

Company Number: 06524543

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

EAST AFRICAN TIMBER AND FARMING LIMITED ("the Company")

Passed on: 21 December 2017

The following resolutions were duly passed by way of written resolution under Chapter 2 of Part 13 of the Companies Act 2006.

SPECIAL RESOLUTIONS

1. THAT the proposed new articles of association of the Company, as set out and annexed hereto as "Annex 1" (the "New Articles") be adopted by the Company in substitution for, and to the exclusion of, the Company's existing articles of association.
2. THAT, subject to the passing of Resolution 1 above, any rights of pre-emption which the shareholders of the Company may have, howsoever arising, including without limitation pursuant to article 4 of the existing articles of association of the Company and clauses 6.8 and 8 of the shareholders' agreement entered into between the Company and its shareholders dated 4 February 2010 (as amended) (the "Shareholders Agreement") shall not apply in relation to the allotment by the Company of up to 1,280,000 preference shares of £1 each in the capital of the Company for a subscription price of not less than £1 a share having the rights and subject to the restrictions set out in the New Articles.

ORDINARY RESOLUTIONS

3. THAT, the Directors be granted a general and unconditional authority under section 551 of the Companies Act 2006 (the "Act") and for all other purposes to allot shares in the Company up to an aggregate nominal amount of 1,280,000 preference shares of £1.00 each in the capital of the Company (authority as if section 561(1) of the Act did not apply to the relevant allotment) for a subscription price of not less than £1 a share and declare or pay any dividend or other distribution in respect of any preference share in accordance with the terms of the New Articles.

Signed: _____

[Signature]
Director.

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COMPANIES HOUSE

THE COMPANIES ACTS 2006
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF
EAST AFRICAN TIMBER AND FARMING LIMITED

(As adopted by a special resolution dated 21 December 2017)

PRELIMINARY

1.

- 1.1 The regulations contained or incorporated in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985, The Companies Act 1985 (Electronic Communications) Order 2000 and the Companies (Tables A to F) (Amendment) Regulations 2007 and the Companies (Tables A to F) (Amendment) (No.2) Regulations 2007 (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such regulations (save as to excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.

- 1.2 In these Articles the following words and phrases shall have the following meanings

"Act" means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;

"Additional Preference Share Dividend" has the meaning given to it in Article 4.1.3;

"A Ordinary Share" means an A ordinary share of £0.10 in the capital of the Company;

"Adoption Date" means the date on which these Articles were adopted by the Company;

"Auditors" means the auditors to the Company for the time being;

"B Ordinary Share" means a B ordinary share of £0.10 in the capital of the Company;

"Business Days" means any day (other than a Saturday or Sunday) on which banks are open in London for normal banking business;

"Controlling Interest" means an interest in the Shares giving to the holder the right to exercise more than 50 per cent of the votes which may be cast on a poll at a general meeting of the Company;

"Exit" means (i) the sale or transfer of the whole or substantially the whole of the undertaking or assets of the Company or the Group (in one transaction or as a series

of transactions); or (ii) the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which will result in the purchaser of such Shares (or grantee of such right) and his connected persons (as defined in sections 1122-1123 of the Corporation Tax Act 2010), together acquiring an interest in aggregate of fifty per cent (50%) or more of the total voting rights conferred by all the issued Shares in the capital of the Company;

"Family Members" means the wife or husband (or widow or widower), children and grandchildren of a member of the Company;

"Family Trusts" means, in relation to a member of the Company, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that member or any of his Family Members and under which no power of control over the voting powers conferred by any Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such member or any of his Family Members;

"First Preference Share Dividend Date" means 30 September 2018;

"Group" means the Company and each and every of its subsidiaries from time to time;

"Issue Price" means in respect of a Share in the capital of the Company, the aggregate of the amount paid up (or credited as paid up) in respect of the nominal value and any share premium;

"Ordinary Shares" means A Ordinary Shares and B Ordinary Shares;

"Preference Share" means a preference share of £1.00 each in the capital of the Company;

"Preference Share Dividend" has the meaning given to it in Article 4.1.1;

"Preference Share Dividend Date" means 30 September (or if such date is not a Business Day, the Business Day immediately following such date);

"Preference Share Redemption Date" means 30 November 2022; and

"Shares" means A Ordinary Shares, B Ordinary Shares and Preference Shares.

SHARE CAPITAL

2. The Directors of the Company may (subject to Article 3.1 below and section 551 of the Act) allot, grant options over, convert any security into or otherwise deal with or dispose of any Shares on such terms and conditions and in such manner as they think proper.
3.
 - 3.1 Subject to any direction to the contrary that may be given by special resolution by the Company, any Shares shall, before they are issued, be offered to the Members in proportion as nearly as possible to the nominal value of the existing Shares held by them and such offer shall be made by notice specifying the number of Shares to which the Member is entitled and limiting a time within which the offer is not accepted shall be deemed to be declined, and after the expiration of such time or on receipt of an intimation from the Member to whom the notice is given that he declines to accept the Shares, the Directors may dispose of the same in such manner as they think most beneficial to the Company.

- 3.2 In accordance with section 570 of the Act, the provisions of section 561 and 562 of the Act shall not apply to the Company.¹

SHARE RIGHTS

4. *Preference Shares shall confer upon their holders the following class rights:-*

- 4.1 As to income the profits of the Company available for distribution shall be applied as follows:-

- 4.1.1 The Preference Shares carry the right to a fixed cumulative preferential cash dividend (the "**Preference Share Dividend**") of 15% per annum (net of any associated tax credit) of the total Issue Price of the Preference Shares. The Preference Share Dividend shall accrue day to day and be paid out of the profits of the Company available for distribution (and resolved to be distributed where legally permissible) annually in arrears on the earlier of:

- (a) the Preference Share Dividend Date; or
- (b) upon the date on which such Preference Shares are redeemed pursuant to Article 4.5,

the first such payment to accrue to and be paid on the earlier of the First Preference Share Dividend Date or upon the date on which such Preference Shares are redeemed pursuant to Article 4.5.

- 4.1.2 Without prejudice to the rights of the holders of the Preference Shares hereunder, if on the First Preference Share Dividend Date or any Preference Share Dividend Date thereafter:

- (a) the Company fail to make the relevant payment (for whatever reason); or
- (b) the distributable profits and reserves of the Company are insufficient to enable payment to be made in full and so no such Preference Share Dividend is legally permissible,

the relevant holder's entitlement thereto shall remain outstanding and the Company shall pay to such holders, in addition to this outstanding entitlement to the Preference Share Dividend, an additional fixed cumulative preferential cash dividend (the "**Additional Preference Share Dividend**").

- 4.1.3 The Additional Preference Share Dividend shall comprise of 15% per annum (net of any associated tax credit) of the aggregate amount of any unpaid Preference Share Dividend and unpaid Additional Preference Share Dividend. The Additional Preference Share Dividend shall accrue day to day from the date on which the Company has failed to pay the relevant amount, compound annually on the Preference Share Dividend Date and be paid out of the profits of the Company available for distribution (and resolved to be distributed where legally permissible) each year on:

¹ DACB: We have excluded statutory pre-emption rights in favour of the pre-emption rights set out in article 3.1 above.

- (a) the Preference Share Dividend Date (until the payment of all due and payable Preference Share Dividends and Additional Preference Share Dividends has been made in full);
- (b) upon the date on which the Preference Shares are redeemed pursuant to Article 4.5; or
- (c) upon the date as the Company are able to make a payment in accordance with Article 4.1.4(b).

4.1.4 For the avoidance of doubt:

- (a) the holders of Preference Shares shall be entitled to payment of the Preference Share Dividend and Additional Preference Share Dividend in priority to any payment of a dividend to any other class of Share, such Preference Share Dividend to be distributed amongst the holders of the Preference Shares pro rata according to the amounts paid up thereon; and
- (b) any portion of the Preference Share Dividend or Additional Preference Share Dividend not paid on a Preference Share Dividend Date due to insufficient distributable profits and reserves, shall be paid as soon as legally permissible.

4.2 As to capital:

4.2.1 On a liquidation or other return of capital (other than redemption of Preference Shares pursuant to Article 4.5), the surplus assets available after payment of the Company's liabilities shall be distributed as follows:

- (a) first in paying to the holders of the Preference Shares, an amount equal to the Issue Price in respect of each Preference Share;
- (b) second in paying to the holders of the Preference Shares a sum equal to all unpaid arrears and accruals of the Preference Share Dividend and any Additional Preference Share Dividend;
- (c) third in paying to the holders of the Ordinary Shares an amount equal to the Issue Price of each Ordinary Share (which, for the avoidance of doubt, shall refer to subscription proceeds for particular shares issued and not a pro rata portion of the aggregated subscription proceeds with respect to the class of Ordinary Shares); and
- (d) fourth in distributing the balance (if any) amongst the holders of the Ordinary Shares as if the same constituted one class in proportion to the amounts paid up or credited as paid up thereon respectively.

4.2.2 On an Exit the proceeds (net of any expenses payable by the Company in connection therewith) shall be applied as follows:

- (a) first all payments due pursuant to redemption of the Preference Shares in accordance with Article 4.5;
- (b) third in paying to the holders of the Ordinary Shares an amount equal to the Issue Price of each Ordinary Share, (which, for the avoidance of doubt, shall refer to subscription proceeds for particular shares issued and not a pro rata portion of the

aggregated subscription proceeds with respect to the class of Ordinary Shares); and

- (c) fourth in distributing the balance amongst the holders of the Ordinary Shares and as if the same constituted one class in proportion to the amounts paid up or credited as paid up thereon respectively.

4.3 As to voting:

- 4.3.1 The holders of the Preference Shares shall be entitled to receive notice of and to attend and speak (either in person or by proxy) at all general meetings of the Company but shall not be entitled to vote, except if a resolution is to be proposed at such meeting abrogating or varying any of the respective rights or privileges attaching to the Preference Shares or otherwise affecting the rights of the Preference Shares as a class in accordance with section 630 of the Act.
- 4.3.2 Whenever the holders of the Preference Shares are entitled to vote at a general meeting of the Company upon any resolution proposed at such meeting, on a show of hands every holder who (being an individual) is present in person or (being a corporation) is present by a representative or by proxy shall have one vote and, on a poll shall have one vote in respect of each Preference Share registered in the name of such holder.

4.4 As to modification of rights, the rights attaching to the Preference Shares shall be deemed to be varied by, and accordingly the consent of the holders of three-fourths of the Preference Shares, who are present or by proxy, shall be required in accordance with Article 4.3.1 of the articles of the Company for:

- 4.4.1 the issue by the Company of any share capital or the grant by the Company of any rights to subscribe for or to convert shares or other securities into share capital ranking in in priority to or *pari passu* with the Preference Shares as regards participation in the profits or assets of the Company or being capable of being redeemed whilst any of the Preference Shares are in issue or the variation of the rights of any class of Shares so as to fall within the foregoing;
- 4.4.2 the repayment or the reduction of all or any part of the capital paid up on any Shares in the capital of the Company for the time being in issue (other than a repayment in the course of a winding-up of the Company) including the share premium or any capital reserve account, of any share capital of the Company; and
- 4.4.3 the capitalisation for appropriation to the holders of the Ordinary Shares of any part of the sums standing to the credit of the profit and loss account or to the credit of any reserve accounts of the Company available for distribution, if after such capitalisation the aggregate of the sums standing to credit available for distribution would be a sum less than the amount required to satisfy all unpaid arrears and accruals of the Preference Share Dividend and any Additional Preference Share Dividend.

4.5 As to redemption:

- 4.5.1 Subject to the provisions of the Act, the Company shall be obliged to redeem all of the Preference Shares (or so many as then remain unredeemed) on the earlier of:
 - (a) the date on which an Exit occurs;

(b) the date of the appointment of a receiver or manager or administrative receiver over all of any part of the undertaking or assets of the Company, or the appointment of a liquidator or administrator over the Company; and

(c) the Preference Share Redemption Date,

in accordance with the remaining provisions of this Article 4.5.

4.5.2 Subject to the provisions of the Act, the Company shall redeem all or part of the Preference Shares:

(a) at the request of the holders of the Preference Shares upon serving at least 10 Business Days' written notice to the Company; or

(b) at the Company's discretion upon giving at least 10 Business Days' written notice to the holders of such Preference Shares,

in accordance with the remaining provisions of this Article 4.5.

4.5.3 There shall be paid on each Preference Share redeemed:

(a) an amount equal to the Issue Price;

(b) any arrears or accruals of the Preference Share Dividend or the Additional Preference Share Dividend, calculated down to the date of redemption irrespective of whether such dividend has been earned or declared or not; and

(c) if default has been made in redeeming such Preference Share on the date fixed for redemption (irrespective of whether there were available to the Company sufficient profits or other funds out of which redemption could have been made), a premium equivalent to interest on the Issue Price at 3 per cent per annum in respect of the period from the due date for redemption until the actual date of redemption, such amount accruing daily and to be compounded at yearly rests.

4.5.4 Redemption shall take place on the relevant date of redemption at the registered office, or such other place in the United Kingdom as the Company may notify in writing to the holders of the Preference Shares. On such date, each person holding Preference Shares which are to be redeemed shall deliver to the Company at such place the certificates for such Preference Shares in order for them to be cancelled. Upon such delivery, the Company shall pay to such holder the total redemption price calculated in accordance with Article 4.5.3 by way of banker's draft or same-day transfer of cleared funds.

4.5.5 If any certificates delivered to the Company include any Preference Shares not falling to be redeemed on the relevant redemption date a fresh certificate for such Preference Shares shall be issued to the holder thereof.

4.5.6 As from the relevant redemption date, the Preference Dividend shall cease to accrue on any Preference Share due to be redeemed on that date unless the certificate for the Preference Shares to be redeemed has been presented to the Company and the Company fails to make payment of the redemption monies on the relevant redemption date in which case the Preference Share Dividend and Additional Preference Share Dividend shall

continue to accrue from the relevant redemption date to the date of payment.

4.5.7 If the Company should be permitted by law to redeem some only of the Preference Shares which are due to be redeemed on a particular redemption date it shall redeem the maximum number of such shares permitted by law on such date and shall redeem the balance of such shares so due to be redeemed as soon thereafter as it is permitted so to do by law.

4.5.8 In the case of any partial redemption under this Article 4.5, the Company shall redeem a proportion of the Preference Shares held by each holder corresponding to the proportion which the number of Preference Shares proposed to be redeemed bears to the number of Preference Shares in issue immediately prior to the date of the proposed redemption.

SUBSCRIBER SHARES

5. Notwithstanding any Regulation of Table A to the contrary, a subscriber of Shares shall be liable to pay in full for the Share agreed to be taken by it within 24 hours of receiving a call made upon it for such payment. If at the expiry of that period such call remains unpaid, such Share shall be liable to immediate forfeiture by a resolution of the Directors without further notice. Upon such forfeiture the subscriber shall have no further obligation to pay for such share, unless re-allotted to it. In accordance with Regulation 20 of the Table A, the Directors may re-allot the subscriber share on such terms and in such manner as they determine either to the person who was before the forfeiture the holder, or to any other person. Regulation 22 of Table A shall be amended by the addition, after the word "secretary", of the words (or, in the case of a corporate director or secretary, by an authorised representative of that corporate director or secretary)".

LIEN

6.

6.1 The Company shall have a first and paramount lien on every share (whether or not it is a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The Company shall also have a first and paramount lien on every share (whether or not it is fully paid share) standing registered in the name of any Member solely or registered in the names of two or more joint holders for all moneys presently payable by him or his estate to the Company. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

6.2 Regulation 8 of the Table A shall not apply to the Company.

NOTICE OF GENERAL MEETINGS

7.

7.1 Regulations 112 and 115 of Table A shall not apply to the Company.

7.2 Every Member is entitled to written notice of every meeting of the Company, at such address as the Member may, from time to time, inform the Directors of provided that a notice given to a joint holder whose name stands first in the Register of Members in respect of a jointly held share shall be sufficient to notify those holding jointly with him. A notice shall be deemed to have been received:

7.2.1 when given, if delivered personally;

- 7.2.2 on the next Business Day, if sent by facsimile, telex, or E-Mail;
- 7.2.3 after two clear days, if sent by telegram to any properly notified address or if properly addressed and sent within the United Kingdom by pre-paid registered or recorded delivery post;
- 7.2.4 after seven clear days, if properly addressed and sent to or from an address outside of the United Kingdom by pre-paid registered or recorded delivery post;

and subject to the above Regulation 116 of Table A shall be modified accordingly.

- 7.3 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at any such meeting. Regulation 39 of Table A shall not apply to the Company.

8.

- 8.1 A General Meeting shall be called by at least fourteen clear days' notice but a General Meeting may be called by shorter notice if it is so agreed by a majority in number of the Members having a right to attend and vote being a majority together holding not less than ninety per cent, in nominal value of the shares giving that right.
- 8.2 The notice shall specify the time and place of the Meeting and in the case of special business only the general nature of the special business to be transacted.
- 8.3 Subject to the provisions of these Articles and to any restrictions imposed on any shares, all notices of and any other communications relating to any General Meetings of the Company or of separate General Meetings of the holders of any class of share capital of the Company shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a Member and to the Directors and Auditors of the Company for the time being.
- 8.4 Regulation 38 of Table A shall not apply to the Company.

PROCEEDINGS AT GENERAL MEETINGS

9.

- 9.1 No business shall be transacted at any Meeting unless a quorum is present at the time the Meeting proceeds to business. Save in the case of a company with a single member, two persons entitled to vote upon the business to be transacted, each being a Member or a proxy for a Member or a duly authorised representative of a corporation, shall be a quorum.
- 9.2 For so long as the Company has only a sole Member, that Member shall constitute a quorum if present in person or by proxy or, if that Member is a corporation, by a duly authorised representative.
- 9.3 If such a quorum is not present within half an hour from the time appointed for the Meeting, the Meeting shall stand adjourned to the same day in the next week at the same time and place or such time and place as the Directors may determine. If at the adjourned Meeting a quorum is not present within half an hour from the time appointed for the Meeting, such adjourned Meeting shall be dissolved.
- 9.4 Regulations 40 and 41 of Table A shall not apply to the Company.

10.

- 10.1 For so long as the Company has only a sole Member, any decisions or actions made or taken by that member which are ordinarily required to be made or taken in General Meeting of the Company or by means of a written resolution, shall be as valid and effectual as if agreed by the Company in General Meeting save that this paragraph shall not apply to resolutions passed pursuant to sections 168 or 510 of the Act.
- 10.2 Any decision taken by a sole Member pursuant to paragraph 10.1 above shall be recorded in writing and delivered by that Member to the Company for entry in the Company's Minute Book.

NUMBER OF DIRECTORS

11.

- 11.1 Unless otherwise determined by Ordinary Resolution of the Company the number of Directors (other than Alternate Directors) shall not be subject to any maximum, and the minimum number of Directors shall be one. If and for so long as the number of Directors is one, a sole Director may exercise all the authorities and powers which are vested in the Directors by Table A and by these Articles. Regulation 89 of Table A shall be modified accordingly.
- 11.2 Regulation 64 of Table A shall not apply to the Company.

APPOINTMENT OF DIRECTORS

12. No person shall be appointed a Director at any General Meeting unless:

- 12.1 he is recommended by the Directors; or
- 12.2 not less than fourteen nor more than thirty-five clear days before the date appointed for the General Meeting, notice executed by a member qualified to vote at the General Meeting has been given to the Company of the intention to propose that person for appointment stating the particulars which would, if he were so appointed, be required to be included in the Register of Directors of the Company together with notice executed by that person of his willingness to be appointed.

13. Subject to Article 12 above, the Company may by Ordinary Resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director.

14. The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors.

15. The personal representatives of any person occupying the position of both sole director and sole member of the Company upon his death shall be entitled, on serving notice in writing at the Company's Registered Office, to appoint a person as a Director. Any such appointment shall be deemed for all purposes to be as valid as an appointment made in accordance with the provisions of Article 13 above.

16. Regulations 76 to 79 (inclusive) of Table A shall not apply to the Company.

DIRECTORS GRATUITIES AND PENSIONS

17.

- 17.1 The powers of the Company set out in Clause 3(p) of the Memorandum of Association may be exercised by the Directors of the Company.
- 17.2 Regulation 87 of Table A shall not apply to the Company.

PROCEEDINGS OF DIRECTORS

18.

- 18.1 A resolution in writing signed by all the Directors (including a sole Director) entitled to receive notice of a meeting of Directors or of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) *a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity.* Regulation 93 of Table A shall not apply.
- 18.2 Any Director for the time being absent from the United Kingdom may supply to the company an address and/or telex or facsimile transmission number whether or not within the United Kingdom to which notices of meetings of the Directors may be sent and shall then be entitled to receive at such address or number notice of such meetings. Regulation 88 of Table A shall be modified accordingly.
- 18.3 A person in communication by electronic means with the chairman and with all other parties to a meeting of the Directors or of a committee of the Directors shall be regarded for all purposes as personally attending such a meeting provided that but only for so long as at such a meeting he has the ability to communicate interactively and simultaneously with all other parties attending the meeting including all persons attending by electronic means.
- 18.4 A meeting at which one or more of the Directors attends by means of electronic communication is deemed to be held at such place as the Directors shall at that meeting resolve. In the absence of a resolution as aforesaid, the meeting shall be deemed to be held at the place, if any, where a majority of the Directors attending the meeting are physically present, or in default of such a majority, the place at which the Chairman of the meeting is physically present.
- 18.5 A Director may vote as a Director in regard to any contract or arrangement in which he is interested or upon any matter arising therefrom, and if he shall so vote his vote shall be counted and he shall be reckoned in estimating a quorum when any such *contract or arrangement is under consideration.*
- 18.6 Regulations 94 to 97 (inclusive) of Table A shall not apply to the Company.

BORROWING POWERS

- 19. The Directors may exercise all the powers of the Company to borrow without limit as to the amount and upon such terms and in such manner as they think fit.

THE SEAL

20.

- 20.1 The seal, if any, of the Company shall only be used by the authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or a second Director. The provisions of Regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company adopts a common seal. Regulation 101 of Table A shall not apply to the Company.
- 20.2 The Company may exercise the powers conferred by Section 49 of the Act with regard to having an official seal for use abroad, and such powers shall be bested in the Directors.

PERMITTED TRANSFERS

21.

- 21.1 Notwithstanding the provisions of any other Article, the transfers set out in this Article 21.1 shall be permitted without restriction and the provisions of Articles 22 (Voluntary Transfers) and 23 (Change of Control) shall have no application.
- 21.2 Any Member who is a body corporate shall be entitled to transfer all or any of its Shares to any other body corporate which is for the time being its subsidiary or holding company (each as defined in section 1159 of the Act) or another subsidiary of its holding company (each such body corporate being a **"Related Company"**) but if a Related Company whilst it is a holder of Shares in the Company shall cease to be a Related Company in relation to the body first holding the relevant Shares it shall, within 15 Business Days of so ceasing, transfer the Shares held by it to such body or any Related Company of such body and failing such transfer the Member shall be deemed to have given a Transfer Notice pursuant to Articles 22 and 24.
- 21.3 Subject to Articles 21.3 to 21.7 inclusive, any Member who is an individual may at any time transfer Shares held by him to a person or persons shown to the reasonable satisfaction of the Directors to be:
- 21.3.1 a Family Member of his; or
- 21.3.2 trustees to be held under a Family Trust in relation to that individual.
- 21.4 Subject to Article 21.5, no Shares shall be transferred under Article 21.3 by an individual who previously acquired those Shares by way of transfer under Article 21.3 save to another individual who is a Family Member of the original holder of such Shares or to trustees to be held under a Family Trust in relation to the original holder of such Shares.
- 21.5 Where Shares are held by trustees under a Family Trust:
- 21.5.1 those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that Family Trust;
- 21.5.2 those Shares may at any time be transferred by those trustees to the settlor of that trust or any person to whom that settlor could have transferred them under Article 21.3 if he had remained the holder of them; and
- 21.5.3 if any of those Shares cease to be held under a Family Trust (other than by virtue of a transfer made under Articles 21.5.1 or 21.5.2), the trustees shall be deemed to have given a Transfer Notice in respect of all the Shares then held by those trustees pursuant to Article 24.

- 21.6 If:
- 21.6.1 any person has acquired Shares as a Family Member of a Member by way of one or more transfers permitted under this Article 21; and
 - 21.6.2 that person ceases to be a Family Member of that Member,
- that person shall forthwith transfer all the Shares then held by that person back to that Member, for such consideration as they agree, within 15 Business Days of the cessation, or, failing such transfer within that period, shall be deemed to have given a Transfer Notice in respect of all the Shares then held by that person pursuant to Article 24.
- 21.7 Subject to the provisions of Article 24, if the personal representatives of a deceased Member are permitted under these Articles to become registered as the Members of any of the deceased Member's Shares and elect to do so, those Shares may at any time be transferred by those personal representatives under Article 21 to any person to whom the deceased Member could have transferred such Shares under this Article if he had remained the holder of them. No other transfer of such Shares by personal representative shall be permitted under this Article 21.
- 21.8 Any Member may at any time transfer any Shares in accordance with the provisions of the Act to the Company.
- 21.9 Any Shares may be transferred pursuant to Article 23.5 and 23.6 (Drag along).
- 21.10 Without prejudice to Regulation 5 of Table A, any share held (in accordance with these Articles) by a Member may be transferred to any other person or persons provided that the transferor and transferee certify to the Company, and the Directors are so satisfied, that no beneficial interest in such Shares will pass by reason of the transfer.

VOLUNTARY TRANSFERS

22.

- 22.1 Except as permitted under Article 21 any Member who wishes to transfer Shares (the "**Vendor**") shall give notice in writing (the "**Transfer Notice**") to the Company of his wish specifying:
- 22.1.1 the number and classes of Shares (the "**Sale Shares**") which he wishes to transfer;
 - 22.1.2 the name of any third party to whom he proposes to sell or transfer the Sale Shares;
 - 22.1.3 the price at which he wishes to transfer the Sale Shares (the "**Provisional Transfer Price**"); and
 - 22.1.4 whether or not the Transfer Notice is conditional upon all, and not part only, of the Sale Shares so specified being sold pursuant to the offer hereinafter mentioned (a "**Total Transfer Condition**") and, in the absence of such stipulation, it shall be deemed not to be so conditional.
- 22.2 Where any Transfer Notice is deemed to have been given in accordance with these Articles, the deemed Transfer Notice shall be treated as having specified:

- 22.2.1 that all the Shares registered in the name of the Vendor shall be included for transfer; and
- 22.2.2 that a Total Transfer Condition shall not apply.
- 22.3 No Transfer Notice once given or deemed to be given in accordance with these Articles shall be withdrawn unless the Vendor is obliged to procure the making of an offer under Articles 23.1 to 23.4 and is unable to procure the making of such an offer. In that event the Vendor shall be entitled to withdraw such Transfer Notice without liability to any person, prior to completion of any transfer.
- 22.4 The Transfer Notice shall constitute the Company the agent of the Vendor for the sale of the Sale Shares at the Transfer Price.
- 22.5
- 22.5.1 The Company shall forthwith upon receipt of a Transfer Notice or, where later, upon the determination of the Transfer Price give notice in writing to each of the holders of Shares (other than the Vendor) informing them that the Sale Shares are available and of the Transfer Price. Such notice shall invite each Member to state, in writing within 20 Business Days from the date of such notice (which date shall be specified therein), whether he is willing to purchase any and, if so, how many of the Sale Shares which shall, if he so wishes, include an amount in excess of his Proportionate Entitlement as mentioned in Article 22.5.2.
- 22.5.2 The Sale Shares shall be treated as offered on terms that, in the event of competition, the Sale Shares offered shall be sold to the Members accepting the offer in proportion (as nearly as may be) to their existing holdings of Shares of the class or classes of the Shares in relation to which the offer is made (the "**Proportionate Entitlement**"). It shall be open to each such Member to specify if he is willing to purchase Shares in excess of his Proportionate Entitlement ("**Excess Shares**") and, if the Member does so specify, he shall state the number of Excess Shares.
- 22.5.3 Within three Business Days of the expiry of the invitation made pursuant to Article 22.5.1 (or sooner if all holders of Shares have responded to the invitation and all the Sale Shares shall have been accepted in the manner provided in Article 22.5.1), the Directors shall allocate the Sale Shares in the following manner:
- (a) if the total number of Shares applied for is equal to or less than the available number of Sale Shares the Company shall allocate the number applied for in accordance with the applications; or
 - (b) if the total number of Shares applied for is more than the available number of Sale Shares, each Member shall be allocated his Proportionate Entitlement (or such lesser number of Sale Shares for which he may have applied); applications for Excess Shares shall be allocated in accordance with such applications or, in the event of competition (as nearly as may be) to each Member applying for Excess Shares in the proportion which Shares held by such Member bears to the total number of Shares held by all such Members applying for Excess Shares PROVIDED THAT such Member not be allocated more Excess Shares than he shall have stated himself willing to take,

and in either case the Company shall forthwith give notice of each such allocation (an "**Allocation Notice**") to the Vendor and each of the persons to whom Sale Shares have been allocated (a "**Member Applicant**") and shall specify in the Allocation Notice the place and time (being not later than ten Business Days after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed.

- 22.6 Subject to Article 22.7, upon such allocations being made as set out in Article 22.5, the Vendor shall be bound, on payment of the Transfer Price, to transfer the Sale Shares comprised in the Allocation Notice to the Member Applicants named therein at the time and place therein specified free from any lien, charge or encumbrance. If he makes default in so doing, the chairman for the time being of the Company or, failing him, one of the Directors, or some other person duly nominated by a resolution of the Directors for that purpose, shall forthwith be deemed to be the duly appointed attorney of the Vendor with full power to execute, complete and deliver in the name and on behalf of the Vendor a transfer of the relevant Sale Shares to the Member Applicant and any Director may receive and give a good discharge for the purpose money on behalf of the Vendor and (subject to the transfer being duly stamped) enter the name of the Member Applicant in the register of members as the holder or holders by transfer of the Shares so purchased by him or them. The Directors shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Vendor until he shall deliver up his certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate) to the Company when he shall thereupon be paid the purchase money.
- 22.7 If the Vendor shall have included in the Transfer Notice a Total Transfer Condition and if the total number of Shares applied for by Member Applicants is less than the *number of Sale Shares then the Allocation Notice shall refer to such provision and shall contain a further invitation, open for ten Business Days, to those persons to whom Sale Shares have been allocated to apply for further Sale Shares and completion of the sales in accordance with the preceding paragraphs of this Article 22 shall be conditional upon the Total Transfer Condition being complied with in full.*
- 22.8 In the event of all the Sale Shares not being sold under the preceding paragraphs of this Article 22 the Vendor may, at any time within three calendar months after receiving confirmation from the Company that the pre-emption provisions herein contained have been exhausted, transfer all the Sale Shares (if a Total Transfer Condition was included in the Transfer Notice) or any Sale Shares which have not been sold (if no Total Transfer Condition was so included in the Transfer Notice) to any person or persons at any price not less than the Transfer Price **PROVIDED THAT:**
- 22.8.1 if the Transfer Notice contained a Total Transfer Condition, the Vendor shall not be entitled, save with the written consent of all the other Members of the Company, to sell hereunder only some of the Sale Shares comprised in the Transfer Notice to such person or persons;
- 22.8.2 any such sale shall be a bona fide sale and the Directors may require to be satisfied in such manner as it may reasonably require that the Sale Shares are being sold in pursuance of a bona fide sale for not less than the Transfer Price without any deduction, rebate or allowance whatsoever to the purchaser and, if not so satisfied, may refuse to register the instrument of transfer; and
- 22.8.3 the Directors shall refuse registration of the proposed transferee if such transfer obliges the Vendor to procure the making of an offer in accordance with Articles 23.1 to 23.4, until such time as such offer has been made and, if accepted, completed.

CHANGE OF CONTROL

23.

Tag along

- 23.1 Subject to Article 23.2 if the effect of any transfer (either by a single transaction or by way of a series of connected transactions) of Shares by a Member would, if completed, result in the transferee together with any person(s) acting in concert (as defined in the City Code on Takeover and Mergers) or connected (as defined in sections 1122- 1123 of the Corporation Tax Act 2010) with that transferee obtaining a Controlling Interest, the vendor shall procure the making, by the proposed transferee of the vendor's Shares, of a Come Along Offer to all of the other holders of Shares of the Company. Every Member or recipient of such offer, on receipt of a Come Along Offer, shall be bound within 20 Business Days of the date of such offer (which date shall be specified therein) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer). Until such Come Along Offer has been made and completed the Directors shall not sanction the making and registration of the relevant transfer or transfers.
- 23.2 The provisions of Articles 23.1 and 23.5 shall not apply to any transfer of Shares:
- 23.2.1 pursuant to Article 21 (other than Article 21.9);
- 23.2.2 to any person who was a Member on or immediately after the adoption date.
- 23.3 "**Come Along Offer**" means an unconditional offer, open for acceptance for not less than 20 Business Days, to purchase Shares held by the recipients of a Come Along Offer or Shares which recipients may subscribe free from all liens, charges and encumbrances at a price per share equal to the highest price per share (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by any transferee referred to in Article 23.1 (or any person with whom such transferee is connected with or with whom such transferee is acting in concert) for Shares (inclusive of the Shares giving rise to the obligation to make the Come Along Offer) within the period of one year prior to and on the proposed date of completion of such transfer of Shares.
- 23.4 In the event of disagreement, the calculation of the relevant Come Along Offer price shall be referred to the Auditors for adjudication and Article 27 shall apply.

Drag Along

- 23.5 If the holders of not less than 75 per cent of the issued share capital of the Company (in Articles 23.5 and 23.6, the "**Vendors**") wish to transfer their Shares in the Company (the "**Offer**") to any person (the "**Purchaser**"), then the Vendors shall also have the option to require all of the other holders of Shares, and any persons who become holders of Shares upon exercise of any options, warrants or other rights to subscribe for Shares which exist at the date of the Offer, to transfer all their Shares in the Company to the Purchaser, or as the Purchaser directs, by giving notice (the "**Drag Along Notice**") to that effect to all such other Members (the "**Called Members**") specifying that the Called Members are, or will, in accordance with these Articles 23.5 and 23.6, be required to transfer their Shares pursuant to Articles 23.5 and 23.6 free from all liens, charges and encumbrances and the price (the "**Proposed Price**") at which such Shares are proposed to be transferred. The Proposed Price shall not be less than the price per Share which the Vendors have agreed with the Purchaser in respect of the Shares subject to the Offer.
- 23.6 If the Called Members (or any of them) shall make default in transferring their Shares pursuant to Articles 23.5 and 23.6, the provisions of Article 22.6 (references therein to

the Vendor, Sale Shares, Allocation Notice and Member Applicant being read as references to the Member making such default, the Shares in respect of which such default is made, the Drag Along Notice and the Purchaser respectively) shall apply to the transfer of such Shares mutatis mutandis but the Transfer Price shall be the price offered for such Shares as set out in Article 23.5 and the provisions of Article 22.7 shall not apply.

COMPULSORY TRANSFERS

24.

24.1 In this Article 24, a "**Transfer Event**" means, in relation to any Member:

24.1.1 a Member who is an individual:

- (a) becoming bankrupt; or
- (b) dying;

24.1.2 a Member making any arrangement or composition with his creditors generally;

24.1.3 a Member which is a body corporate:

- (a) having a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets; or
- (b) having an administrator appointed in relation to it; or
- (c) entering into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction); or
- (d) having any equivalent action taken in any jurisdiction;

24.1.4 a holder of B Ordinary Shares who is an individual and who is or was previously a director or employee of the Company ceasing to hold such office or employment and as a consequence no longer being a director or employee of the Company;

24.1.5 a Member attempting to deal with or dispose of any Share or any interest in it otherwise than in accordance with these Articles; and

24.1.6 a Member failing to make a transfer of Shares required by Articles 21.2 or 21.6.

24.2 Upon the happening of any Transfer Event, the Member in question and any other Member who has acquired Shares from him under a permitted transfer (directly or by means of a series of two or more permitted transfers) under Article 21 shall be deemed to have immediately given a Transfer Notice in respect of all the Shares then held by them and which in the case of a transferee of Shares were the Shares received directly or indirectly from the member who is the immediate subject of the Transfer Event (a "**Deemed Transfer Notice**"). A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have then been validly transferred pursuant to that Transfer Notice.

- 24.3 Notwithstanding any other provision of these Articles, unless the Directors in their absolute discretion determine otherwise in relation to any Shares, any member holding Shares in respect of which a Deemed Transfer Notice is deemed given shall not be entitled to exercise any voting rights at general meetings of the Company in respect of those Shares between the date of the relevant Deemed Transfer Notice and the expiry of three months after the date of the Sale Notice given in respect of those Shares or, if earlier, the entry in the register of members of the Company of another person as the Member of those Shares.
- 24.4 The Shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with Article 22 as if they were Sale Shares in respect of which a Transfer Notice had been given save that:
- 24.4.1 a Deemed Transfer Notice shall be deemed to have been given on the date of the Transfer Event or, if later, the date of notification to the Company by the Directors that the relevant event is a Transfer Event;
 - 24.4.2 subject to Article 24.5, the Sale Price shall be a price per Sale Share agreed between the Vendor and the Directors or, in default of agreement, within 15 Business Days after the date of the Transfer Event, the Fair Value;
 - 24.4.3 a Deemed Transfer Notice shall be deemed not to contain a Total Transfer Condition and shall be irrevocable;
 - 24.4.4 the Vendor may retain any Sale Shares for which purchasers are not found or, after the expiry of the relevant Deemed Transfer Notice and with the prior written approval of the Directors in their absolute discretion, sell all or any of those Sale Shares to any person (including any member) at any price per Sale Share which is not less than the Sale Price; and
 - 24.4.5 the Sale Shares shall be sold together with all rights attaching thereto as at the date of the Transfer Event.
- 24.5 The Sale Price for any Sale Shares which are the subject of a Deemed Transfer Notice given as a consequence of a Transfer Event falling within Article 24.1.4 shall:
- 24.5.1 in the case of a Good Leaver (as defined in Article 24.6) be their Fair Value (as defined in Article 24.8);
 - 24.5.2 in the case of a Bad Leaver (as defined in Article 24.6), if the Transfer Notice has been served (or deemed served) within:
 - (a) 12 months of the Adoption Date, then the lower of the Fair Value of the Sale Shares and the Issue Price of the Sale Shares ;
 - (b) 24 months of the Adoption Date (but not within 12 months of the Adoption Date), then the higher of 50% of the Fair Value of the Sale Shares and the Issue Price of the Sale Shares; and
 - 24.5.3 in the case of a Bad Leaver, if the Transfer Notice has been served (or deemed served) after 24 months of the Adoption Date, be their Fair Value.
- 24.6 In Article 24.4:
- 24.6.1 **"Good Leaver"** refers to a person who ceases to be a director or employee of any member of the Company and as a consequence is no longer a

director or employee of the Company and such cessation occurs as a result of death or retirement at 65 years of age or Serious Ill Health (as defined in Article 24.9);

- 24.6.2 **"Bad Leaver"** refers to any person who ceases to be a director or employee of the Company and as a consequence is no longer a director or employee of the Company and who is not a Good Leaver.
- 24.7 For the purpose of Article 24.1.4 the date upon which a member ceases to hold office or employment as described therein shall be:
- 24.7.1 where a contract of employment or directorship is terminated by the employer by giving notice to the employee or director of the termination of the employment or directorship, the date of that notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination);
- 24.7.2 where a contract of employment or directorship is terminated by the employee by giving notice to the employer of the termination of the employment or directorship, the date of that notice;
- 24.7.3 save as provided in Article 24.7.1 where an employer or employee wrongfully repudiates the contract of employment and the other accepts that the contract of employment has been terminated, the date of such acceptance;
- 24.7.4 where a contract of employment is terminated under the doctrine of frustration, the date of the frustrating event; and
- 24.7.5 where a contract of employment or directorship is terminated for any reason other than in the circumstances set out in Articles 24.7.1 to 24.7.4 above, the date on which the action or event giving rise to the termination occurs.
- 24.8 **"Fair Value"** for the purposes of these Articles means as agreed between the Directors and the Vendor or, in the absence of agreement within 15 Business Days of the Transfer Event, by the Auditors in accordance with Article 25.
- 24.9 **"Serious Ill Health"** for the purpose of these articles means an illness or disability certified by a general medical practitioner (nominated or approved by the Directors) as rendering the departing employee permanently incapable of carrying out his role as an employee for the foreseeable future.

VALUATION OF SHARES

25.

- 25.1 In the event that the Auditors are required to determine the price at which Shares are to be transferred pursuant to these Articles, such price shall be the amount the Auditors shall, on the application of the Directors (which application shall be made as soon as practicable following the time it becomes apparent that a valuation pursuant to this Article 25 is required), confirm in writing as being the price which in their opinion represents a fair value for such Shares as between a willing vendor and a willing purchaser as at the date the Transfer Notice or deemed Transfer Notice is given.
- 25.2 Article 27 shall apply to any determination by the Auditors under this Article.

COMPLIANCE

26.

- 26.1 For the purpose of ensuring (i) that a transfer of Shares is duly authorised under these Articles or (ii) that no circumstances have arisen whereby a Transfer Notice is required to be or ought to have been given under these articles or (iii) whether an offer is required to be or ought to have been made under Article 23.1, the Directors may require any Member or the legal personal representatives of any deceased Member or any person named as transferee in any transfer lodged for registration or such other person as the Directors may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Directors may reasonably think fit regarding any matter which they deem relevant to such purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the Shares from time to time registered in the Member's name.
- 26.2 Failing such information or evidence being furnished to enable the Directors to determine to their reasonable satisfaction that no such Transfer Notice is required to be or ought to have been given, or that no offer is required to be or ought to have been made under Article 23.1, or that as a result of such information and evidence the Directors are reasonably satisfied that such Transfer Notice is required to be or ought to have been given, or that an offer is required to be or ought to have been made under Article 23:
 - 26.2.1 where the purpose of the enquiry by the Directors was to establish whether a Transfer Notice is required to be or ought to have been given, then a Transfer Notice shall be deemed to have been given by the holder of the relevant Shares in respect of such Shares; or
 - 26.2.2 where the purpose of the enquiry by the Directors was to establish whether an offer is required to be or ought to have been made under Article 23.1, then any Shares held by or on behalf of the person or persons connected with each other or acting in concert with each other who has or have (as the case may be) obtained a Controlling Interest as is referred to in Article 23.1, shall cease to entitle the relevant Member or Members (or any proxy) to voting rights (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at a separate meeting of the class in question) otherwise attaching to such Shares or to any further shares issued in right of such Shares or in pursuance of an offer made to the relevant Members, in each case to the extent that will result in such person or persons only being able to control that percentage of the voting rights attaching to the Shares that such person or persons were in a position to control prior to the obligation to procure the making of an offer arising.

AUDITORS DETERMINATION

27.

- 27.1 If any matter under these Articles is referred to the Auditors for determination then the Auditors shall act as experts and not as arbitrators and their decision shall be conclusive and binding on the Company and all the holders of Shares (in the absence of fraud or manifest error).
- 27.2 The costs of Auditors shall be borne by the company unless the Auditors shall otherwise determine.

INDEMNITY

28.

- 28.1 Every director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him on defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under sections 661 or 1157 of the Act, in which relief is granted to him by the court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this article shall only have effect insofar as its provisions are not yet avoided by section 232 of the Act .
- 28.2 The directors shall have power to purchase and maintain an insurance policy for any director officer or auditor of the Company effecting cover against any such liability as is referred to in section 232 of the Act.
- 28.3 Accordingly regulation 118 of Table A shall not apply to the Company.

COMPANIES ACT 1985 TABLE A

TABLE A

REGULATIONS FOR MANAGEMENT OF A COMPANY LIMITED BY SHARES

INTERPRETATION

1. In these regulations—

“the **Act**” means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force;

“the **articles**” means the articles of the company;

“**clear days**” in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

“**communication**” means the same as in the Electronic Communications Act 2000;

“**electronic communication**” means the same as in the Electronic Communications Act 2000;

“**executed**” includes any mode of execution; “**office**” means the registered office of the company;

“**the holder**” in relation to shares means the member whose name is entered in the register of members as the holder of the shares;

“**the seal**” means the common seal of the company;

“**secretary**” means the secretary of the company or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary;

“the **United Kingdom**” means Great Britain and Northern Ireland.

Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the company.

SHARE CAPITAL

2. Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the company may by ordinary resolution determine.

3. Subject to the provisions of the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the company or the holder on such terms and in such manner as may be provided by the articles.
4. The company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.
5. Except as required by law, no person shall be recognised by the company as holding any share upon any trust and (except as otherwise provided by the articles or by law) the company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the holder.

SHARE CERTIFICATES

6. Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall be sealed with the seal and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.
7. If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

LIEN

8. The company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The company's lien on a share shall extend to any amount payable in respect of it.
9. The company may sell in such manner as the directors determine any shares on which the company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.
10. To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
11. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES AND FORFEITURE

12. Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when *and where payment is to be made*) *pay to the company as required by the notice the amount* called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.
13. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
14. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
15. If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the directors may waive payment of the interest wholly or in part.
16. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the articles shall apply as if that amount had become due and payable by virtue of a call.
17. Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.
18. If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.
19. If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
20. Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person.
21. A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the company for cancellation the certificate for the shares forfeited but shall remain liable to the company for all moneys which at the date of forfeiture were presently payable by him to the company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment wholly or in part or enforce payment without any

allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

22. A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

TRANSFER OF SHARES

23. The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
24. The directors may refuse to register the transfer of a share which is not fully paid to a person of whom they do not approve and they may refuse to register the transfer of a share on which the company has a lien. They may also refuse to register a transfer unless—
- (a) it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
 - (b) it is in respect of only one class of shares; and
 - (c) it is in favour of not more than four transferees.
25. If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the company send to the transferee notice of the refusal.
26. The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine.
27. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
28. The company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

TRANSMISSION OF SHARES

29. If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the company as having any title to his interest; but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.
30. A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the company to that effect. If he elects to have another person registered he shall execute an instrument of transfer

of the share to that person. All the articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.

31. A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the company or at any separate meeting of the holders of any class of shares in the company.

ALTERATION OF SHARE CAPITAL

32. The company may by ordinary resolution—
- (a) increase its share capital by new shares of such amount as the resolution prescribes;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (c) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
 - (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
33. Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
34. Subject to the provisions of the Act, the company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

PURCHASE OF OWN SHARES

35. Subject to the provisions of the Act, the company may purchase its own shares (including any redeemable shares) and, if it is a private company, make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the company or the proceeds of a fresh issue of shares.

GENERAL MEETINGS

37. The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene a general meeting in accordance with the provisions of the Act. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the company may call a general meeting.

NOTICE OF GENERAL MEETINGS

38. General meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if is so agreed by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety per cent in nominal value of the shares giving that right.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted.

Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.

39. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

40. No business shall be transacted at any meeting unless a quorum is present. Save in the case of a company with a single member two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.
41. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine.
42. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.
43. If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.
44. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the company.
45. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
46. A resolution put to the vote of a meeting 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 duly demanded. Subject to the provisions of the Act, a poll may be demanded—
- (a) by the chairman; or
 - (b) by at least two members having the right to vote at the meeting; or

- (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than *one-tenth of the total sum paid up on all the shares conferring that right*;

and a demand by a person as proxy for a member shall be the same as a demand by the member.

- 47. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting 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.
- 48. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 49. A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 51. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 52. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

VOTES OF MEMBERS

- 54. Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, unless the proxy (in either case) or the representative is himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote and on a poll every member for every share of which he is the holder.
- 55. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members.
- 56. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the articles for the deposit of instruments of proxy, 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 default the right to vote shall not be exercisable.

57. No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.
58. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
59. On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.
60. The appointment of a proxy shall be executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve)—

".....PLC/Limited
.....

I/We,.....of....., being a member/members of the above-named company, hereby appoint..... of....., or failing him,.....of....., as my/our proxy to vote in my/our name [s] and on my/our behalf at the general meeting of the company to be held on.....19.....and at any adjournment thereof. Signed on.....19.....".

61. Where it is desired to afford members an opportunity of instructing the proxy how he shall act the appointment of a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve)—

".....PLC/Limited
.....

I/We,..... of....., being a member/members of the above-named company, hereby appoint.....of....., or failing him,of....., as my/our proxy to vote in my/our name[s] and on my/our behalf at the general meeting of the company, to be held on.....19.....and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No. 1 *for *against

Resolution No. 2 *for *against.

*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed this.....day of"

62. The appointment of a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may—
- (a) in the case of an instrument in writing be deposited at the office or at such other place within the United kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the company in relation to the meeting not less than 48

hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

(aa) in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications—

(ii) in the notice convening the meeting, or

(iii) in any instrument of proxy sent out by the company in relation to the meeting, or

(iv) in any invitation contained in an electronic communication to appoint a proxy issued by the company in relation to the meeting,

be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

(b) in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

(c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the po¹¹ was demanded to the chairman or to the secretary or to any director;

and an appointment of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid.

In this regulation and the next, “address”, in relation to electronic communications, includes any number or address used for the purposes of such communications.

63. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the company at the office or at such other place at which the instrument of proxy was duly deposited or, where the appointment of the proxy was contained in an electronic communication, at the address at which such appointment was duly received before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

NUMBER OF DIRECTORS

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

ALTERNATE DIRECTORS

65. Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.
66. An 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, to attend and vote at any such meeting at which the director appointing him is not personally present and generally to perform all the functions of his appointor as a director in his absence but shall not be

entitled to receive any remuneration from the company for his services as an alternate director. But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.

67. An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment.
68. Any appointment or removal of an alternate director shall be by notice to the company signed by the director making or revoking the appointment or in any other manner approved by the directors.
69. Save as otherwise provided in the articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

POWERS OF DIRECTORS

70. Subject to the provisions of the Act, the memorandum and the articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
71. The directors may, by power of attorney or otherwise, appoint any person to be the agent of the company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

DELEGATION OF DIRECTORS' POWERS

72. The directors may delegate any of their powers to any committee consisting of one or more directors. 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. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

APPOINTMENT AND RETIREMENT OF DIRECTORS

76. No person shall be appointed or reappointed a director at any general meeting unless—
 - (a) he is recommended by the directors; or
 - (b) not less than fourteen nor more than thirty-five clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the company of the intention to propose that person for appointment or reappointment stating the particulars which would, if he were so appointed or reappointed, be required to be included in the company's register of directors together with notice executed by that person of his willingness to be appointed or reappointed.

77. Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person who is recommended by the directors for appointment or reappointment as a director at the meeting or in respect of whom notice has been duly given to the company of the intention to propose him at the meeting for appointment or reappointment as a director. The notice shall give the particulars of that person which would, if he were so appointed or reappointed, be required to be included in the company's register of directors.
78. The company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director and may also determine the rotation in which any additional directors are to retire.
79. The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

81. The office of a director shall be vacated if—
- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
 - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) he is, or may be, suffering from mental disorder and either—
 - (i) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months or that person otherwise becomes a Patient, or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
 - (d) he resigns his office by notice to the company; or
 - (e) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated.

REMUNERATION OF DIRECTORS

82. The directors shall be entitled to such remuneration as the company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

DIRECTORS' EXPENSES

83. The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general

meetings or separate meetings of the holders of any class of shares or of debentures of the company or otherwise in connection with the discharge of their duties.

DIRECTORS' APPOINTMENTS AND INTERESTS

84. Subject to the provisions of the Act, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the company and may enter into an agreement or arrangement with any director for his employment by the company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the company. *A managing director and a director holding any other executive office shall not be subject to retirement by rotation.*
85. Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office—
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company or in which the company is otherwise interested;
 - (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the company or in which the company is otherwise interested; and
 - (c) shall not, by reason of his office, be accountable to the company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
86. For the purposes of regulation 85—
- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement *in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and*
 - (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

DIRECTORS' GRATUITIES AND PENSIONS

87. The directors may provide benefits, whether by the payment of gratuities or pensions or by *insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the company or with any body corporate which is or has been a subsidiary of the company or a predecessor in business of the company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.*

PROCEEDINGS OF DIRECTORS

88. Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting to a director who is absent from

the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.

89. 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 two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
90. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
91. The directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.
92. All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
93. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.
94. Save as otherwise provided by the articles, a director shall not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the company unless his interest or duty arises only because the case falls within one or more of the following paragraphs—
 - (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the company or any of its subsidiaries;
 - (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the company or any of its subsidiaries for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
 - (c) his interest arises by virtue of his subscribing or agreeing to subscribe for any shares, debentures, or other securities of the company or any of its subsidiaries, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the company or any of its subsidiaries for subscription, purchase or exchange;
 - (d) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes.

For the purposes of this regulation, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this regulation becomes binding on the company), connected with a director shall be treated as an interest of the director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

95. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
96. The company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the articles prohibiting a director from voting at a meeting of directors or of a committee of directors.
97. Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the company or any body corporate in which the company is interested the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
98. If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

SECRETARY

99. Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

MINUTES

100. The directors shall cause minutes to be made in books kept for the purpose—
 - (a) of all appointments of officers made by the directors; and
 - (b) of all proceedings at meetings of the company, of the holders of any class of shares in the company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

THE SEAL

101. The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.

DIVIDENDS

102. Subject to the provisions of the Act, the company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.
103. Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the company available for distribution. If the share capital

is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall 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 any shares having deferred or non-preferred rights.

104. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
105. A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.
106. Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.
107. No dividend or other moneys payable in respect of a share shall bear interest against the company unless otherwise provided by the rights attached to the share.
108. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the company.

ACCOUNTS

109. No member shall (as such) have any right of inspecting any accounting records or other book or document of the company except as conferred by statute or authorised by the directors or by ordinary resolution of the company.

CAPITALISATION OF PROFITS

110. The directors may with the authority of an ordinary resolution of the company—
 - (a) subject as hereinafter 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 members 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 shares held by them respectively, or in paying up in full unissued shares or debentures of the company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, 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 regulation, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
- (c) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this regulation in fractions; and
- (d) authorise any person to enter on behalf of all the members 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 agreement made under such authority being binding on all such members.

NOTICES

111. Any notice to be given to or by any person pursuant to the articles (other than a notice calling a meeting of the directors) shall be in writing or shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice.

In this regulation, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.

112. The company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address or by giving it using electronic communications to an address for the time being notified to the company by the member. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be given to him, or an address to which notices may be sent using electronic communications, shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the company.

In this regulation and the next, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.

113. A member present, either in person or by proxy, at any meeting of the company or of the holders of any class of shares in the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
114. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title.
115. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent.

116. A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

WINDING UP

117. If the company is wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

INDEMNITY

118. Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.