

Dated 1 April 2020

No 02154540

The Companies Act 2006

A Private Company Limited by Shares

**ARTICLES OF ASSOCIATION**

of

**Post Office Limited**

(adopted by a written resolution passed on 19 March 2020)

**Registered office**

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Ref: L-277767

Company No. 02154540

## ARTICLES OF ASSOCIATION

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Post Office Limited

(adopted by a written resolution passed on 19 March 2020)

### INTERPRETATION

#### 1 EXCLUSION OF MODEL ARTICLES

No regulations set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute concerning companies shall apply as the regulations or Articles of the company.

#### 2 DEFINITIONS

In these Articles unless the context otherwise requires:

"**the Act**" means the Companies Act 2006 (including any orders, regulations or other subordinate legislation made under it) to the extent from time to time in force;

"**the Articles**" means these articles of association of the company as altered from time to time by special resolution and the expression "this article" shall be construed accordingly;

"**the Board**" means the board of directors from time to time of the company or the directors present at a meeting of the directors at which a quorum is present;

"**Business Day**" means any day which is not a Saturday or Sunday or a Public Holiday;

"**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;

"**FCA**" means the Financial Conduct Authority;

"**fully paid**" in relation to a Share, means that the nominal value and any premium to be paid to the company in respect of that Share have been paid to the company (for the purposes of Part 17 of the Act);

"**Group**" means the company and its subsidiary undertakings (as defined in section 1162 of the Companies Act 2006) from time to time;

"**Group Strategic Plan**" means the strategic plan relating to the operation and overall strategic direction of the Group described in article 46;

"**the Holder**" in relation to Shares means the person whose name is entered in the register of Members as the holder of the Shares;

"**Member**" means a member of the company;

"**Office**" means the registered office of the company;

**"Primary Territories"** means all those countries or parts of the world being members of the Organisation for Economic Co-operation and Development, and (whether or not the same are or become members of the said organisation) each of the Isle of Man, the Channel Islands and Gibraltar, together with such other territories as shall be agreed in writing between the Special Shareholder and the company;

**"Proxy Notice"** has the meaning given to that term in article 34;

**"Public Holiday"** has the meaning given to that term in the Postal Services Act 2000;

**"Relevant Breach"** has the meaning given to that term in article 80.1;

**"Relevant Transaction"** means any actual or proposed acquisition, sale or other disposition (whether by security or otherwise) or parting with or sharing of ownership (including, without limitation, by partnership, joint venture or otherwise) of any assets (including, without limitation, shares), rights or property whatsoever by any member of the Group, other than:

- (a) any transaction in the ordinary course of business (including without limitation the taking of assets on lease or hire purchase required for the conduct of the business);
- (b) any transaction between the company and any other wholly owned member of the Group or between members of the Group; and
- (c) any transaction approved in any Group Strategic Plan;

**"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;

**"Secretary of State"** means one of Her Majesty's Secretaries of State, as relevant from time to time;

**"Share Rights"** has the meaning given to such term in section 15 of the Postal Services Act 2011;

**"Shares"** shall be interpreted in accordance with section 15 of the Postal Services Act 2011;

**"Special Share"** means the one special rights redeemable preference share of £1.00 in the capital of the company;

**"Special Shareholder"** means the Holder of the Special Share;

**"Trade Mark"** means the registered trade mark "The Post Office" anywhere in the world;

**"the United Kingdom"** means Great Britain and Northern Ireland;

Unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Act but exclude any statutory modification thereof not in force when these Articles become binding on the company. Subject to the foregoing sentence, references to any provision of any enactment or any subordinate legislation (as defined by section 21(1) of the Interpretation Act 1978) include any modification or re-enactment of that provision for the time being in force.

References to **"writing"** include references to any method of representing or reproducing words in a legible and non-transitory form, whether in electronic form or otherwise.

References in Articles 54, 55 and 65 to (i) a contract include references to any proposed contract and to any transaction or arrangement or proposed transaction or arrangement whether or not constituting a contract; and (ii) a conflict of interest include a conflict of interest and duty and a conflict of duties.

Headings are included only for convenience and shall not affect meaning.

If, and for so long as, the company has only one Member, these Articles shall (in the absence of any express provision to the contrary) apply with such modification as may be necessary in relation to the company.

## **LIMITED LIABILITY**

### **3 LIMITED LIABILITY**

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

## **SHARE CAPITAL**

### **4 RIGHTS ATTACHED TO SHARES**

Subject to the provisions of the Act and to any rights conferred on the Holders of any other Shares, any share may be issued with or have attached to it such rights and restrictions as the company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may decide.

### **5 REDEEMABLE SHARES**

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.

### **6 TRUSTS NOT RECOGNISED**

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.

## **THE SPECIAL SHARE**

### **7 SPECIAL SHAREHOLDER**

- (A) The Special Share may only be issued to the Secretary of State and may be transferred to and held by the Treasury, another Minister of the Crown or any other duly authorised person (including, without limitation, any nominee) acting on behalf of the Crown.
- (B) The Special Shareholder shall be entitled to receive notice of, and to attend and speak at, any general meeting or any meeting of any other class of shareholders of the company, but the Special Share shall carry no right to vote nor any other rights at any such meeting.
- (C) On a distribution of capital in a winding-up of the company the Special Shareholder shall be entitled to repayment of the capital paid up on the Special Share. Any such distribution will be made in priority to any repayment of capital to any other Member.

- (D) Save as provided above, the Special Share shall confer no right to a dividend or any other right to participate in the capital or profits of the company.
- (E) The Special Shareholder may, subject to the provisions of the Act, require the company to redeem the Special Share at par (such sum being payable on redemption) at any time by serving written notice upon the company and delivering to the company the relevant share certificate. The company shall not be able to redeem the Special Share without the prior consent of the Special Shareholder.
- (F) In the event that the Special Shareholder shall give directions to the company or any member of the Group, then for such time as the company remains wholly-owned by the Crown the company shall take all steps within its power to do what those directions require to be done by the company, and exercise such rights as it has over any subsidiary undertaking to procure that such subsidiary undertaking does what those directions require to be done by such subsidiary undertaking, within the timeframe so required.
- (G) The provisions of this article 7 shall be subject to article 80.

## **8 VARIATION OF SPECIAL SHARE RIGHTS**

### **8.1 Matters requiring consent**

Notwithstanding any provision in these Articles to the contrary (save for article 80 to which this article 8 shall be subject), each of the following shall be deemed to be a variation of the rights attaching to the Special Share and accordingly shall occur and be effective only with the prior written consent of the Special Shareholder:

#### **COMPANY MATTERS REQUIRING CONSENT**

- (A) the:
  - (i) appointment or removal from office of any director of the company, or
  - (ii) appointment or removal of any person as chief executive of the company (whether or not immediately prior to that appointment he or she was a director of that company and whether or not immediately after his or her removal he or she continues to be a director of the same), and "**chief executive**" shall refer to any person carrying out the general management functions of a chief executive officer of the company or the Group, or
  - (iii) appointment or removal of any person as chair of the company;
- (B) any change in the prescribed minimum number of directors of the company;
- (C) the appointment of any person other than a director of the company as an alternate director of any director of the company;
- (D) any action taken by any the company or the Board (including any appointment, removal or re-designation) which would have the effect that the Board ceased to include directors appointed to the post of Chair, chief executive and finance director (or directors carrying out the general functions denoted by such posts);
- (E) the approval of or agreement to or any material variation or amendment to:
  - (i) the remuneration (including, without limitation, salary, share options, bonuses, benefits in kind and pension rights) paid or granted to any director of the company; or

- (ii) the terms and conditions of employment or engagement of any of the directors of the company;
- (F) the declaration or payment of any dividend or the making of any distribution by the company other than in accordance with the Group Strategic Plan;
- (G) any distribution, payment or return to shareholders of the company out of capital of the company;

**GROUP MATTERS REQUIRING CONSENT**

- (H) the alteration or deletion of, or the ratification of any breach of, all or any part of these Articles;
- (I) the voluntary winding-up or entry into administration of any member of the Group, the passing of a special resolution to the effect that any member of the Group should be wound-up by the court or put into administration, the presentation (whether solely or jointly with any other person) of a petition for the winding-up of any member of the Group, or any proposal for any of the foregoing;
- (J) the redemption or purchase by any member of the Group of any share in itself or the reduction of the share capital of any member of the Group, or any uncalled or unpaid liability in respect thereof, capital redemption reserve or share premium account of any member of the Group or the passing of any resolution authorising any of the foregoing;
- (K) the formation of any subsidiary undertaking or the issue, allotment, purchase, cancellation or transfer of shares, or granting of any share rights, in any member of the Group;
- (L) the sale, issue, allotment, purchase, cancellation or transfer of any shares by any member of the Group in any subsidiary undertaking or in First Rate Exchange Services Holdings Limited (while an associated undertaking of a member of the Group) or in any other associated undertaking of a member of the Group;
- (M) the amalgamation or merger of any member of the Group with any other company or business undertaking;
- (N) the creation or granting of any encumbrance over the whole or any part of the company's business, undertaking or assets or over any Shares in the company or the entry into any agreement to do so, or the same in respect of any member of the Group (other than, in each case, the creation or grant of any lien arising in the ordinary course of business and/or any charge arising by the operation (or purported operation) of title retention clauses and in the ordinary course of business);
- (O) save for any intra-group arrangements entered into between wholly owned members of the Group in the ordinary course of business by any Group Company, the making of any loan (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits or in the ordinary course of business), the granting of any credit (other than in the normal course of business) or the giving of any guarantee or indemnity (in each case other than in the normal course of business) by any Group company;
- (P) the restructure or reorganisation of the Group structure such that any Group company's shareholding in its subsidiary undertakings is altered or amended;
- (Q) the presentation, or proposal for presentation, (whether solely or jointly with any other person) of a petition applying for the appointment of an administrator of any member of the Group;

- (R) the adoption of any accounting reference date or any material variation of the accounting practices and policies to be applied in the preparation of the accounts of any member of the Group, if different from the practices or policies then adopted or applied by other members of the Group (other than any accounting practice or policy required to be adopted by law or required by generally accepted accounting principles applying in the place of incorporation of the company or the relevant member of the Group);
- (S)
  - (a) the appointment and remuneration of any person who is not an employee of a member of the Group as a director of any member of the Group (other than the company and a member of the Group that is regulated by the FCA); or
  - (b) the additional remuneration of any employee (which, for the avoidance of doubt, shall not include any salary arrangements for such employee) of a member of the Group in their capacity as a director of a member of the Group;
- (T) the establishment of (or approval of any agreement to establish) a new pension scheme by any member of the Group;
- (U) the adoption of a Group Strategic Plan or any material variation or amendment of a Group Strategic Plan previously adopted;
- (V) save as specifically provided for in the approved Group Strategic Plan, any substantial alteration in the nature of the business carried on by any Group company;
- (W) the entry into any Relevant Transaction under which any member of the Group, directly or indirectly, ceases to own or retain any such interest as it may have in any asset in the absence of which the Group might reasonably be considered to be unable to continue to perform the business of the Group as provided for in the Group Strategic Plan, except in circumstances under which the relevant asset remains available for exclusive use by any one or more members of the Group for the remainder of its useful economic life or until it is fully depreciated;
- (X) the entry into or implementation of a Relevant Transaction by any member of the Group which involves or is likely to involve (either individually or when taken together with all other related Relevant Transactions (other than any related Relevant Transaction previously approved under this article 8.1(X) entered into or implemented in the previous 12 months)) the incurrence of a commitment or liability, or the payment of a sum, by any member of the Group which is an amount in excess of £50,000,000;
- (Y) the entry by any member of the Group into any Relevant Transaction which is not on commercial terms and is not considered by the directors of the relevant member of the Group to be in the interests of that member of the Group;
- (Z)
  - (i) the sale, assignment, charging, mortgaging or outright disposal by any member of the Group of any Trade Mark in any of the Primary Territories, (ii) the granting of an exclusive licence by any member of the Group which prevents the Group from using any Trade Mark in any of the Primary Territories, (iii) the taking of any action by any member of the Group with the intention of jeopardising any Trade Mark in any of the Primary Territories, (iv) the taking of any action by any member of the Group which has the effect of causing any Trade Mark in any of the Primary Territories to cease to subsist, or (v) the taking of any decision or action by any member of the Group which has the effect of allowing rights in respect of any Trade Mark in any of the Primary Territories to lapse;

- (AA) the incurring of (or entry into of any commitment to incur) any borrowing by any member of the Group in circumstances where the borrowing is to be provided from any source other than another member of the Group;
- (a) for the purposes of this article 8.1(AA), but without prejudice to the generality of the terms "borrowing" and "borrowed":
    - (i) amounts borrowed for the purpose of repaying the whole or any part of any amounts previously borrowed and then outstanding (including any premium payable on final repayment) and to be applied for that purpose within six months of the borrowing shall not, pending such application, be taken into account as money borrowed;
    - (ii) the principal amount (including any premium payable on final repayment) of any debt securities issued in whole or in part for a consideration other than cash shall be taken into account as money borrowed by the member of the Group issuing them;
    - (iii) money borrowed by any member of the Group and owing to another member of the Group shall not be taken into account as money borrowed;
    - (iv) borrowings of an undertaking which became a subsidiary undertaking of the company after the date at which the latest audited balance sheet was prepared shall not, pending the date of the next consolidated audited balance sheet, be taken into account as money borrowed to the extent that the amount of those borrowings does not exceed their amount immediately after such undertaking became a subsidiary undertaking; and
    - (v) amounts outstanding under any arrangement entered into in the ordinary course of its business by any member of the Group for the leasing or hire purchase of any assets, which would, in accordance with GAAP, be treated as a balance sheet liability, shall be taken into account as money borrowed.
  - (b) no debt incurred or security given in respect of money borrowed in excess of the above limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded, but no lender or other person dealing with the company shall be concerned to see or enquire whether such limit is observed.

## 8.2 Group undertakings

- (A) The Company must ensure that the constitution of each of its subsidiary undertakings from time to time contains restrictions and obligations on that subsidiary undertaking which correspond to the restrictions set out in Article 8.1(H) to (AA) (inclusive) and, where that subsidiary undertaking in turn has any subsidiary undertakings, obligations in this Article 8.2



in relation to that subsidiary undertaking, unless that subsidiary undertaking first obtains the written consent of the company.

- (B) The company must, at all times and using all of its powers as shareholder, procure that no member of the Group carries out any of the matters set out in Article 8.1(H) to (AA) (inclusive) without the company first obtaining Special Shareholder consent.

### 8.3 Approval Procedure

- (A) Whenever the company wishes to obtain the Special Shareholder's consent to any matter set out in article 8.1:

(i) the Board shall consider the matter on which it wishes to obtain the Special Shareholder's consent and resolve to seek such consent, provided that the Board shall seek to give, as far as possible, the Special Shareholder advance notice of the existence of circumstances in which the need for Special Shareholder consent is likely to arise wherever reasonable and practicable;

(ii) if the Board resolves to seek such consent as set out in part (i) above, the company shall give notice to the Special Shareholder, such notice to:

- (a) be in writing;
- (b) be addressed to such persons as the Special Shareholder shall, from time to time, notify in writing to the company;
- (c) be delivered by hand or such other means (which may include electronic means) to which the Special Shareholder has provided (and not revoked) its written consent specifically for the purpose of receiving such notices;
- (d) clearly state that it is important and requires immediate attention;
- (e) clearly identify itself as a notice served pursuant to this article 8.2(A)(ii); and
- (f) contain or annex such information as can reasonably be expected to enable the Special Shareholder to consider the matter being proposed.

(iii) On or before the date which falls ten Business Days after the date of receipt of such notice (the "**Initial Expiry Date**") the Special Shareholder shall give written notice to the Secretary stating:

- (g) his consent to the matter contained in the notice; or
- (h) his refusal to consent to the matter contained in the notice (providing in reasonable detail and on a confidential basis the reasons for such refusal); or
- (i) that he requires a further ten Business Days in which to consider the matter, commencing on the Business Day following the Initial Expiry Date.

- (B) If on or before the Initial Expiry Date the Special Shareholder gives written notice to the company pursuant to article 8.2(A)(iii)(i) the Special Shareholder shall, on or before the date which falls ten Business Days after the Initial Expiry Date, give a further written notice to the Secretary stating:

- (i) his consent to the matter contained in the notice; or
- (ii) his refusal to consent to the matter contained in the notice (providing in reasonable detail and on a confidential basis the reasons for such refusal); or

- (iii) that he requires a further time period in which to consider the matter.
- (C) The Special Shareholder shall give a notice under article 8.2(B)(iii) only in exceptional circumstances, such notice to:
  - (iv) set out in reasonable detail the exceptional circumstances under which the notice is served;
  - (v) outline an indicative timeframe in which the Special Shareholder expects to be able to respond to the request for approval, such timeframe at all times being subject to alteration and amendment; and
  - (vi) set out any further information which is required by the Special Shareholder from the Company in order to respond to the request for approval.
- (D) The Special Shareholder may, at any time, request from the company such further information as it reasonably requires in order to assist it to consider the matter being proposed and the company shall deliver such information to the Special Shareholder as soon as reasonably practicable thereafter.
- (E) If the company does not receive any notice from the Special Shareholder pursuant to article 8.2(A)(iii) on or before the Initial Expiry Date or pursuant to article 8.2(B) within the further period referred to therein, the company shall be entitled to undertake the matter contained in the notice issued by it pursuant to article 8.2(A)(i) and the consent of the Special Shareholder shall be deemed irrevocably given to such matter.
- (F) In favour of any third party dealing with any member of the Group a certificate by any director or the Secretary to the effect that the Special Shareholder shall have been deemed to have given his consent to any matter as a result of the operation of article 8.2(E) above shall be conclusive and binding as to that fact.

8.4 Delivery of any notice served upon the Special Shareholder under article 8.2 shall be evidenced by a receipt acknowledging delivery signed and dated by one of the addressees of the relevant notice and such notice shall be deemed to have been received on the date on which the receipt acknowledging delivery of the same is signed.

8.5 The directors of the company will exercise all powers exercisable by the company in relation to Group subsidiary undertakings so as to ensure that no subsidiary undertaking shall take any action which (either alone or when taken together with any other action) would result in the variation of any of the rights attached to the Special Share.

8.6 The provisions of this article 8 shall be subject to article 80.

## **9 INFORMATION**

9.1 Notwithstanding any other provision of these Articles, the Special Shareholder shall be entitled to request such information in relation to the affairs of the Group (or any particular member of the Group) as it may consider necessary or desirable. The company shall use its reasonable endeavours to comply promptly with such requests for information from time to time, but only in so far as the company has such information within its possession or such information can reasonably be obtained by it.

9.2 Notwithstanding any other provision of these Articles the company shall, at the request of the Special Shareholder, procure that such specified or other relevant directors and senior

managers of the company shall meet with the Special Shareholder (or its representatives) to discuss the affairs of the Group (or any particular member of the Group) and the company shall release such directors or managers from any obligation of confidentiality owed to the company for the purpose of these discussions.

## **SHARE CERTIFICATES**

### **10 RIGHT TO SHARE CERTIFICATES**

10.1 Every Member, upon becoming the Holder of any Shares, shall be entitled without payment to:

(A) 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

(B) several certificates each for one or more of his Shares upon payment for every certificate after the first of such reasonable sum as the Board may determine.

10.2 Every certificate shall be executed under the Seal or otherwise in accordance with the Act or in such other manner as the Board may approve 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.

10.3 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.

### **11 REPLACEMENT OF SHARE CERTIFICATES**

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 Board may determine but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate.

## **TRANSFER OF SHARES**

### **12 EXECUTION OF TRANSFER**

The instrument of transfer of a Share may be in any usual form or in any other form which the Board 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.

### **13 RIGHT TO DECLINE REGISTRATION**

The Board may refuse to register the transfer of a Share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of the refusal unless they suspect that the proposed transfer may be fraudulent.

### **14 NO FEE FOR REGISTRATION**

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.

**15 RETENTION OF INSTRUMENT OF TRANSFER**

The company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Board refuses to register shall be returned to the person lodging it when notice of the refusal is given.

**TRANSMISSION OF SHARES**

**16 TRANSMISSION ON DEATH**

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.

**17 ELECTION OF PERSON ENTITLED BY TRANSMISSION**

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 Board 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.

**18 RIGHTS OF PERSON ENTITLED BY TRANSMISSION**

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 be entitled 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, in respect of the share before being registered as the Holder of the share, unless authorised to do so by the Board.

**GENERAL MEETINGS**

**19 OMISSION OR NON-RECEIPT OF NOTICE**

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.

A Member present in person or by proxy at a meeting shall be deemed to have received proper notice of that meeting and, where applicable, of the purpose of that meeting.

**20 POSTPONEMENT OF GENERAL MEETINGS**

If the Board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time or place specified in the notice calling the general meeting, it may postpone the general meeting to another date, time and place. When a meeting is so postponed, notice of the date, time and place of the postponed

meeting shall be given to the Members. Notice of the business to be transacted at such postponed meeting shall not be required.

## **PROCEEDINGS AT GENERAL MEETINGS**

### **21 QUORUM**

No business shall be transacted at any meeting unless a quorum is present. 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. If, and for so long as, the company has only one Member, that Member or the proxy for that Member or, where that Member is a corporation, its duly authorised representative shall be a quorum at any general meeting of the company or of the Holders of any class of Shares.

### **22 PROCEDURE IF QUORUM NOT PRESENT**

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 Board may determine.

### **23 CHAIR OF GENERAL MEETING**

The chair, if any, of the Board or in his absence some other director nominated by the Board shall preside as chair of the meeting, but if neither the chair 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 chair and, if there is only one director present and willing to act, he shall be chair. If no director is willing to act as chair, 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 chair.

### **24 ORDERLY CONDUCT**

The chair shall take such action as he thinks fit to promote the orderly conduct of the business of the meeting as laid down in the notice of the meeting and the chair's decision on matters of procedure or arising incidentally from the business of the meeting shall be final as shall be his determination as to whether any matter is of such a nature.

### **25 ENTITLEMENT TO ATTEND AND SPEAK**

Each director shall be entitled to attend and speak at any general meeting of the company and at any separate general meeting of the Holders of any class of Shares in the company. The chair may invite any person to attend and speak at any general meeting of the company whom the chair considers to be equipped by knowledge or experience of the company's business to assist in the deliberations of the meeting. In addition, the chair may invite any person who has been nominated for the purpose by a Member, where the chair is satisfied that such time as the chair may determine, the Member holds any Shares in the company as such person's nominee, to attend and, if the chair considers it appropriate, to speak at any general meeting of the company.

## **26 ADJOURNMENTS**

The chair may, with reasonable cause but without requiring the consent of the meeting (whether or not it has commenced or a quorum is present), adjourn any 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.

## **27 AMENDMENTS RULED OUT OF ORDER**

If an amendment proposed to any resolution under consideration is ruled out of order by the chair, the proceedings on the resolution shall not be invalidated by any error in the ruling.

## **VOTING**

### **28 VOTES OF MEMBERS**

Subject to any special terms as to voting upon which any Shares may be issued or may for the time being be held and to any other provisions of these Articles, 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 shall have one vote and on a poll every Member shall have one vote for every Share of which he is the Holder. For this purpose, where a proxy is given discretion as to how to vote on a show of hands, this shall be treated as an instruction by the relevant Member to vote in the way in which the proxy elects to exercise that discretion.

### **29 METHOD OF VOTING**

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 by:

- (A) the chair; or
- (B) at least two Members having the right to vote on the resolution; or
- (C) by a Member or Members representing in the aggregate not less than one tenth of the total voting rights of all the Members having the right to vote on the resolution.

### **30 WITHDRAWAL OF DEMAND FOR POLL**

The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chair 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.

### **31 PROCEDURE IF POLL DEMANDED**

Polls must be taken immediately and in such manner as the chair of the meeting directs.

## **32 OBJECTIONS OR ERRORS IN VOTING**

If:

- (i) any objection shall be raised to the qualification of any voter, or
- (ii) any votes have been counted which ought not to have been counted or which might have been rejected, or
- (iii) any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chair and shall only vitiate the decision of the meeting on any resolution if the chair decides that the same may have affected the decision of the meeting. The decision of the chair on such matters shall be conclusive.

- (D) The company shall not be obliged to ascertain whether a proxy or representative of a corporation has voted in accordance with a Member's instructions and the failure of a proxy or representative so to do shall not vitiate the decision of the meeting or adjourned meeting or poll on any resolution.

## **PROXIES**

### **33 APPOINTMENT OF PROXY**

Votes may be given either personally or by proxy.

### **34 CONTENT OF PROXY**

Proxies may only validly be appointed by a notice in writing (a "**Proxy Notice**") which:

- (A) states the name and address of the shareholder appointing the proxy;
- (B) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
- (C) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the Board may determine; and
- (D) is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.

The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.

Proxy Notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

### **35 DELIVERY OF PROXIES**

The instrument appointing a proxy and any authority under which it is executed may be delivered:

- (A) in hard copy form at the Office (or such other place in the United Kingdom as may be specified by the company for the receipt of appointments of proxy in hard copy form) to be received not less than 48 hours (or such shorter time as the Board may determine) before

the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote together with (if required by the Board) any authority under which it is made or a copy of the authority, certified notarially or in accordance with the Powers of Attorney Act 1971 or in some other manner approved by the Board;

- (B) by electronic means, to be received at the address specified by the company for the receipt of appointments of proxy by electronic means not less than 48 hours (or such shorter time as the Board may determine) before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote. Any authority pursuant to which such an appointment is made or a copy of the authority, certified notarially or in accordance with the Powers of Attorney Act 1971 or in some other manner approved by the Board, must, if required by the Board, be received at such address or at the Office (or such other place in the United Kingdom as may be specified by the company for the receipt of such documents) not less than 48 hours (or such shorter time as the Board may determine) before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote; and
- (C) an appointment of a proxy which is not, or in respect of which the authority or copy thereof is not, received in a manner so permitted shall be invalid. When two or more valid but differing appointments of a proxy are received in respect of the same share for use at the same meeting or poll, the one which is last received (regardless of its date or of the date of its signature) shall be treated as replacing and revoking the others as regards that share; if the company is unable to determine which was last received, none of them shall be treated as valid in respect of that share. The appointment of a proxy shall not preclude a Member from attending and voting in person at the meeting or poll concerned. The proceedings at a general meeting shall not be invalidated where an appointment of a proxy in respect of that meeting is sent in electronic form as provided in these Articles, but it cannot be read by the recipient because of a technical problem.

### **36 CANCELLATION OF PROXY'S AUTHORITY**

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 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. Such notice of determination shall be received either in hard copy form by the Office or such other place within the United Kingdom as may be specified by the company in accordance with article 35(A) or in electronic form at the address (if any) specified by the company in accordance with article 35(B), regardless of whether any relevant proxy appointment was effected in hard copy form or in electronic form.

## **APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS**

### **37 NUMBER OF DIRECTORS**

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



### **38 PERSONS ELIGIBLE AS DIRECTORS**

No person shall be appointed or reappointed a director unless:

- (A) he/she is recommended by the directors;
- (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; or

his/her appointment is duly consented to by the Special Shareholder as set out in Article 8.1(S).

### **39 NOTICE OF APPOINTMENT OR REAPPOINTMENT**

Not less than ten Business Days before the proposed date of appointment, notice shall be given to the Special Shareholder of any person who is recommended by the directors for appointment or reappointment as a director at the Board 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.

### **40 POWER OF BOARD TO APPOINT DIRECTORS**

The Board may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director. As set out in clause 8.1(A), the chair must consult with and obtain the consent of the Special Shareholder for the appointment of any person as a director. A director so appointed shall hold office until such date as the term of his appointment terminates, subject to his being reappointed on the basis set out in clause 39. If not reappointed, he shall vacate office on the termination of his appointment.

### **41 ALTERNATE DIRECTORS**

- (A) Any director (other than an alternate director) may appoint any other director, or, subject to the Articles, including Article 8.1(S), any other person approved by the resolution of the Board and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.
- (B) 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 Board.
- (C) An alternate director shall be entitled to receive notice of all meetings of the Board and of all meetings of committees of the Board 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.

- (D) An alternate director shall cease to be an alternate director:
  - (i) if his appointor ceases to be a director; but, if a director retires 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; or
  - (ii) when the appointor revokes the appointment by notice to the Company specifying when it is to terminate.
- (E) If an alternate director is himself a director or shall attend any such meeting as an alternate director for more than one director, his voting rights shall be cumulative but he shall not be counted more than once for the purposes of the quorum.
- (F) If his appointor is for the time being temporarily unable to act through ill health or disability an alternate director's signature to any resolution in writing of the directors shall be as effective as the signature of his appointor.
- (G) 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.
- (H) An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent as if he were a director.
- (I) An alternate director shall not be entitled to receive remuneration from the Company in respect of his appointment as alternate director except to the extent his appointor directs the Company to pay to the alternate director some of the remuneration otherwise payable to that director.

#### **42 APPOINTMENT OF CHAIR AND DIRECTORS**

(A) Chair

The Special Shareholder shall be entitled from time to time to appoint and/or remove any person as chair of the company by notice in writing delivered to the company and signed on behalf of the Special Shareholder.

(B) Directors

The Special Shareholder shall be entitled from time to time to appoint and/or remove any person as a director of the company by notice in writing delivered to the company and signed on behalf of the Special Shareholder.

#### **43 POSITION OF RETIRING DIRECTORS**

Subject as aforesaid, a director who retires at a Board meeting may, if willing to act, be reappointed. If he is not reappointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting, or (if earlier) when a resolution is passed to appoint someone in his place.

#### **44 DISQUALIFICATION AND REMOVAL OF DIRECTORS**

- (A) Without prejudice to the provisions of the Articles and in addition to any power of removal conferred by the Act, the company may, by special resolution, remove any director before

the expiry of his period of office and may (subject to these Articles) by ordinary resolution appoint another person who is willing to act to be a director in his place. As set out in clause 8.1(A), the chair must consult with and obtain the consent of the Special Shareholder in relation to the removal of any person as a director.

- (B) The office of a director shall be vacated if:
- (i) 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
  - (ii) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (iii) he resigns his office by notice to the company; or
  - (iv) he is removed pursuant to article 44(A);
  - (v) unless the Special Shareholder shall notify the relevant director and the company otherwise, being an employee director, he ceases to be an employee of the company; or
  - (vi) he shall for more than six consecutive months have been absent without permission of the Board from meetings of the Board held during that period and the directors resolve that his office be vacated.
- (C) If the office of a director is vacated for any reason, he shall cease to be a Member of any committee or subcommittee of the Board.

## **POWERS OF THE BOARD**

### **45 GENERAL POWERS OF COMPANY VESTED IN THE BOARD**

Subject to the provisions of the Act, these Articles and to any directions given by special resolution (including without limitation article 8.1), the business of the company shall be managed by the Board who may exercise all the powers of the company. No alteration of these Articles and no such special resolution shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that resolution had not been passed. The powers given by this article shall not be limited by any special power given to the Board by the Articles.

### **46 GROUP STRATEGIC PLAN**

The Board will develop and update a business plan for the Group covering a period of at least three years (the “**Group Strategic Plan**”) on an annual basis. The Special Shareholder and the Board shall agree the issues and priorities to be addressed in the Group Strategic Plan. The Group Strategic Plan shall be reviewed by the Board on an annual basis and otherwise as necessary to take account of any additional or amended obligations or

responsibilities assumed by the Group. The Group Strategic Plan shall be subject to review by, and approval of, the Special Shareholder on an annual basis.

**47 EFFECT OF APPROVAL OF GROUP STRATEGIC PLAN**

The approval of any Group Strategic Plan shall be deemed to be an approval of any matter within that Group Strategic Plan which would have required approval in accordance with article 8.1 if such matter is specifically identified with reasonable detail in that Group Strategic Plan as being proposed for approval in accordance with that article.

**48 BORROWING POWERS**

The Board may exercise all the powers of the company to borrow and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company, but subject to the restrictions contained in the Articles, including under clause 9.1(AA).

**49 DELEGATION OF THE BOARD'S POWERS**

The Board may delegate any of its powers to any committee consisting of one or more directors with power to sub-delegate. It may also delegate to any managing director or any director holding any other executive office such of its powers as it considers desirable to be exercised by him. Any such delegation may be made subject to any conditions the Board may impose, and either collaterally with or to the exclusion of its 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 the Board so far as they are capable of applying.

**REMUNERATION OF DIRECTORS**

**50 DIRECTORS' FEES**

Subject to the Articles, including the requirement for Special Shareholder consent as set out in clause 8.1(E), each of the non-executive directors shall be paid a fee at such rate as may from time to time be determined by the Board, provided that the aggregate of all fees so paid to directors (excluding amounts payable under any other provision of these Articles) shall not exceed £400,000 per annum or such higher amount as may from time to time be decided by ordinary resolution of the company.

**51 ADDITIONAL REMUNERATION**

Subject to the Articles, any director who performs services which in the opinion of the Board or any committee authorised by the Board go beyond the ordinary duties of a director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may in its discretion decide in addition to any remuneration provided for by or pursuant to any other article.

**52 DIRECTORS' EXPENSES**

The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at Board meetings 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**

### **53 MANAGING DIRECTOR AND EXECUTIVE OFFICE**

Subject to the provisions of the Act and these Articles, 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, subject to Special Shareholder consent as set out in clause 9.1(E). 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.

### **54 CONFLICTS OF INTEREST REQUIRING BOARD AUTHORISATION**

- (A) The Board may, subject to the quorum and voting requirements set out in this article, authorise any matter which would otherwise involve a director breaching his duty under the Act to avoid conflicts of interest (a "**Conflict**").
- (B) A director seeking authorisation in respect of a Conflict shall declare to the Board the nature and extent of his interest in that Conflict as soon as is reasonably practicable. The director shall provide the Board with such details of the relevant matter as are necessary for the Board to decide how to address the Conflict together with such additional information as may be requested by the Board.
- (C) Any director (including the relevant director) may propose that the relevant director be authorised in relation to any matter the subject of a Conflict. Such proposal and any authority given by the Board shall be effected in the same way that any other matter may be proposed to and resolved upon by the Board under the provisions of these Articles save that:
  - (i) the relevant director and any other director with a similar interest shall not count towards the quorum nor vote on any resolution giving such authority; and
  - (ii) the relevant director and any other director with a similar interest may, if the other members of the Board so decide, be excluded from any Board meeting while the Conflict is under consideration.
- (D) Where the Board gives authority in relation to a Conflict:
  - (i) the Board may (whether at the time of giving the authority or subsequently) (a) require that the relevant director is excluded from the receipt of information, the participation in discussion and/or the making of decisions (whether at meetings of the Board or otherwise) related to the Conflict; and (b) impose upon the relevant director such other terms for the purpose of dealing with the Conflict as it may determine;
  - (ii) the relevant director will be obliged to conduct himself in accordance with any terms imposed by the Board in relation to the Conflict;

- (iii) the Board may provide that where the relevant director obtains (otherwise than through his position as a director of the company) information that is confidential to a third party, the director will not be obliged to disclose that information to the company, or to use or apply the information in relation to the company's affairs, where to do so would amount to a breach of that confidence;
  - (iv) the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
  - (v) the Board may revoke or vary such authority at any time but this will not affect anything done by the relevant director prior to such revocation or variation in accordance with the terms of such authority.
- (E) Subject to article 54(F), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chair whose ruling in relation to any director other than the Chair is to be final and conclusive.
- (F) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chair, the question is to be decided by a decision of the directors at that meeting, for which purpose the Chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

## **55 OTHER CONFLICTS OF INTEREST**

- (A) If a director is in any way directly or indirectly interested in a proposed contract with the company or a contract that has been entered into by the company, he must declare the nature and extent of that interest to the directors in accordance with the Act.
- (B) Provided he has declared his interest in accordance with article 55(A) a director may:
- (i) be party to, or otherwise interested in, any contract with the company or in which the company has a direct or indirect interest;
  - (ii) hold any other office or place of profit with the company (except that of auditor) in conjunction with his office of director for such period and upon such terms, including as to remuneration, as the Board may decide;
  - (iii) act by himself or through a firm with which he is associated in a professional capacity for the company or any other company in which the company may be interested (otherwise than as auditor);
  - (iv) be or become a director or other officer of, or employed by or otherwise be interested in any holding company or subsidiary undertaking of the company or any other company in which the company may be interested; and
  - (v) be or become a director of any other company in which the company does not have an interest and which cannot reasonably be regarded as giving rise to a conflict of interest at the time of his appointment as a director of that other company.
- (C) A director shall not, by reason of his office or of the fiduciary relationship thereby established be liable to account to the company for any remuneration, profit or other benefit realised by reason of his having any type of interest authorised under article 54(A) or permitted under

article 55(B) and no contract shall be liable to be avoided on the grounds of a director having any type of interest authorised under article 54(A) or permitted under article 55(B).

## **PROCEEDINGS OF DIRECTORS**

### **56 BOARD MEETINGS**

Subject to the provisions of the Articles, the Board may regulate its proceedings as it thinks fit. A director may, and the Secretary at the request of a director shall, call a meeting of the Board.

### **57 NOTICE**

Notice of a meeting of the Board shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the company for this purpose, or by any other means authorised in writing by the director concerned. Notice shall be given in this manner to all directors including any director who is for the time being absent from the United Kingdom. A director may waive notice of any meeting either prospectively or retrospectively.

### **58 VOTING**

Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chair 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.

### **59 QUORUM**

The quorum for the transaction of the business of the Board may be fixed by the Board 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.

### **60 DIRECTORS BELOW MINIMUM THROUGH VACANCIES**

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.

### **61 CHAIR**

The chair shall be the person appointed pursuant to article 42. In the absence of such appointment the directors may (subject to article 8) appoint one of their number to be the chair of the Board and may at any time remove him from that office. Unless he is unwilling to do so, the chair shall preside at every meeting of the Board 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 if the chair is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chair of the meeting.

## **62 VALIDITY OF ACTS OF BOARD OR COMMITTEE**

All acts done by the Board, or by a committee of directors, or by a person acting as a director or Member of a committee shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or Member of a committee or person so acting 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 or Member of the committee and had been entitled to vote.

## **63 RESOLUTION IN WRITING**

A resolution in writing signed by all the directors entitled to receive notice of a meeting of the Board (if that number is sufficient to constitute a quorum) or by all the Members of a committee of directors shall be as valid and effectual as if it had been passed at a Board meeting 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.

## **64 PARTICIPATION IN BOARD MEETINGS BY TELEPHONE**

All or any of the Members of the Board or any committee of the Board may participate in a Board meeting or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest Group of those participating is assembled, or, if there is no such Group, where the chair of the meeting then is.

## **65 PERMITTED INTERESTS AND VOTING**

- (A) Save as otherwise provided by the Articles, a director shall not vote at a meeting of the Board or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty unless that interest or duty cannot reasonably be regarded as likely to give rise to a conflict of interest or his interest or duty arises only because the case falls within one or more of the following paragraphs:
- (i) 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 subsidiary undertakings; and/or
  - (ii) 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 subsidiary undertakings 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; and/or
  - (iii) 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 subsidiary undertakings, 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 subsidiary undertakings for subscription, purchase or exchange; and/or

- (iv) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the HM Revenue and Customs for taxation purposes.

For the purposes of this article, 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.

- (B) 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.
- (C) 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 the Board or of a committee of directors.
- (D) 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.
- (E) If a question arises at a meeting of the Board 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 chair of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

## **SECRETARY**

### **66 APPOINTMENT AND REMOVAL OF COMPANY SECRETARY**

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**

### **67 KEEPING OF MINUTES**

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 Board, and of committees of directors, including the names of the directors present at each such meeting.

## DIVIDENDS

### 68 DECLARATION OF DIVIDENDS

Subject to the provisions of the Act and the Articles, 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 Board.

### 69 PAYMENT OF INTERIM AND FIXED DIVIDENDS BY BOARD

Subject to the provisions of the Act and the Articles, the Board may pay interim dividends if it appears to it that they are justified by the profits of the company available for distribution. If the share capital is divided into different classes, the Board 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 Board 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.

### 70 CALCULATION OF DIVIDENDS

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 but no outstanding amount paid up on a Share in advance of the applicable call date shall be treated for the purposes of this article as paid up on the Share. 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 provided that it shall rank for dividend as from a particular date, that Share shall rank for dividend accordingly.

### 71 DIVIDENDS NOT IN CASH

Without prejudice to article 69 above, a general meeting declaring a dividend may, upon the recommendation of the Board, 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 Board 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.

### 72 PAYMENT OF DIVIDENDS

Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be paid by one or more of the following means, as directed by the payee:

- (A) transfer to a bank or building society account specified by the payee in writing;
- (B) sending a cheque made payable to the payee by post to the payee to an address specified by the payee in writing;

- (C) sending a cheque made payable to such person by post to such person at such address as the payee has specified in writing; or
- (D) any other means of payment as the payee may specify in writing.

**73 NO INTEREST ON DIVIDENDS**

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.

**74 AMOUNTS DUE ON SHARES MAY BE DEDUCTED FROM DIVIDENDS**

The Board may deduct from any dividend or other moneys payable to a Member by the company on or in respect of any Shares all sums of money (if any) presently payable by him to the company on account of calls or otherwise in respect of Shares of the company.

**75 FORFEITURE OF UNCLAIMED DIVIDENDS**

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.

**CAPITALISATION OF PROFITS**

**76 POWER TO CAPITALISE RESERVES AND FUNDS**

The Board 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 (including retained earnings);
- (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 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, retained earnings and any profits which are not available for distribution may, for the purposes of this article, only be applied in paying up Shares that are then to be allotted and distributed to Members credited as fully paid;
- (C) resolve that any Shares so allotted to any Member in respect of a holding by him of any partly paid Shares shall so long as such Shares remain partly paid rank for dividend only to the extent that the latter Shares rank for dividend;
- (D) 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 article in fractions; and
- (E) 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.

## **ADMINISTRATIVE ARRANGEMENTS**

### **77 RECORD DATES**

Notwithstanding any other provision of these Articles, but without prejudice to the rights attached to any Shares, the company or the directors may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made. Where such a record date is fixed, references in these Articles to a Holder of Shares or Member to whom a dividend is to be paid or a distribution, allotment or issue is to be made shall be construed accordingly.

### **78 COMPANY SEALS**

- (A) Any Seal may only be used by the authority of the directors.
- (B) The directors may decide by what means and in what form any Seal is to be used.
- (C) Unless otherwise decided by the directors, if the company has a Seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- (D) For the purposes of this article, an authorised person is:
  - (i) any director of the company, or
  - (ii) the Secretary (if any).

## **INDEMNITY**

### **79 INDEMNITY OF DIRECTORS**

To the extent permitted by the Act, the company may indemnify any director, former director or Secretary of the company against any liability and may purchase and maintain for any director, former director or Secretary of the company insurance against any liability. No director or former director or Secretary of the company shall be accountable to the company or the Members for any benefit provided pursuant to this article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the company.

## **PROVISIONS RELATING TO ARTICLES 7 AND 8**

### **80 ARTICLES SUBJECT TO RELEVANT LAW**

- 80.1 Nothing contained in Articles 7 and 8 shall have effect so as to require the company or any of the directors to (i) take any action; (ii) omit to take any action; or (iii) procure that any subsidiary undertaking of the company takes or omits to take any action which action or omission would, in the reasonable opinion of the Board of the company or of such subsidiary undertaking, give rise to criminal or civil liability on the part of the company, such subsidiary undertaking or any of the directors of the company or such subsidiary undertaking, or any liability on any of the aforesaid for breach of any statutory or common law duty or requirement (for the purposes of this article 80, a "**Relevant Breach**").

- 80.2 If a Relevant Breach is capable of ratification by the shareholders of the company or subsidiary undertaking concerned, and such ratification would have the effect of removing or avoiding the consequences of the Relevant Breach (insofar as such consequences affect or would affect the company or subsidiary undertaking or any of their respective directors), then subject to the shareholders concerned providing a written undertaking to the company or subsidiary undertaking, as the case may be, that the requisite ratification will be provided, the action or omission which would (but for ratification), have given rise to the Relevant Breach shall be effected or, as the case may be, procured by the company as though this article 80 did not apply in relation thereto.
- 80.3 For the purposes of this article 80, the "reasonable opinion of the Board" in relation to a matter shall mean the reasonable opinion of the Board of directors of the company or subsidiary undertaking concerned, having (i) as soon as is reasonably practicable taken and having had due regard to appropriate legal and/or financial advice, (ii) following the receipt of such advice, having promptly provided the same to the Special Shareholder and consulted with the Special Shareholder in relation to the said advice, and to the formation of the Board's opinion on the relevant matter, and having had due regard to the views (if any) of the Special Shareholder notified to it in relation thereto, and (iii) where the Special Shareholder gives notice under article 80.4, having had due regard to the independent advice consequently received and having consulted the Special Shareholder in relation thereto.
- 80.4 If in any case where the company or the directors seek to rely upon article 80.1 in respect of any matter, the Special Shareholder has within 7 days of receipt of legal and/or financial advice pursuant to article 80.3 notified the company that it requires independent advice to be taken in relation to the relevant matter(s) from an independent legal and/or financial adviser approved by the Special Shareholder, such advice to be addressed to the company, its directors and the Special Shareholder, the company shall (i) obtain such advice and (ii) (subject to article 80.1) not take any decision or action in relation to the relevant matter, until such advice shall have been obtained and the Board shall have consulted the Special Shareholder in relation thereto.
- 80.5 Nothing in this article 80 shall fetter any statutory power or remove or alter any obligation imposed on any person by statute.