company's register of directors) and shall be executed by the person proposed to confirm their willingness to be appointed or reappointed.

DISQUALIFICATION OF DIRECTORS

- 63 The office of a Director shall be vacated if:
- (a) such person ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director;
 - (b) such person becomes bankrupt or insolvent or makes any arrangement on composition with his creditors;

- (c) such person is, or may be, suffering from mental disorder and a registered medical practitioner who is treating that person gives a written opinion to the Company stating that they have become physically or mentally incapable of acting as a Director and may remain so for more than six months;
- (d) a Court makes an order which wholly or partially prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (e) such person ceases to be a Member;
- (f) such person ceases to hold the necessary qualifying Ordinary Shares required of Members pursuant to the Rules and By Laws;
- (g) such person gives the Directors one calendar months' notice in writing that they resign from office; or
- (h) such person is for more than six consecutive months absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that such person's office shall be vacated.

But any act done in good faith by a Director whose office is vacated as aforesaid shall be valid unless, prior to the doing of such act, written notice shall have been served upon the Directors or an entry shall have been made in the Directors' minute book stating that such Director has ceased to be a Director of the Company.

- 64 A Director may hold any office of profit under the Company (other than that of auditor) in conjunction with the office of Director, and may enter into contracts or arrangements or have dealings with the Company, and shall not be disqualified from office thereby, nor shall they be liable to account to the Company for any profit arising out of any such contract, arrangement, or dealing to which they are a party or in which they are interested by reason of them being at the same time a Director of the Company, provided that such Director discloses to the Board at or before the time when such contract, arrangement, or dealing is determined upon their interest therein, or, if such interest is subsequently acquired, provided that they on the first occasion possible disclose to the Board the fact that they have acquired such interest. Except in respect of any agreement or arrangement to give any indemnity or security to any Director who has undertaken or is about to undertake any liability on behalf of the Company, no Director shall vote as a Director in regard to any contract, arrangement, or dealing in which they are interested or upon any matter arising thereat, and if they shall so vote their vote shall not be counted, nor shall they be reckoned in estimating a quorum when any such contract, arrangement, or dealing is under consideration; model article 14 shall be amended accordingly.

INDEMNITY

- 65 Subject to the provisions of, and so far as may be consistent with, the Act, but without prejudice to any indemnity to which a Director may be otherwise entitled, every Director, secretary or other office of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office.
- 66 Without prejudice to the generality of the foregoing, every Director, secretary or other office of the Company shall be entitled to be indemnified by the Company against all costs, charges,

losses, expenses and liabilities incurred by a Director in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by them as an officer or employee of the Company provided judgment is given in their favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on their part) or in which they are acquitted, or in connection with any application under any statute for relief from liability in respect of any such act or omission and in which relief is granted to them by the Court.

CAPITALISATION OF RESERVES

67 The Directors may, with the authority of a special resolution of the Company:

- (a) subject as herein after provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- (b) appropriate the sum resolved to be capitalised to the Shareholders in the Company who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any Ordinary Shares held by them respectively, or in paying up in full unissued Ordinary Shares or debentures of the Company of a nominal amount equal to that sum, and allot the Ordinary Shares or debentures credited as fully paid to those Shareholders, or as they may direct but subject to the Articles including, without limitation, Article 8, in accordance with the authorising special resolution or otherwise, in those proportions or partly in one way and partly in the other, but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Ordinary Shares to be allotted to Shareholders, or as they may direct as aforesaid, credited as fully paid;
- (c) make such provision by the issue of fractional certificates (or by ignoring fractions) or by payment in cash or otherwise as they determine in the case of Ordinary Shares or debentures becoming distributable in fractions;
- (d) authorise any person to enter on behalf of all the Shareholders in the Company concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any Shares or debentures to which they are entitled upon such capitalisation, any such agreement made under such authority being binding on all such Shareholders; and
- (e) generally do all acts and things required to give effect to such resolution.

PROFITS NOT TO BE DISTRIBUTED

68 No dividend shall be paid or other distribution made other than by way of capitalisation of reserves made to the Shareholders in the Company except in the event of a winding up.

NOTICES

69 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- (d) 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.

For the purposes of this Article 69, no account shall be taken of any part of a day that is not a business day.

- 70 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act; model article 48 shall be modified accordingly.
- 71 If the Company has not been provided with an address for service by a Shareholder or on three consecutive occasions any notice, document or other information has been sent to any Shareholder, the Shareholder's registered address or the Shareholder's address for the service of notices (by electronic means or otherwise) but has been returned undelivered, such Shareholder shall not be entitled to receive notices, documents or other information from the Company until they shall have communicated with the Company and supplied in writing a new registered address or address within the United Kingdom for the service of notices or has informed the Company of an address for the service of notices and the sending or supply of documents and other information in electronic form. For these purposes, any notice, document or other information served, sent or supplied by post shall be treated as returned undelivered if the notice, document or other information is served, sent or supplied back to the Company (or its agents) and a notice, document or other information served, sent or supplied in electronic form shall be treated as returned undelivered if the Company (or its agents) receives notification that the notice, document or other information was not delivered to the address to which it was served, sent or supplied.

SHARE CERTIFICATES

- 72 Every person (except a person to whom the Company is not by law required to issue a certificate) whose name is entered in the Register as a holder of any certificated shares shall be entitled, without charge, to receive within the time limits prescribed by the Act (unless the terms of issue prescribe otherwise) one certificate for all of the shares of that class registered in their name. Each Shareholder may (by express written authority) authorise the Company to hold their certificate(s) electronically on their behalf and the provisions of model article 24 shall be modified accordingly.
- 73 The Company shall not be bound to issue more than one certificate in respect of shares held jointly by two or more persons. Delivery of a certificate to the person first named in the Register shall be sufficient delivery to all joint holders.
- 74 Where a Shareholder has transferred part only of the shares comprised in a certificate, the Shareholder shall be entitled without charge to a certificate for the balance of such shares to

the extent that the balance is to be held in certificated form. Where a Shareholder receives more shares of any class, the Shareholder shall be entitled without charge to a certificate for the extra shares of that class to the extent that the balance is to be held in certificated form.

- 75 A share certificate may be issued under Seal (by affixing the Seal to or printing the Seal or a representation of it on the certificate) or signed by at least two Directors or by at least one Director before a witness. Such certificate shall specify the number and class of the shares in respect of which it is issued and the amount or respective amounts paid up on it. The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be applied to the certificates by electronic, mechanical or other means or may be printed on them or that the certificates need not be signed by any person.
- 76 Every share certificate sent in accordance with these Articles will be sent at the risk of the Shareholder or other person entitled to the certificate. The Company will not be responsible for any share certificate lost or delayed in the course of delivery.

Schedule 1- Model Articles

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

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PART 1 INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise—"articles" means the company's articles of association;

"bankruptcy" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy; "chairman" has the meaning given in article 12; "chairman of the meeting" has the meaning given in article 39;

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

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

"distribution recipient" has the meaning given in article 31;

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

"electronic form" has the meaning given in section 1168 of the Companies Act 2006;

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

"hard copy form" has the meaning given in section 1168 of the Companies Act 2006;

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

"instrument" means a document in hard copy form;

"ordinary resolution" has the meaning given in section 282 of the Companies Act 2006;

"paid" means paid or credited as paid;

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

"proxy notice" has the meaning given in article 45;

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

"shares" means shares in the company;

"special resolution" has the meaning given in section 283 of the Companies Act 2006;

"subsidiary" has the meaning given in section 1159 of the Companies Act 2006;

"transmittee" means a person entitled to a share by reason of the death or bankruptcy of a

shareholder or otherwise by operation of law; and

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

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

Liability of members

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

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

Directors' general authority

3. 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.

Shareholders' reserve power

4.—(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.

(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

Directors may delegate

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

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

(2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

Committees

6.—(1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

(2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

7.—(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

(2) If—

- (a) the company only has one director, and
 - (b) no provision of the articles requires it to have more than one director,
- the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

Unanimous decisions

8.—(1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

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

(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

(4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

Calling a directors' meeting

9.—(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

(2) Notice of any directors' meeting must indicate—

- (a) its proposed date and time;
- (b) where it is to take place; and
- (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

(3) Notice of a directors' meeting must be given to each director, but need not be in writing.

(4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

Participation in directors' meetings

10.—(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—

- (a) the meeting has been called and takes place in accordance with the articles, and

(b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

(2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

(3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

Quorum for directors' meetings

11.—(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

(2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

(3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—

(a) to appoint further directors, or

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

Chairing of directors' meetings

12.—(1) The directors may appoint a director to chair their meetings.

(2) The person so appointed for the time being is known as the chairman.

(3) The directors may terminate the chairman's appointment at any time.

(4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

Casting vote

13.—(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

(2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

Conflicts of interest

14.—(1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.

(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

(3) This paragraph applies when—

(a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;

(b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or

(c) the director's conflict of interest arises from a permitted cause.

(4) For the purposes of this article, the following are permitted causes—

(a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;

(b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and

(c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

(5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

(6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

(7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

Records of decisions to be kept

15. 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.

Directors' discretion to make further rules

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

APPOINTMENT OF DIRECTORS

Methods of appointing directors

17.—(1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

(a) by ordinary resolution, or

(b) by a decision of the directors.

(2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.

(3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

Termination of director's appointment

18. A person ceases to be a director as soon as—

(a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;

(b) a bankruptcy order is made against that person;

- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) *[paragraph omitted pursuant to The Mental Health (Discrimination) Act 2013]*
- (f) 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.

Directors' remuneration

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

Directors' expenses

- 20.** The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—
- (a) meetings of directors or committees of directors,
 - (b) general meetings, or
 - (c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

PART 3

SHARES AND DISTRIBUTIONS

SHARES

All shares to be fully paid up

- 21.**—(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.
- (2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

Powers to issue different classes of share

- 22.**—(1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

- (2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

Company not bound by less than absolute interests

- 23.** 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.

Share certificates

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

Replacement share certificates

- 25.**—(1) If a certificate issued in respect of a shareholder's shares is—
- (a) damaged or defaced, or
 - (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- (2) A shareholder exercising the right to be issued with such a replacement certificate—

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

Share transfers

- 26.**—(1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.
- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The company may retain any instrument of transfer which is registered.
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- (5) The directors may 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.

Transmission of shares

27.—(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.

(2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—

(a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and

(b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

(3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

Exercise of transmittees' rights

28.—(1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.

(2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

(3) 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.

Transmittees bound by prior notices

29. 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.

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

30.—(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

(2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

(3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

(4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.

(5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.

(6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

(7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

Payment of dividends and other distributions

31.—(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—

(a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;

(b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;

(c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or

(d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

(2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

(a) the holder of the share; or

(b) if the share has two or more joint holders, whichever of them is named first in the register of members; or

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

No interest on distributions

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

(a) the terms on which the share was issued, or

(b) the provisions of another agreement between the holder of that share and the company.

Unclaimed distributions

33.—(1) All dividends or other sums which are—

(a) payable in respect of shares, and

(b) unclaimed after having been declared or become payable,

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

(2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

(3) If—

(a) twelve years have passed from the date on which a dividend or other sum became due for payment, and

(b) the distribution recipient has not claimed it, the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

Non-cash distributions

34.—(1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

(2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—

(a) fixing the value of any assets;

(b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

(c) vesting any assets in trustees.

Waiver of distributions

35. Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if—

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

CAPITALISATION OF PROFITS

Authority to capitalise and appropriation of capitalised sums

36.—(1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
- (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

(2) Capitalised sums must be applied—

- (a) on behalf of the persons entitled, and
- (b) in the same proportions as a dividend would have been distributed to them.

(3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

(4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.

(5) Subject to the articles the directors may—

- (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

PART 4

DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

37.—(1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

(2) A person is able to exercise the right to vote at a general meeting when—

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

(3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

(4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

(5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

Quorum for general meetings

38. 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.

Chairing general meetings

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

(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

- (a) the directors present, or
 - (b) (if no directors are present), the meeting, must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- (3) The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

Attendance and speaking by directors and non-shareholders

40.—(1) Directors may attend and speak at general meetings, whether or not they are shareholders.

(2) The chairman of the meeting may permit other persons who are not—

- (a) shareholders of the company, or
- (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

Adjournment

41.—(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

- (a) the meeting consents to an adjournment, or
- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

(3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

(4) When adjourning a general meeting, the chairman of the meeting must—

- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
 - (a) to the same persons to whom notice of the company's general meetings is required to be given, and
 - (b) containing the same information which such notice is required to contain.
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

Voting: general

42. 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.

Errors and disputes

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

Poll votes

44.—(1) A poll on a resolution may be demanded—
 (a) in advance of the general meeting where it is to be put to the vote, or
 (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
 (2) A poll may be demanded by—
 (a) the chairman of the meeting;
 (b) the directors;
 (c) two or more persons having the right to vote on the resolution; or
 (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
 (3) A demand for a poll may be withdrawn if—
 (a) the poll has not yet been taken, and
 (b) the chairman of the meeting consents to the withdrawal.
 (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

45.—(1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which—
 (a) states the name and address of the shareholder appointing the proxy;
 (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;

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

Delivery of proxy notices

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

Amendments to resolutions

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

PART 5

ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

48.—(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or

supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

(2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

(3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

Company seals

49.—(1) Any common seal may only be used by the authority of the directors.

(2) The directors may decide by what means and in what form any common seal is to be used.

(3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

(4) For the purposes of this article, an authorised person is—

- (a) any director of the company;
- (b) the company secretary (if any); or
- (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

No right to inspect accounts and other records

50. 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.

Provision for employees on cessation of business

51. The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the

cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

52.—(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—

(a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,

(b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),

(c) any other liability incurred by that director as an officer of the company or an associated company.

(2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

(3) In this article—

(a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

(b) a "relevant director" means any director or former director of the company or an associated company.

Insurance

53.—(1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

(2) In this article—

(a) a "relevant director" means any director or former director of the company or an associated company,

(b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and

(c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.