

**THE COMPANIES ACT 2006**

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**ARTICLES OF ASSOCIATION**

**of**

**SCOTTISH POWER LIMITED**

(Adopted by a special resolution passed on  
on 5 October 2020)

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**Company Number SC193794**  
**Incorporated on 19 February 1999**

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**THE COMPANIES ACT 2006**

**A COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**SCOTTISH POWER LIMITED**

**(ADOPTED BY A SPECIAL RESOLUTION PASSED ON 5 OCTOBER 2020)**

**PRELIMINARY**

**1 Non-application of statutory regulations**

None of any regulations set out in any schedule to any statute or any statutory instrument concerning companies shall apply as regulations or articles of the Company.

**2 Definitions**

In these Articles (if not inconsistent with the subject or context) the words in the first column of the table below have the following meanings:

**the 2006 Act** means the Companies Act 2006;

**address** includes any number or address used for the purposes of sending or receiving notices, documents or information by electronic means and/or by means of a website;

**these Articles** means these Articles of Association as may be from time to time altered;

**auditors** means the auditors for the time being of the Company;

**Board** means the board of directors of the Company;

**Chairman** means the chairman of the Board elected in accordance with Article 86.1;

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

**Company** means Scottish Power Limited (formerly called Scottish Power plc);

**Directors** means the directors of the Company or those of such directors present at a duly convened meeting of the directors of the Company at which a quorum is present;

**employees' share scheme** has the meaning given in Section 1166 of the 2006 Act;

**group** has the meaning given in Section 1261 of the 2006 Act;

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

**Iberdrola** has the meaning given in Article 5.1;

**Iberdrola Group** has the meaning given in Article 5.1;

**in writing** means written or produced by any substitute for writing (including anything in electronic form) or partly one and partly another, and written shall be construed accordingly;

**member** means a member of the Company;

**month** means calendar month;

**office** means the registered office of the Company for the time being;

**paid** means paid or credited as paid;

**register of members** means the register of members of the Company to be kept pursuant to Section 113 of the 2006 Act;

**ScottishPower Group** has the meaning given in Article 5.2;

**the Statutes** means the Companies Acts and every other enactment for the time being in force concerning companies and affecting the Company;

**subsidiary undertaking** has the meaning given in Section 1162 of the 2006 Act and, for the avoidance of doubt, shall be deemed to include a subsidiary;

**transmission event** means death, bankruptcy or any other event giving rise to the transmission of a person's entitlement to a share by operation of law;

**undertaking** has the meaning given in Section 1161 of the 2006 Act; and

**the United Kingdom** means the United Kingdom of Great Britain and Northern Ireland.

## INTERPRETATION

### 3 Interpretation

In these Articles:

- 3.1 References to a notice or other document being **sent** to a person by the Company include references to such notice or other document, or a copy of such notice or other document, being sent, given,



delivered, issued or made available to, or served on, that person by any method authorised by these Articles, and **sending** shall be construed accordingly;

- 3.2 The expressions **hard copy form**, **electronic form** and **electronic means** have the same respective meanings as in the Company Communications Provisions;
- 3.3 The expression **Company Communications Provisions** has the same meaning as in Section 1143 of the 2006 Act;
- 3.4 The expression **officer** includes a Director, manager and the Secretary but shall not include an auditor;
- 3.5 The expression **Secretary** includes any deputy secretary, assistant secretary and any other person appointed by the Directors to perform any of the duties of the Secretary and where two or more persons are appointed to act as joint secretaries shall include any one of those persons;
- 3.6 The expression the **Companies Acts** has the meaning given thereto by Section 2 of the Companies Act 2006;
- 3.7 Any reference to days of notice shall be construed as meaning clear days;
- 3.8 Words denoting the singular include the plural and vice versa. Words denoting a gender include every gender;
- 3.9 Any reference to a person shall be construed as including a reference to an undertaking;
- 3.10 Where any of the provisions of these Articles are stated to apply to an Article referred to by its number only, those provisions shall apply (where relevant) to all and any Articles designated by that number and a capital letter;
- 3.11 Save as aforesaid, any words or expressions defined in the 2006 Act shall (if not inconsistent with the subject or context) bear the same meaning in these Articles;
- 3.12 Subject to the preceding paragraph, references to any provision of any enactment or of 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;
- 3.13 Where for any purpose an ordinary resolution of the Company is expressed to be required under the provisions of these Articles, a special resolution shall also be effective;
- 3.14 The index, table of contents, headings and sub-headings to Articles are inserted for convenience only and do not affect the construction of these Articles;
- 3.15 Powers of delegation shall not be restrictively construed but the widest interpretation shall be given to them and:

- (a) the word Directors in the context of the exercise of any power contained in these Articles includes any committee consisting of one or more Directors, any Director holding executive office and any local or divisional board, manager or agent of the Company to which or, as the case may be, to whom the power in question has been delegated;
- (b) no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and
- (c) except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power.

#### **4 Limited liability of members**

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

### **THE CORPORATE GROUP**

#### **5 The Company within the Iberdrola Group**

- 5.1 The Company is part of an international industrial group of which Iberdrola, S.A. ("**Iberdrola**"), a Spanish company, is the controlling entity and listed holding company pursuant to Spanish law (the "**Iberdrola Group**") and whose decentralised corporate structure guarantees a clear separation of functions and responsibilities, in accordance with a business model aimed at maximising the value of the Iberdrola Group's business as a whole in the interest of all the companies integrated into the Iberdrola Group.
- 5.2 The Company is the principal sub-holding company in the United Kingdom of the Iberdrola Group (the "**ScottishPower Group**"), and it has an organisational, monitoring and strategic coordination function in relation to the ScottishPower Group, without prejudice to the necessary corporate autonomy of the subsidiary companies within the ScottishPower Group with regard to the day-to-day administration and effective management of the businesses that constitute their corporate purpose and the consequent responsibility for their ordinary control.

#### **6 Stakeholder Engagement, Corporate Website, Presence in Social Media and Digital Transformation**

- 6.1 The Company shall engage with all stakeholders in its business activities in accordance with any policy adopted on the same based on the principles of responsibility, transparency, active listening, participation, consensus, collaboration and continuous improvement, which allows for stakeholders' legitimate interests to be taken into consideration, and the Company shall ensure the effective disclosure of information regarding its activities as appropriate.

- 6.2 The Company shall ensure that its corporate website, its presence and activity on social media, and, in general, its digital innovation strategy, contributes to the Iberdrola Group's digital communication strategy aimed at, among other purposes, encouraging stakeholder engagement, reinforcing their sense of belonging and favouring the development of the businesses of the Iberdrola Group and a digital transformation strategy in accordance with the principles described in Article 6.1.
- 6.3 The Company shall ensure the accessibility of its corporate website based on the principles of stakeholder engagement, transparency, and best practice in digital communication in accordance with Articles 6.1 and 6.2.

## **SHARE CAPITAL**

### **7 Redeemable shares and shares with special rights**

- 7.1 Subject to the provisions of the Statutes and any rights attached to any existing shares:
- 7.1.1 any shares may be issued with such rights or restrictions as the Company may by ordinary resolution determine (or, if the Company does not so determine, as the Directors may determine); and
- 7.1.2 shares may be issued on the terms that they are, or are to be liable, to be redeemed at the option of the Company or the holder and the Directors may determine the terms, conditions and manner of redemption of any redeemable shares which are issued. Such terms and conditions shall apply to the relevant shares as if the same were set out in these Articles.

### **8 Sub-division of shares**

Any resolution authorising the Company to sub-divide its shares or any of them may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others.

### **9 Fractions arising**

If any shares are consolidated or consolidated and then divided, the Directors have the power to deal with any fractions of shares which result. If the Directors decide to sell any shares representing fractions, they can do so and distribute the net proceeds of sale among members in proportion to their fractional entitlements. The Directors can sell those shares to anyone, including the Company if the Statutes allow, and may authorise any person to transfer or deliver the shares to the buyer or in accordance with the buyer's instructions. The buyer shall not be bound to see to the application of the purchase money, nor shall his/her title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.

## **10 Authorisation for share buy back out of capital**

10.1 Subject to the 2006 Act, but without prejudice to any other provision of these Articles, the Company may purchase its own shares out of capital otherwise than in accordance with Chapter 5 of Part 18 of the 2006 Act, up to an aggregate purchase price in a financial year of the lower of:

10.1.1 £15,000; or

10.1.2 the nominal value of 5% of its fully paid share capital as at the beginning of the financial year.

## **11 Interests not recognised**

Except as required by law or by these Articles, the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the holder.

## **12 Trusts may be recognised**

The Company shall be entitled, but except as required by law shall not be bound, to recognise in such manner and to such extent as it may think fit any trusts in respect of any of the shares of the Company. Notwithstanding any such recognition, the Company shall not be bound to see to the execution, administration or observance of any trust, whether express, implied or constructive, in respect of any shares of the Company and shall be entitled to recognise and give effect to the acts and deeds of the holders of such shares as if they were the absolute owners thereof. For the purpose of this Article 12, trust includes any right in respect of any shares of the Company other than an absolute right thereto in the holder thereof for the time being or such other rights in case of transmission thereof as are mentioned in these Articles.

## **SHARE CERTIFICATES**

### **13 Form of share certificates**

Every certificate for shares, debentures or other securities of the Company and every certificate relating to a participation in an employees' share scheme shall (except to the extent that the terms and conditions for the time being relating thereto otherwise provide) be executed by the Company in such manner as the Directors may decide and shall specify the number and class of shares to which it relates and the amount paid up thereon. No certificate shall be issued representing shares of more than one class.

### **14 Members' rights to certificates**

14.1 Every member, on becoming the holder of any share shall be entitled, without payment, to one certificate for all shares of each class held by him/her (and, on transferring a part of his/her holding

of shares of any class, to a certificate for the balance of his/her holding of shares). He/she may elect to receive one or more additional certificates for any of his/her shares if he/she pays for every certificate after the first a reasonable sum determined from time to time by the Board. Every certificate shall:

14.1.1 be executed in such manner as the Directors may approve; and

14.1.2 specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up on the shares.

The Company shall not be bound to issue more than one certificate for shares held jointly by more than one person and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

## **15 Transfer of a part**

Where a member transfers some only of the shares comprised in a share certificate the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge.

## **16 Cancellation and replacement of certificates**

16.1 Any two or more certificates representing shares of any one class held by any member may, at his/her request, be cancelled and a single new certificate for all such shares issued in lieu without charge.

16.2 If any member shall surrender for cancellation a share certificate representing shares held by him/her and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he/she may specify, the Directors may, if they think fit, comply with such request without charge.

16.3 If a share certificate shall be damaged, defaced, worn out, or alleged to have been lost, stolen or destroyed, it may be replaced by a new certificate on request subject to (in the case of damage, defacement or wearing out) delivery up of the certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions (if any) as to evidence and indemnity as the Directors think fit. Any such replacement certificate shall be issued without charge save that, in the case of alleged loss, theft or destruction, the person to whom a new certificate is issued shall pay to the Company any exceptional out of pocket expenses incidental to the investigation of evidence of loss, theft or destruction and the preparation of the requisite form of indemnity as aforesaid.

16.4 In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.

## **TRANSFER OF SHARES**

### **17 Form of transfer of shares**

All transfers of shares shall be effected by transfer in writing in any usual or common form, or in any other form acceptable to the Directors. The instrument of transfer shall be executed by, or on behalf of, the transferor and (except in the case of fully paid shares) by, or on behalf of, the transferee. The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect thereof.

## **18 Refusal to register**

- 18.1 The Directors may in their absolute discretion decline to register any transfer of a share.
- 18.2 If the Directors refuse to register a transfer of a share, they shall send the transferee notice in writing of their refusal giving reasons for their refusal as soon as practicable and in any event within two months after the date on which the instrument of transfer was lodged with the Company.

## **19 Retention of transfers**

All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors refuse to register shall (except in the case of fraud) be returned to the person lodging it when notice of refusal is given.

## **20 No fee payable for registration of transfers**

No fee will be charged by the Company in respect of the registration of any instrument of transfer, confirmation, probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the register of members affecting the title to any shares.

## **DESTRUCTION OF DOCUMENTS**

### **21 Permitted times for destruction**

- 21.1 The Company shall be entitled to destroy:
- 21.1.1 all share certificates which have been cancelled at any time after the expiration of one year from the date of such cancellation;
  - 21.1.2 all notifications of change of name and address and all dividend mandates after the expiration of two years from the date of the recording thereof;
  - 21.1.3 all instruments of transfer of shares which have been registered at any time after the expiration of six years from the date of registration thereof;
  - 21.1.4 all paid dividend warrants and cheques at any time after the expiration of two years from the date of actual payment;

- 21.1.5 all proxy appointments which have been used for the purpose of a poll at any time after the expiration of one year from the date of use;
- 21.1.6 all proxy appointments which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the proxy appointments relate and at which no poll was demanded; and
- 21.1.7 any other documents on the basis of which any entry in the register of members has been made at any time after the expiration of six years from the date of the first entry in the register of members in respect thereof.

## **22 Presumptions as to validity**

- 22.1 Subject to Article 22.2, it shall conclusively be presumed in favour of the Company that:
  - 22.1.1 every entry in the register of members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made;
  - 22.1.2 every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
  - 22.1.3 every share certificate so destroyed was a valid and effective document duly and properly cancelled; and
  - 22.1.4 every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company.
- 22.2 Provided always that:
  - 22.2.1 Articles 21 and 22.1 shall apply only to the destruction of a document in good faith and without express notice of any claim (regardless of the parties thereto) to which the document might be relevant;
  - 22.2.2 nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid, or in any other circumstances, which would not attach to the Company in the absence of Articles 21 and 22.1;
  - 22.2.3 any document referred to above may, subject to the Statutes, be destroyed before the end of the relevant period so long as a copy of such document (whether made electronically, by microfilm, by digital imaging or by any other means) has been made and is retained until the end of the relevant period; and
  - 22.2.4 references herein to the destruction of any document include references to the disposal thereof in any manner.

## **TRANSMISSION OF SHARES**

### **23 Transmission**

In case of the death of a member, the survivors or survivor where the deceased was a joint holder, or the executors or administrators of the deceased where he/she was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his/her interest in the shares, but nothing in this Article 23 shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him/her.

### **24 Registration on death, bankruptcy, etc.**

Subject to the provisions of Article 23, any person becoming entitled to a share in consequence of a transmission event may (subject as hereinafter provided), upon such evidence being produced as may from time to time properly be required by the Directors, elect either to become the holder of the share or to have another person nominated by him/her registered as the transferee. The Directors shall, in any case, have the same right to decline registration as they would have had in the case of a transfer of the share by that member before the occurrence of the transmission event.

### **25 Elections required**

If a person becoming entitled by transmission to a share elects to become the holder, he/she shall send notice to the Company to that effect. If he/she elects to have another person registered, he/she shall execute an instrument of transfer of the share to that person. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the transmission event as aforesaid, had not occurred and the notice or transfer were a transfer signed by that member. The Directors may at any time send a notice requiring a person becoming entitled to a share on a transmission event to elect to be registered himself/herself or to transfer the share and, if the notice is not complied with within sixty days, the Directors may withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

### **26 Rights of persons entitled by transmission**

Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a registered share in consequence of a transmission event (upon supplying to the Company such evidence as the Directors may reasonably require to show his/her title to the share) shall be entitled to the same dividends and other advantages as those to which he/she would be entitled if he/she were the holder of the share. That person may give a discharge for all dividends and other moneys payable in respect of the share, but he/she shall not, before being registered as the holder of the share, be entitled (except with the authority of the Directors) to receive notices of or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a member, unless and until he/she shall have become a member in respect of the share.



## **UNTRACED SHAREHOLDERS**

### **27 Power to dispose of shares of untraced shareholders**

27.1 The Company shall be entitled to sell, in such manner as the Directors see fit and at the best price reasonably obtainable, any share held by a member or any share to which a person is entitled by transmission if:

27.1.1 for a period of 12 years before the giving of notice pursuant to Article 27.1.3 no cheque or warrant for amounts payable in respect of the share, sent and payable in a manner authorised by these Articles has been cashed and no communication in respect of the share has been received by the Company from the member or person concerned;

27.1.2 during that period at least three dividends in respect of the share have become payable;

27.1.3 the Company has, after the expiration of that period, by advertisement in one Scottish and one leading national newspaper and in a newspaper circulating in the area to which the cheques or warrants were sent given notice of its intention to sell such share; and

27.1.4 the Company has not, during the further period of three months after the date of the advertisement and prior to the sale of the share, received any communication in respect of the share from the member or person concerned.

### **28 Power to dispose of additional shares**

28.1 The Company shall also be entitled to sell, in the manner provided for in this Article 28, any share (additional share) issued during the said period or periods of 12 years and 3 months in right of any share to which Article 27 applies or in right of any share issued during either of such periods, provided that the requirements of Article 27.1.1 (but modified to exclude the words "for a period of 12 years before the giving of notice pursuant to Article 27.1.3), Article 27.1.3 (but modified to exclude the words "after the expiration of that period") and 27.1.4 are satisfied in respect of such additional share.

### **29 Transfer on sale**

29.1 To give effect to any sale pursuant to Article 28, the Directors may appoint any person to execute as transferor, an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser.

### **30 Sale procedure and application of proceeds**

30.1 An instrument of transfer executed in accordance with Article 29 shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The Company shall be indebted to the former member or other person previously entitled to the said shares for an amount equal to the net proceeds of sale, but no trust shall be

created and no interest shall be payable in respect of the proceeds of sale. The Company shall not be required to account for any money earned on the net proceeds of sale, which may be used in the Company's business or invested in such a way as the Directors may from time to time think fit.

## **GENERAL MEETINGS**

### **31 General meetings**

The Directors may call general meetings of the Company whenever they think fit, and, on requisition of the members in accordance with the 2006 Act, shall convene a general meeting in accordance with the 2006 Act.

### **32 Notice of general meetings**

32.1 Subject to the provisions of the Statutes, to the provisions of these Articles and to the restrictions imposed on any shares, notice of a general meeting shall be sent to all members, to each of the Directors and to the auditors.

32.2 A Director shall be entitled to receive notice of, and to attend and speak at, any general meeting or class meeting, notwithstanding that he/she is not a member of the Company.

### **33 Period of notice**

A general meeting shall be called by notice of at least fourteen clear days. A general meeting, notwithstanding that it has been called by shorter notice than that specified above, shall be deemed to have been duly called if it is so agreed by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

### **34 Accidental omission to send notice**

The accidental omission to send a notice of a meeting or to send a form of proxy where required by the Statutes or these Articles, to any person entitled to receive it, or the non-receipt for any reason of any such notice or notification or form of proxy by that person, whether or not the Company is aware of such omission or non-receipt, shall not invalidate the proceedings at that meeting.

### **35 Contents of notice**

35.1 Every notice calling a general meeting shall specify the place and the day and time of the meeting and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend and to speak and vote and that a proxy need not be a member of the Company.

35.2 The notice shall specify the general nature of such business, and if any resolution is to be proposed as a special resolution, the notice shall contain a statement to that effect.

**36 Notice of resolutions**

36.1 The Directors shall, on the requisition of members in accordance with the provisions of the Statutes, but subject as therein provided:

36.1.1 send to the members entitled to receive notice, notice of any resolution which may properly be moved and is intended to be moved at that meeting; and

36.1.2 send to the members entitled to receive notice, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

**37 Quorum**

No business, other than the appointment of a chairman of the meeting, shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business and during the transaction of business. One person entitled to vote upon the business to be transacted, being a member, the proxy of a member or a duly authorised representative of a corporation which is a member shall be a quorum.

**38 If quorum not present**

If within fifteen minutes from the time appointed for a general meeting (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, or if during the transaction of business the quorum ceases to be present, the meeting shall stand adjourned to such day, time and place as the chairman of the meeting may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the meeting shall be dissolved.

**39 Chairman**

The Chairman, failing whom a deputy chairman, failing whom any Director present and willing to act and, if more than one, chosen by the Directors present at the meeting, shall preside as chairman at a general meeting. If no Director is present within fifteen minutes after the time appointed for holding the meeting and willing to act as chairman, a member may be elected to be the chairman by a resolution of the Company passed at the meeting.

**40 Adjournments**

The chairman of the meeting may with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

**41 Place and time of adjourned meetings**

Any such adjournment pursuant to Article 40 may be to such other place and for such time as the chairman may, in the chairman's absolute discretion determine, notwithstanding that by reason of such adjournment some members or other persons entitled to attend and vote may be unable to be present at the adjourned meeting. When a meeting is adjourned for 30 days or more or for an indefinite period, notice shall be sent at least seven clear days before the date of the adjourned meeting specifying the place and time of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to send any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**42 Amendments to resolutions**

If an amendment shall be proposed to any resolution under consideration, but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

**43 Methods of voting**

43.1 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll as hereinafter mentioned) demanded by either:-

43.1.1 the chairman of the meeting; or

43.1.2 not less than five persons having the right to vote at the meeting;

43.1.3 a member or members present in person holding not less than one tenth of the total voting rights of all the members having the right to vote at the meeting; or

43.1.4 a member or members present in person holding shares in the Company 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.

A demand by a person as a proxy for a member shall be the same as a demand by the member and in such case references in Articles 43.1.3 and 43.1.4 to shares held by a member shall be deemed to be references to the shares in respect of which such person has been appointed proxy.

**44 Demand for poll and withdrawal**

44.1 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 has been demanded.

- 44.2 A demand for a poll may be withdrawn at any time before the conclusion of the meeting or the taking of the poll, whichever is the earlier. 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.

**45 Conduct of poll**

- 45.1 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll held on any other question shall be taken either immediately or at such subsequent time (being not more than thirty days after the date of the meeting) and place as the chairman may direct. No notice need be sent of a poll not taken immediately.
- 45.2 Any poll shall be taken in such manner as the chairman of the meeting may direct, and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

**46 Declaration of result of poll**

Unless a poll is required or duly demanded (and the demand is not withdrawn) a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost and an entry to that effect in the minute book of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution.

**VOTES OF MEMBERS**

**47 Right to vote**

Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member present in person and every proxy or authorised corporate representative present who has been duly appointed by a member entitled to vote on the resolution shall have one vote, subject to section 285(2) of the 2006 Act, and on a poll every member present in person or by proxy or authorised corporate representative shall have one vote for every share held by him/her.

**48 Votes of joint holders**

In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy or (if such senior member is a corporation) by authorised representative, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.

**49 Member under incapacity**

Where a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any

member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person, on a show of hands or on a poll, by proxy on behalf of such member at any general meeting or to exercise any other right conferred by membership in relation to meetings of the Company. Such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the office, or at such other place (if any) as is specified for the delivery of instruments of proxy in accordance with these Articles, not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at, or on the same day as, the meeting or adjourned meeting) for the taking of the poll at which it is desired to vote and, in default, the right to vote shall not be exercisable.

## **ADMISSIBILITY OF VOTES**

### **50 Objections to voting**

If:

- 50.1 any objection shall be raised to the qualification of any person to vote or to the admissibility of any vote;
- 50.2 any votes have been counted which ought not to have been counted or which might have been rejected; or
- 50.3 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 the same 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 raised or pointed out in due time shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

### **51 Supplementary provisions on voting**

On a poll votes may be given either personally or by proxy or (if the member is a corporation) by authorised representative and a person entitled to more than one vote need not use all his/her votes or cast all the votes he/she uses in the same way.

## **PROXIES**

### **52 Proxy need not be member**

A proxy need not be a member of the Company.

**53 Appointment and form of proxy**

- 53.1 The appointment of a proxy must be in writing in any usual or common form or in any other form which the Directors may approve. Subject thereto, the appointment of a proxy shall be executed by the appointor or his/her attorney or, if the appointor is a corporation, executed by a duly authorised officer, attorney or other authorised person.
- 53.2 The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned. A member may appoint more than one proxy to attend on the same occasion provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him/her.
- 53.3 The Directors may, but shall not be bound to, require evidence of the authority of any person executing a proxy appointment on behalf of the appointor.

**54 Delivery of form of proxy**

- 54.1 Without prejudice to the second sentence of Article 41, the appointment of a proxy must be received at the address or one of the addresses (if any) specified for that purpose in, or by way of note to, or in any document accompanying, the notice convening the meeting (or if no address is so specified, at the office):
- 54.1.1 in the case of a meeting or adjourned meeting, not less than 48 hours before the commencement of the meeting or adjourned meeting to which it relates;
- 54.1.2 in the case of the poll taken following the conclusion of a meeting or adjourned meeting, but not more than 48 hours after the poll was demanded, not less than 48 hours before the commencement of the meeting or adjourned meeting at which the poll was demanded; and
- 54.1.3 in the case of a poll taken more than 48 hours after it was demanded, not less than 24 hours before the time appointed for the taking of the poll;
- and in default shall not be treated as valid.
- 54.2 No account shall be taken of any part of any day that is not a working day (within the meaning of Section 1173 of the 2006 Act).
- 54.3 A proxy appointment which is not delivered or received in accordance with this Article 54 shall be invalid. No proxy appointment shall be valid after the expiration of twelve months from the date stated in it as the date of its execution, except a power of attorney containing a power to act and vote for a member at meetings of the Company, and such a power, if once duly intimated to the Company, shall not require to be again deposited with the Company. When two or more valid proxy appointments are delivered or received in respect of the same share for use at the same meeting, the one which was executed last shall be treated as replacing and revoking the other as regards

that share; if the Company is unable to determine which was executed last, none of them shall be treated as valid in respect of that share.

- 54.4 A proxy appointment relating to more than one meeting (including any adjournment thereof) having once been sent for the purposes of any meeting shall not require again to be sent in relation to any subsequent meetings to which it relates.

**55 Issue of forms of proxy**

Subject to the provisions of the Statutes, the Directors may, if they think fit, at the expense of the Company, issue forms of proxy for use by the members with or without prepaid postage and with or without inserting therein the names of any of the Directors or any other person as proxies.

**56 Rights of proxy**

A proxy shall have the rights to exercise all or any of the rights of his/her appointor, or (where more than one proxy is appointed) all or any rights attached to the shares in respect of which he/she is appointed the proxy to attend, and to speak and vote, at the meeting of the Company. Unless his/her appointment provides otherwise, a proxy may vote or abstain at this discretion on any resolution put to the vote at the meeting of the Company. The proxy appointment shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

**57 Termination of proxy etc.**

- 57.1 Neither the death or insanity of a member who has appointed a proxy, nor the revocation or termination by a member of the appointment of a proxy (or of the authority under which the appointment was made), shall invalidate the proxy or the exercise of any of the rights of the proxy thereunder, unless notice of such death, insanity, revocation or termination shall have been received by the Company in accordance with Article 57.2.

- 57.2 Any such notice of death, insanity, revocation or termination must be received at the address or one of the addresses (if any) specified for receipt of proxies in, or by way of note to, or in any document accompanying, the notice convening the meeting to which the appointment of the proxy relates (or if no address is so specified, at the office):

57.2.1 in the case of a meeting or adjourned meeting, not less than one hour before the commencement of the meeting or adjourned meeting to which the proxy appointment relates;

57.2.2 in the case of a poll taken following the conclusion of a meeting or adjourned meeting, but not more than 48 hours after it was demanded, not less than one hour before the commencement of the meeting or adjourned meeting at which the poll was demanded;  
or



57.2.3 in the case of a poll taken more than 48 hours after it was demanded, not less than one hour before the time appointed for the taking of the poll.

## **INCORPORATED MEMBERS ACTING BY REPRESENTATIVES**

### **58 Authority of representatives**

Subject to the Statutes, any corporation which is a member of the Company may (by resolution of its directors or other governing body or by authority to be given under the hand of any officer duly authorised by it) authorise a person or persons to act as its representative or representatives at any meeting of the Company, or at any separate meeting of the holders of any class of shares. For the purpose of this Article 58, the expression corporation shall include a company whether incorporated in the United Kingdom or overseas.

## **WRITTEN RESOLUTIONS**

### **59 Written resolutions**

A written resolution of the Company (which means a resolution proposed and passed in accordance with Chapter 2 of Part 13 of the 2006 Act) shall have effect as if passed by the Company in general meeting or by a meeting of a class of members of the Company, as the case may be. In the case of a corporation a written resolution may be signed on its behalf by a director or secretary thereof or by its duly appointed attorney or duly authorised representative.

## **DIRECTORS**

### **60 Limits on number of directors**

The number of Directors (other than alternate directors) shall not be less than three or more than ten. The Company may, by ordinary resolution, from time to time vary the minimum and/or maximum number of Directors.

### **61 Directors' expenses**

The Directors may repay to any Director all such proper and reasonable expenses as he/she may incur in attending and returning from meetings of the Directors or of any committee or general meetings or otherwise in or about the business of the Company.

### **62 Directors' remuneration**

Any Director who is appointed to any executive office (including for this purpose the office of Chairman or deputy chairman or vice-chairman whether or not such office is held in an executive capacity) or who serves on any committee or who acts as trustee of a retirement benefits scheme or employees' share scheme or who otherwise performs services which, in the opinion of the Board or any committee thereof, are outside the scope of the ordinary duties of a Director or who makes any special exertions in going or residing abroad or otherwise in or about the business of the

Company, may be paid such extra remuneration by way of salary, commission or otherwise as the Board may determine.

### **63 Retirement and other benefits**

Without prejudice to the general power of the Directors under these Articles to exercise on behalf of the Company (by establishment or maintenance of schemes or otherwise) all the powers of the Company to give, or procure the giving of, retirement, death or disability benefits, annuities or other allowances, emoluments or benefits to, or for the benefit of, any person, and without restricting the generality of their other powers, the Directors shall have power to pay, and agree to pay, retirement, death or disability benefits, annuities or other allowances, emoluments or benefits to any Director, ex-Director, officer or ex-officer of the Company or of its predecessors in business or of any other undertaking which is (a) the parent undertaking of the Company or (b) a subsidiary undertaking of the Company or of such parent undertaking or (c) otherwise allied to or associated with the Company or any such parent undertaking or subsidiary undertaking or in which the Company or such parent undertaking or subsidiary undertaking has any interest whether directly or indirectly and to the husbands, wives, widowers, widows, children, families, dependants and personal representatives of any such Director, ex-Director, officer or ex-officer, and, for the purpose of providing any such benefits, annuities, allowances or emoluments, to establish or contribute to any trust, scheme, association, arrangement or fund or to pay premiums, and shall have power to establish trusts, schemes, associations, arrangements or funds considered to be for the benefit of any such persons aforesaid. A Director, ex-Director, officer or ex-officer shall not be accountable to the Company or the members for any such benefit, annuities, allowances or emoluments, and the receipt of the same shall not disqualify any person from being or becoming a Director of the Company.

### **64 Insurance**

Without prejudice to the provisions of Article 129, the Directors shall have power to purchase and maintain insurance for, or for the benefit of, any persons who are or were at any time Directors or officers of the Company, or of any other undertaking which is (a) the parent undertaking of the Company or (b) a subsidiary undertaking of the Company or of such parent undertaking or (c) otherwise allied to or associated with the Company or any such parent undertaking or subsidiary undertaking or in which the Company or such parent undertaking or subsidiary undertaking has any interest whether directly or indirectly or who are or were at any time trustees of any retirement benefits scheme or employees' share scheme in which employees of the Company or of any such other undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other undertaking, retirement benefits scheme or employees' share scheme.

**65 Executive office**

The Directors may from time to time appoint one or more of their number to be the holder of any executive office or make any appointment by them of a Director conditional upon his/her accepting any executive office (including, where considered appropriate, the office of Chairman, deputy chairman or vice-chairman, or chief, deputy chief or assistant chief executive) and may enter into an agreement or arrangement with any such Director for his/her employment by the Company or for the provision by him/her of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made on such terms, and for such period, as they may (subject to and in accordance with the provisions of the Statutes) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment.

**66 When termination of appointment automatic**

The appointment of any Director to any of the executive offices specifically mentioned in Article 65 above shall automatically determine if he/she ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him/her and the Company.

**67 When termination of appointment not automatic**

The appointment of any Director to any other executive office shall not automatically determine if he/she ceases from any cause to be a Director, unless the contract or resolution under which he/she holds or is removed from office shall expressly state otherwise, in which event the termination of his/her office if he/she ceases to be a Director shall be without prejudice to any claim for damages for breach of any contract of service between him/her and the Company.

**68 Vacation of office by a director**

68.1 The office of Director shall be vacated (and he/she shall automatically cease to be a member of any committee) in any of the following events, namely if:

68.1.1 pursuant to any provisions of the Statutes, he/she ceases to be a director, or is removed or prohibited by law from being a director;

68.1.2 he/she becomes bankrupt, insolvent, apparently insolvent or makes any arrangement or composition with his/her creditors generally; or

68.1.3 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

68.1.4 he/she resigns his/her office by notice to the Company or, subject to the terms of Articles 68.2 and 68.3, having been appointed for a fixed term, the term expires, or his/her office as a director is vacated pursuant to Article 69.2; or

68.1.5 he/she shall be absent from meetings of the Directors for six consecutive months without leave and his/her alternate Director (if any) shall not, during such period, have attended in his/her stead and the Directors shall resolve that his/her office be vacated; or

68.1.6 he/she shall be removed from office by notice in writing sent to him/her signed by all his/her co-Directors, but so that in the case of a Director holding an executive office which automatically determines on his/her ceasing to be a Director such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages in respect of the consequent termination of his/her executive office; or

68.1.7 the ultimate holding company (as defined under Section 1159 of the 2006 Act), from time to time, of the Company terminates that Director's appointment by written notice to the Company.

68.2 Unless otherwise determined by the Directors, the provisions of Article 68.1.4 shall not apply in relation to a Director who has been appointed for a fixed term (a) on or after the date of adoption of these Articles; or (b) before the date of adoption of these Articles where the fixed term expires on or after the date of adoption of these Articles provided that, on the expiry of the fixed term:

68.2.1 the Director has not resigned his/her office by notice to the Company;

68.2.2 none of the other provisions of Article 68.1 applies; and

68.2.3 the Director has not been removed pursuant to Article 69.2;

In such circumstances, the Director's appointment shall be deemed to be renewed for a further one year period or such other period as the Directors shall agree from such expiry of the fixed term, and for further one year periods thereafter on the same basis, subject always to the terms of any appointment letter which may subsequently apply.

68.3 Unless otherwise determined by the Directors, the provisions of Article 68.1.4 shall not apply in relation to a Director who was appointed for a fixed term before the date of adoption of these Articles where the fixed term had expired before the date of adoption of these Articles provided that, on the expiry of that fixed term:

68.3.1 the Director had not resigned his/her office by notice to the Company;

68.3.2 none of the other provisions of Article 68.1 applied; and

68.3.3 the Director had not been removed pursuant to Article 69.2.

In such circumstances, the Director's appointment shall be deemed to have been renewed for a further one year period from expiry of that fixed term and for further one year periods thereafter on the same basis, subject always to the terms of any appointment letter which may subsequently apply.

**69 Appointment and removal of directors**

69.1 A Director may be appointed either to fill a casual vacancy or as an additional Director by:

69.1.1 an ordinary resolution of the Company; or

69.1.2 a decision of the Directors; or

69.1.3 a member or members holding in aggregate a majority of the nominal value of the shares in the Company serving notice on the Company,

provided that the total number of Directors shall not at any time exceed the maximum number (if any) fixed by, or in accordance with these Articles.

69.2 The Company may at any time, by ordinary resolution (and in accordance with the provisions of the 2006 Act), remove a Director.

**ALTERNATE DIRECTORS****70 Power to appoint alternate directors**

Any Director (other than an alternate director) may at any time, by notice in writing addressed to the Secretary and deposited at the office of the Company or delivered at a meeting of the Directors, appoint another Director to be his/her alternate Director, and may, in like manner, at any time terminate such appointment. Such appointment or termination shall take effect in accordance with the terms of the notice on receipt of such notice by the Company. Any of the Directors may appoint the same alternate Director.

**71 Termination**

The appointment of an alternate Director shall automatically determine on the happening of any event which would cause him/her to vacate his/her office as a Director or if his/her appointor ceases to be a Director. An alternate Director may, by sending notice in writing to the office of the Company, resign such appointment. Such notice shall be sent to the Company in the same manner as is referred to in Article 70 and shall take effect upon receipt of the same by the Company.

**72 Alternate rights and powers**

72.1 An alternate Director shall be entitled to receive notices of meetings of the Directors and of any committee of the Directors of which his/her appointor is a member and shall be entitled to attend and vote as a Director at any such meeting and be counted in the quorum at any such meeting at which his/her appointor is not personally present and, generally, at such meetings to perform all functions, powers and duties of his/her appointor as a Director. For the purposes of the proceedings at such meetings, the provisions of these Articles shall apply as if the alternate Director (instead of his/her appointor) were a Director.

- 72.2 If an alternate Director is himself/herself a Director, or shall attend any such meeting as an alternate for more than one Director, his/her voting rights shall be cumulative but he/she shall count as only one for the purpose of determining whether a quorum is present. If his/her appointor is for the time being temporarily unable to act through ill-health or disability, his/her signature to any resolution in writing of the Directors shall be as effective as the signature of his/her appointor.
- 72.3 To such extent as the Directors may from time to time determine in relation to any committees formed under Article 89, this Article 72 shall also apply (with such changes as are necessary) to any meeting of any such committee of which his/her appointor is a member.
- 72.4 An alternate Director shall not (except as otherwise provided in this Article 72) have power to act as a Director nor shall he/she be deemed to be a Director for the purposes of these Articles.

**73 Alternate may be paid expenses but not remuneration**

An alternate Director may be repaid expenses, and shall be entitled to be indemnified, by the Company to the same extent mutatis mutandis as a Director, but he/she shall not be entitled to receive from the Company any remuneration in respect of his/her services as an alternate Director, except only such proportion (if any) of the remuneration otherwise payable to his/her appointor as such appointor may by notice to the Company from time to time direct.

**74 Alternate not an agent of appointor**

Except where the context otherwise requires, a reference to a Director shall be deemed to include a reference to an alternate Director. An alternate Director shall be responsible for his/her own acts and defaults and he/she shall not be deemed to be the agent of the Director appointing him/her.

**PROCEEDINGS OF DIRECTORS**

**75 Meetings of directors**

- 75.1 Subject to the provisions of these Articles, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Notice of a meeting of the Board and any specific information deemed necessary for it shall, and any other communication may, be made available to the Directors digitally and, in particular, through the use of a secure Directors' website which may be set up from time to time. Otherwise the notice of a meeting of the Directors (and any relevant board papers) shall be deemed to be properly sent to a Director if it is sent in electronic form to such address (if any) as may for the time being be notified by him/her or on his/her behalf to the Company for that purpose or if it is sent to him/her personally or by word of mouth or sent by instrument to him/her at his/her last known address or such other address (if any) as may for the time being be notified by him/her or on his/her behalf to the Company for that purpose. Notice of a meeting of the Directors shall be given at least three days prior to the date of the meeting, or

less if reasonable in the circumstances. In the event of a dispute on whether reasonable notice was given, the chairman of the meeting's decision shall be final. A Director may waive notice of a particular meeting either prospectively or retrospectively, and where such waiver is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

75.2 Without prejudice to the first sentence of Article 75.1 a meeting of the Directors, or of a committee of the Directors, may, if the Chairman (or the chairman of the meeting or committee as the case may be) allows this with respect to one or more directors, taking into account the relevant circumstances in each case, consist of a conference between Directors who are not all in one place, but of whom each is able, directly or by telephonic or other communication, to speak to each of the others and to be heard by each of the others simultaneously, adopting, where appropriate, any procedure that ensures that those participating in the proceedings can be identified, that the confidentiality of the proceedings is preserved and that an account of the proceedings (and any decisions adopted therein) is duly taken and preserved. Directors must comply with the security and privacy protocols established by the Company for such proceedings. A Director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Without prejudice to any other provision in this Article, such a meeting as referenced within this Article 75.2 (being a conference between Directors who are not all in one place, but of whom each is able, directly or by telephonic or other communication, to speak to each of the others and to be heard by each of the others simultaneously) shall be called at the office, and the meeting shall be deemed to take place at the office provided that a participating Director is present at that location or, in the circumstance where this is not the case, wherever any of the participating Directors is, as determined between them.

75.3 The Chairman may invite to the meetings of the Board any persons who the Chairman determines may assist the Directors with relevant information, provided that such persons shall not participate in the decision-making part of the meetings nor any other part of the meeting which does not pertain to the purpose of their attendance. When the Chairman deems it appropriate, the Chairman may authorise their remote attendance, taking into account the relevant circumstances in each case and as referenced in Article 75.2. The Secretary shall record the entry and exit of the guests at each meeting in the minutes.

## **76 Authority to vote**

A Director who is unable to attend any meeting of the Directors and has not appointed an alternate Director may authorise any other Director to vote for him/her at that meeting, and in that event the Director so authorised shall have a vote for each Director by whom he/she is so authorised in addition to his/her own vote. Any such authority must be in writing which must be produced at the meeting at which the same is to be used and be left with the Secretary for retention. The authorised Director's signature on any resolution or other matter in writing of the Directors shall be as effective as the signature of the authorising Director.

**77 Quorum**

The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors provided that all the Directors unanimously approve such quorum and, unless so fixed at any other number, shall be at least half the members of the Board plus one. If the number of members of the Board is an odd number, the quorum for Directors' meetings, unless fixed at any other number as aforesaid, shall be at least half the members of the Board (rounded up to the next whole number) plus one. A meeting of the Directors, at which a quorum is present, shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

**78 Authorisation of Directors' interests**

78.1 For the purposes of Section 175 of the 2006 Act, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under that Section to avoid a situation in which he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

78.2 Authorisation of a matter under this Article shall be effective only if:

78.2.1 the matter in question shall have been proposed in writing for consideration at a meeting of the Directors, in accordance with the Board's normal procedures or in such other manner as the Directors may determine;

78.2.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director (together the "Interested Directors"); and

78.2.3 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

78.3 Any authorisation of a matter under this Article 78 may:

78.3.1 extend to any actual or potential conflict of interest which may arise out of the matter so authorised;

78.3.2 be subject to such conditions or limitations as the Directors may determine, whether at the time such authorisation is given or subsequently;

78.3.3 be terminated by the Directors at any time,

and a Director shall comply with any obligations imposed on him/her by the Directors pursuant to any such authorisation.

78.4 A Director shall not, save as otherwise agreed by him/her, be accountable to the Company for any benefit which he/she (or a person connected with him/her) derives from any matter authorised by



the Directors under this Article and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

78.5 This Article does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company.

## **79 Permitted Interests**

79.1 Subject to compliance with Article 79.2 a Director, notwithstanding his/her office, may have an interest of the following kind:

79.1.1 where a Director (or a person connected with him/her) is a director or other officer of, or employed by, or otherwise interested (including by the holding of shares) in any Relevant Company;

79.1.2 where a Director (or a person connected with him/her) is a party to, or otherwise interested in, any contract, transaction or arrangement with a Relevant Company, or in which the Company is otherwise interested;

79.1.3 where a Director (or a person connected with him/her) represents the interests of any member whose interests may conflict, from time to time, with the interests of the Company;

79.1.4 an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;

79.1.5 an interest, or a transaction or arrangement giving rise to an interest, of which the Director is not aware; or

79.1.6 any other interest authorised by ordinary resolution of the Company.

No authorisation under Article 78.1 shall be necessary in respect of any such interest.

79.2 Subject to Section 182 of the 2006 Act the Director shall declare the nature and extent of any interest permitted under Article 79.1, and not falling within Article 79.3, at a meeting of the Directors or in such other manner as the Directors may determine.

79.3 No declaration of an interest shall be required by a Director in relation to an interest:

79.3.1 falling within Article 79.1.5;

79.3.2 if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or

- 79.3.3 if, or to the extent that, it concerns the terms of his/her service contract (as defined in Section 227 of the 2006 Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles.
- 79.4 A Director shall not, save as otherwise agreed by him/her, be accountable to the Company for any benefit which he/she (or a person connected with him/her) derives from any contract, transaction or arrangement referred to in Article 79.1 or from any such office or employment or from any interest in any Relevant Company or for such remuneration and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.
- 79.5 For the purposes of this Article, "Relevant Company" shall mean:
- 79.5.1 the Company;
  - 79.5.2 a subsidiary undertaking of the Company;
  - 79.5.3 any holding company of the Company or a subsidiary undertaking of any such holding company;
  - 79.5.4 any body corporate promoted by the Company; or
  - 79.5.5 any body corporate in which the Company is otherwise interested.

## **80 Directors' powers to vote**

- 80.1 Save as provided in this Article, and whether or not the interest is one which is authorised pursuant to Article 78 or permitted under Article 79, a Director shall not be entitled to vote on any resolution in respect of any contract, transaction or arrangement, or any other proposal, in which he/she (or a person connected with him/her) is interested.
- 80.2 A Director shall not be counted in the quorum at a meeting of the Directors in relation to any resolution on which he/she is not entitled to vote.

## **81 Confidential Information**

- 81.1 Subject to Article 81.2, if a Director, otherwise than by virtue of his/her position as Director, receives information in respect of which he/she owes a duty of confidentiality to a person other than the Company, he/she shall not be required:
- 81.1.1 to disclose such information to the Company or to the Directors, or to any Director, officer or employee of the Company; or
  - 81.1.2 otherwise use or apply such confidential information for the purpose of or in connection with the performance of his/her duties as a Director.

- 81.2 Directors shall maintain in strict confidence the information (including all deliberations) from meetings of, and provided in connection with their positions on, the Board and the committees of which they are members, as appropriate. They shall refrain from disclosing (other than in the course of the proper fulfilment of their duties as Directors) the information, data, reports and background information to which they have had access in the exercise of their duties, and from using such information for their own benefit or that of a third party. Directors must also adhere to any restrictions or procedures established for the use of electronic systems, applications and similar items made available to them by the Company.
- 81.3 Where such duty of confidentiality arises out of a situation in which the Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 81.1 shall apply only if the conflict arises out of a matter which has been authorised under Article 78.1 above or falls within Article 79.1 above.
- 81.4 Articles 81.1 and 81.2 are without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, or in circumstances where disclosure may otherwise be required under Articles 78.1 and 78.2.

## **82 Consideration of matters involving two or more directors**

Where proposals are under consideration concerning two or more Directors or in which two or more Directors are interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution, except that concerning himself/herself.

## **83 Materiality of directors' interests**

If any question shall arise at any meeting as to whether any interest of a Director prevents him/her from voting, or being counted in the quorum, under this Article, and such question is not resolved by his/her voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting (or, if the Director concerned is the chairman, to the other Directors at the meeting) and the chairman's ruling in relation to any Director other than the chairman (or, as the case may be, the ruling of the majority of the other Directors in relation to the chairman) shall be final and conclusive, except in a case where the nature or extent of the interests of such Director (or, as the case may be, the chairman) has not been fairly disclosed.

## **84 Directors' interests – general**

84.1 For the purposes of these Articles:

- 84.1.1 Section 252 of the 2006 Act shall determine whether a person is connected with a Director; and

84.1.2 an interest (whether of his/her or of such a connected person) of which a Director has no knowledge and of which it is unreasonable to expect him/her to have knowledge shall not be treated as an interest of his/hers.

84.2 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director shall if so requested by the Directors take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation:

84.2.1 absenting himself/herself from any meetings of the Directors at which the relevant situation or matter falls to be considered; and

84.2.2 not reviewing documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him/her to have access to such documents or information.

84.3 The Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of Articles 78 to 84.

## **85 Power of directors if number falls below minimum**

The continuing Directors may act notwithstanding any vacancies in their number, but if, and so long as, the number of Directors is reduced below the number fixed by, or in accordance with, these Articles as the necessary quorum of Directors the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning general meetings of the Company, but not for any other purpose. If there are no Directors or Director able or willing to act, then any two members (or, for so long as the Company has a sole member, the sole member of the Company) may summon a general meeting for the purpose of appointing Directors.

## **86 Chairman of the Board**

86.1 The Directors may elect a chairman (or make any appointment by them of a Director conditional upon such person becoming the Chairman) and one or more deputy chairmen and determine the period for which each is to hold office. The Chairman or, in the Chairman's absence, one of any deputy chairmen shall preside at meetings of the Directors, but if no Chairman or deputy chairman shall have been appointed, or if at any meeting none of them be present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting. If at any time there is more than one deputy chairman or vice-chairman, the right to preside at a meeting of Directors shall in the absence of the Chairman be determined as between the deputy chairmen present (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors.

- 86.2 The Chairman may exercise all powers in carrying out all responsibilities given to the Chairman by these Articles, by law and under the Company's system of corporate governance, in particular the following:
- 86.2.1 to call and chair meetings of the Board, setting the agenda for the meetings and directing the discussions and deliberations;
  - 86.2.2 to submit to the Board such proposals as the Chairman may consider appropriate for the proper functioning of the Company and, in particular, those relating to the operation of the Board itself;
  - 86.2.3 to ensure, with the collaboration of the Secretary, that the Directors receive sufficient information in advance of the items on the agenda of meetings of the Board;
  - 86.2.4 to stimulate debate and the active participation of the directors during meetings of the Board, and to safeguard their free expression of opinion;
  - 86.2.5 to promote the work of the Board's advisory committees and ensure that they are effective in carrying out their duties and responsibilities and that they have the necessary material and human resources; and
  - 86.2.6 in accordance with Article 75.3, to invite to the meetings of the Board all those persons who the Chairman determines may assist the Directors with relevant information in the deliberative part of the meetings.

## **87 Resolutions in writing**

- 87.1 Subject always to Article 87.2, a Directors' written resolution is adopted when a majority of the Directors (or alternate Directors (if any) whose appointors are entitled to vote on such resolution or the majority of the members of a committee formed under Article 89) who would have been entitled to vote on such resolution if it had been proposed at a meeting of the Directors have:
- 87.1.1 signed one or more copies of it, or
  - 87.1.2 otherwise indicated their agreement to it in writing or through any electronic voting system provided by the Company for this purpose.

Each Directors' written resolution adopted in accordance with this Article 87 shall be deemed to be approved and adopted at the Company's office.

- 87.2 A Directors' written resolution is not adopted if the number of Directors who have signed it or otherwise indicated their agreement to it in accordance with Article 87.1 is less than the quorum for Directors' meetings.
- 87.3 Once a Directors' written resolution has been adopted, it must be treated as if it had been a resolution passed at a Directors' meeting in accordance with the Articles.

- 87.4 A Directors' written resolution shall be deemed to be properly sent to a Director if sent in electronic form to such address (if any) as may for the time being be notified by him/her or on his/her behalf to the Company for that purpose or if it is sent to him/her personally or by word of mouth or sent by instrument to him/her at his/her last known address or such other address (if any) as may for the time being be notified by him/her or on his/her behalf to the Company for that purpose.

## **DELEGATION BY DIRECTORS**

### **88 Delegation of powers**

The Directors may entrust to, and confer upon, any Director any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with, or to the exclusion of, their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

### **89 Committees of directors**

The Directors may delegate any of their powers or discretions (including, for the avoidance of doubt, any powers or discretions relating to the remuneration of Directors) to committees consisting of one or more of the Directors and (if thought fit) one or more other persons co-opted as hereinafter provided. Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub-delegate to one or more Directors (whether or not acting as a committee) or to any employee or agent of the Company all or any of the powers delegated and may be made subject to such conditions as the Directors may specify, and may be revoked or altered. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for, or authorise, the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee, but so that (a) the number of co-opted members shall be less than one half of the total number of members of the committee and (b) no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors or alternates of Directors.

### **90 Proceedings of committees**

The meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors so far as the same are applicable and are not superseded by any regulations made by the Directors under Article 89.

### **91 Use of designation Director**

The Directors may appoint any person to any office or employment having a designation or title including the word Director, or attach to any existing office or employment with the Company such a designation or title, and may terminate any such appointment or the use of any such designation or title. Unless the appointment of the holder has been recorded in the register of directors maintained by the Company, the inclusion of the word Director in the designation or title of any such

office or employment shall not imply that the holder is a Director of the Company, nor shall the holder thereby be empowered in any respect to act as, or be deemed to be, a Director of the Company for any of the purposes of these Articles.

**92 Validity of proceedings**

All acts (both written and unwritten) done by any meeting of Directors or of any such committee or by any person acting as a Director, shall, as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment or continuance in office of any such Directors (or their alternates), or member of the committee, or person acting as aforesaid, or that they or any of them were disqualified or had vacated office, or were not entitled to vote, or otherwise incapacitated, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director (or alternate Director) or member of the committee and had been entitled to vote.

**GENERAL POWERS OF DIRECTORS**

**93 Business to be managed by the directors**

The business and affairs of the Company shall be managed by the Directors who, subject to and in accordance with the provisions of the Statutes, the Memorandum of Association of the Company (the Memorandum) and these Articles and to any directions given by special resolution, may exercise all the powers of the Company. No alteration of the Memorandum or these 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 general powers given by this Article 93 shall not be limited, or restricted, by any special authority or power given to the Directors by these Articles and a meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors.

**94 Exercise by Company of Voting Rights**

The Directors may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in such manner in all respects as they think fit (including without limitation the exercise of that power in favour of any resolution appointing its members or any of them directors of such body corporate, or voting or providing for the payment of remuneration to the directors of such body corporate).

**95 Local boards**

The Directors may make such arrangements as they think fit for the management and transaction of the Company's affairs in any specified locality, whether in the United Kingdom or elsewhere, and, without prejudice to the generality of the foregoing, may at any time, and from time to time:

- 95.1 establish any regional, divisional or local boards, committees or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere;

- 95.2 appoint any one or more of the Directors, or any other person or persons, to be members of such regional, divisional or local boards or committees, or any managers or agents, and may fix their remuneration;
- 95.3 delegate to any regional, divisional or local board or committee, manager or agent any of the powers, authorities and discretions vested in the Directors with power to sub-delegate;
- 95.4 authorise the members of any regional, divisional or local boards or committees or any of them, to fill any vacancies therein, and to act notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit; and
- 95.5 remove any person so appointed, may fix the quorum of the said regional, divisional or local boards or committees, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

## **96 Agents**

The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes, with such powers, authorities and discretions (not exceeding those vested in the Board) and on such conditions as the Directors determine, including without limitation authority for the agent to delegate all or any of his/her powers, authorities and discretions, and may revoke or vary such delegation.

## **97 Powers of attorney**

The Directors may, from time to time and at any time, by power of attorney or otherwise, appoint any person or undertaking, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period, and subject to such conditions, as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him/her. The Directors may delegate all or any of their powers under this Article 97.

## **98 Execution by the Company**

All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors or any duly authorised committee of the Directors shall from time to time determine. The Company has no common seal.



**99 Secretary**

- 99.1 The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may, at any time, be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him/her and the Company. If thought fit, two or more persons may be appointed as joint secretaries. The Directors may also appoint, from time to time, on such terms as they may think fit, one or more deputy secretaries and assistant secretaries. Anything by the Statutes or by these Articles required or authorised to be done by or to the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by or to any deputy or assistant secretary, or if there is no deputy or assistant secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors.
- 99.2 In accordance with the rest of these Articles, the Secretary shall perform the functions assigned to him/her by law and by the Company's system of corporate governance, and in particular:
- 99.2.1 to keep and preserve a record of the resolutions of the member(s) of the Company;
  - 99.2.2 to inform the Board of any resolutions of the Company approved by its member(s), and to make any relevant filings in connection with such resolutions in accordance with the relevant legal requirements;
  - 99.2.3 to keep and preserve a record of contracts entered into between the member(s) and the Company;
  - 99.2.4 to keep and preserve a record of minutes of the Board and other committees or administrative bodies of the Board on which he/she holds the office of secretary, duly recording the business disposed of in meetings of the same, and also to keep and preserve the corporate documentation generated in relation to the operation of these administrative bodies;
  - 99.2.5 to ensure the legality of the actions of the Board and other committees or administrative bodies of the Board on which he/she holds the office of secretary and that such actions are in accordance with the Company's system of corporate governance, taking into account for such purposes, among other things, any provisions that may be issued by regulatory bodies;
  - 99.2.6 to advise the Board in relation to the development and updating of the Company's system of corporate governance;
  - 99.2.7 to facilitate the Company's interaction with the Directors and the proper functioning of the Board, in accordance with the instructions of the Chairman;
  - 99.2.8 to assist the Chairman in arranging for the Directors to receive, with sufficient notice and in the appropriate format, relevant information for the proper exercise of their duties, and

to facilitate requests for information and documentation from the Directors in respect of those matters that are of interest to the Board;

99.2.9 to exercise the duties set out in Articles 99.2.7 and 99.2.8 above in relation to the committees of the Board on which he/she acts as secretary;

99.2.10 to arrange for all relevant information to be included on the Company's corporate website in accordance with the Company's system of corporate governance;

99.2.11 to ensure, under the supervision of the Chairman, the effective coordination (and establishment of all necessary information flows) between the Board and the internal committees with advisory or support functions in relation to the Board; and

99.2.12 to certify any documentation in respect of the above.

99.3 The Board may also appoint a legal adviser to the Board. The Secretary may assume the functions of such legal adviser where the Board so determines, provided he/she is a practising solicitor and there is otherwise full compliance with all legal requirements.

## **MINUTES AND BOOKS**

### **100 Keeping of minutes and books**

100.1 The Directors shall cause minutes to be made in books to be provided for the purpose of:

100.1.1 all appointments of officers made by the Directors;

100.1.2 the names of the Directors or their alternates and any other persons present at each meeting of Directors and of any committee formed under Article 89; and

100.1.3 all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and of committees formed under Article 89.

Any such minutes shall be conclusive evidence of any such proceedings if they purport to be executed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting and by the Secretary.

### **101 Safeguarding of minutes and books**

Any register, index, minute book, book of account or other book required by these Articles or the Statutes to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating discovery of falsification.

## **DIVIDENDS**

### **102 Declaration of dividends by the Company**

The Company may, by ordinary resolution, declare dividends in accordance with the respective rights of the members, but no dividend shall be payable except out of the profits of the Company available for distribution under the provisions of the Statutes and these Articles or in excess of the amount recommended by the Directors. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article 102, no amount paid on a share in advance of calls shall be treated as paid on the share.

### **103 Declaration of dividends by the Directors**

Subject to the provisions of the Statutes, the Directors may pay dividends (whether final or otherwise) 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 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 dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. 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. If 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 a dividend on any shares having deferred or non-preferred rights.

### **104 Interest not payable**

No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company, unless otherwise provided by the rights attached to the share.

### **105 Permitted deductions**

The Directors may deduct from any dividend or other moneys payable to any member, whether alone or jointly with any other member, on or in respect of a share all sums of money (if any) presently payable by him/her, whether alone or jointly with any other member, to the Company on account of calls or otherwise in relation to shares of the Company.

### **106 Waiver of dividends**

The waiver, in whole or in part, of any dividend on any share shall be effective only if such waiver is in writing (whether or not executed as a deed) signed or authenticated in accordance with section 1146 of the 2006 Act by the member (or the person entitled to the share in consequence of a

transmission event) and delivered to the Company and if, or to the extent that, the same is accepted as such or acted upon by the Company.

**107 Unclaimed dividends**

Without prejudice to the operation of Article 108, all dividends or other moneys payable on, or in respect of, a share unclaimed after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. The payment by the Directors of any unclaimed dividend or other moneys payable on, or in respect of, a share into a separate account shall not constitute the Company a trustee in respect thereof. The Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a member if those instruments have been returned undelivered to, or left uncashed by, that member on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the member's new address. The entitlement conferred on the Company by this Article in respect of any member shall cease if the member claims a dividend or cashes a dividend warrant or cheque.

**108 Forfeiture of unclaimed dividends**

Any dividend unclaimed after a period of twelve years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and shall revert to the Company.

**109 Dividends in specie**

109.1 The Company may either:

109.1.1 upon the recommendation of the Directors, by ordinary resolution; or

109.1.2 by resolution of the Directors in respect of a dividend to be paid pursuant to Article 103,

direct that payment of a dividend (whether final or otherwise), in whole or in part, be made by the distribution of specific assets (and in particular of paid up shares or debentures of any other company) and the Directors may give effect to such resolution.

109.2 where any difficulty arises in regard to such distribution, the Directors may:

109.2.1 settle the same as they think expedient and, in particular, may issue fractional certificates or may authorise any person to sell and transfer any fractions and distribute or retain the proceeds or disregard fractions altogether;

109.2.2 fix the value for distribution of such specific assets or any part thereof;

109.2.3 determine that cash payments shall be made to any members on the basis of the value so fixed in order to adjust the rights of those entitled to participate in the dividend; and

109.2.4 vest any such specific assets in trustees as may seem expedient to the Directors.

**110 Procedure for payment**

110.1 Any dividend or other moneys payable in respect of a share may be paid:

110.1.1 by cheque or warrant made payable to or to the order of the holder or person entitled to payment; or

110.1.2 by any direct debit, bank or other funds transfer system to the holder or person entitled to payment or, if practicable, to a person designated by notice to the Company by the holder or person entitled to payment; or

110.1.3 by any other method approved by the Directors and agreed (in such form as the Company thinks appropriate) by the holder or person entitled to payment.

**111 Payment by post**

111.1 A cheque or warrant may be sent by post:

111.1.1 where a share is held by a sole holder, to the registered address of the holder of the share; or

111.1.2 if two or more persons are the holders, to the registered address of the person who is first named in the register; or

111.1.3 if a person is entitled by transmission to the share, as if it were a notice to be given under Article 120; or

111.1.4 in any case, to such person and to such address as the person entitled to payment may direct by notice to the Company.

**112 Discharge to Company and risk**

Payment of a cheque or warrant by the bank on which it was drawn or the transfer of funds by the bank instructed to make the transfer shall be a good discharge to the Company. Every cheque or warrant sent or transfer of funds made by the relevant bank in accordance with these Articles shall be at risk of the holder or person entitled. The Company shall have no responsibility for any sums lost or delayed in the course of payment by any method used by the Company in accordance with Article 110.

**113 Receipts where joint holders**

If two or more persons are registered as joint holders of any share or are entitled jointly to a share in consequence of a transmission event, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

## **CAPITALISATION OF PROFITS AND RESERVES**

### **114 Capitalisation of profits and reserves**

114.1 The Directors may, with the authority of an ordinary resolution of the Company:

114.1.1 subject as hereinafter provided, resolve to capitalise any undistributed 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 any reserve or other fund including the Company's share premium account and capital redemption reserve;

114.1.2 appropriate the sum resolved to be capitalised to the members in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend 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, and any profits which are not available for distribution may, for the purposes of this Article 114.1.2, only be applied in paying up shares to be allotted to members credited as fully paid;

114.1.3 resolve that any shares so allotted to any member in respect of a holding by him/her 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;

114.1.4 make such provision by authorising the sale and transfer to any person of shares or debentures representing fractions to which any members would become entitled or by the issue of fractional certificates (or by ignoring fractions) or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable in fractions;

114.1.5 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 further shares to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members; and

114.1.6 generally do all acts and things required to give effect to such resolution as aforesaid.

### **115 Avoidance of discounts on exercise of employees' share options**

115.1 Where, pursuant to an employees' share scheme, the Company has granted options to subscribe for shares on terms which provide *inter alia* for adjustments to the subscription price payable on the

exercise of such options or to the number of shares to be allotted upon such exercise in the event of any increase or reduction in or other reorganisation of the Company's issued share capital and an otherwise appropriate adjustment would result in the subscription price for any share being less than its nominal value, then, subject to and in accordance with the provisions of the Statutes, the Directors may, on the exercise of any of the options concerned and payment of the subscription which would have applied had such adjustment been made, capitalise any such profits or other sum as is mentioned in Article 114.1 to the extent necessary to pay up the unpaid balance of the nominal value of the shares which fall to be allotted on the exercise of such options and apply such amount in paying up such balance and allot shares fully paid accordingly.

- 115.2 The provisions of Articles 114.1.3 to 114.1.6 shall apply mutatis mutandis to this Article 115 (but as if the authority of an ordinary resolution of the Company were not required).

## **ACCOUNTS**

### **116 Right to inspect accounts**

Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the office of the Company or, subject to and in accordance with the Statutes, at such other place or places as the Directors think fit and shall always be open to the inspection of the Directors. No member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as: conferred by Statute; ordered by a court of competent jurisdiction; authorised by the Directors; or authorised by an ordinary resolution of the Company.

## **AUDITORS**

### **117 Validity of acts of auditors**

Subject to the provisions of the Statutes, all acts done by any person acting as an auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his/her appointment or that he/she was at the time of his/her appointment not qualified for appointment or subsequently became disqualified.

## **COMMUNICATIONS WITH MEMBERS**

### **118 Service of notices**

- 118.1 The Company may, subject to and in accordance with the Companies Acts and these Articles, send or supply all types of notice, documents or information to members by electronic means.

- 118.2 The Company Communications Provisions have effect, subject to the provisions of Articles 118 to 124, for the purposes of any provision of the Companies Acts or these Articles that authorises or requires notices, documents or information to be sent or supplied by or to the Company.

- 118.3 Any notice, document or information (including a share certificate) which is sent or supplied by the Company in hard copy form, or in electronic form but to be delivered other than by electronic means, and which is sent by pre-paid post and properly addressed shall be deemed to have been received by the intended recipient at the expiration of 24 hours (or, where first class mail is not employed, 48 hours) after the time it was posted, and in proving such receipt it shall be sufficient to show that such notice, document or information was properly addressed, pre-paid and posted.
- 118.4 Any notice, document or information which is sent or supplied by the Company by electronic means shall be deemed to have been received by the intended recipient 24 hours after it was transmitted, and in proving such receipt it shall be sufficient to show that such notice, document or information was properly addressed.
- 118.5 The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document or information relating to any meeting or other proceeding shall not invalidate the relevant meeting or proceeding.

## **119 Joint Holders**

- 119.1 Anything which needs to be agreed or specified by the joint holders of a share shall for all purposes be taken to be agreed or specified by all the joint holders where it has been agreed or specified by the joint holder whose name stands first in the register of members in respect of the share.
- 119.2 Any notice, document or information which is authorised or required to be sent or supplied to joint holders of a share may be sent or supplied to the joint holder whose name stands first in the register of members in respect of the share, to the exclusion of the other joint holders. For such purpose, a joint holder having no registered address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices may, subject to the Statutes, be disregarded.
- 119.3 The provisions of this Article 119 shall have effect in place of the Company Communications Provisions regarding joint holders of shares.

## **120 Notice to persons entitled by transmission**

- 120.1 Save as otherwise provided by or in accordance with these Articles, a person entitled to a share in consequence of a transmission event, upon such evidence being produced as may from time to time properly be required by the Directors to show his/her title to the share and upon supplying an address for receiving notices, shall, save as herein otherwise expressly provided, be entitled to have sent to him/her at such address any notice or document to which the member but for the transmission event would be entitled, and such notice shall for all purposes be deemed sent to all persons interested (whether jointly with or as claiming through or under him/her) in the share. Until such address has been supplied, a notice may be sent in any manner in which it might have been sent if the transmission event had not occurred.
- 120.2 Save as provided by Article 120.1, any notice, document or information sent or supplied to the address of any member in pursuance of these Articles shall, notwithstanding that such member be



then dead or bankrupt or in liquidation, and whether or not the Company has notice of his/her death or bankruptcy or liquidation, be deemed to have been duly sent or supplied in respect of any share registered in the name of such member as sole or first-named joint holder.

- 120.3 The provisions of this Article shall have effect in place of the Company Communications Provisions regarding the death or bankruptcy of a holder of shares in the Company.

**121 Deemed notice**

A member present in person or by proxy or authorised corporate representative at any meeting of the Company or of the holders of any class of shares shall be deemed to have been sent notice of the meeting and, where requisite, of the purposes for which it was called.

**122 Successors in title bound by notice to predecessor**

Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his/her name is entered in the register of members, has been sent to the person from whom he/she derives his/her title.

**123 Signature or authentication of documents sent by electronic means**

Where these Articles require a notice or other document to be signed or authenticated by a member or other person then any notice or other document sent or supplied in electronic form is sufficiently authenticated in any manner authorised by the Company Communications Provisions or such other manner as may be approved by the Directors. The Directors may designate mechanisms for validating any such notice or other document, and any such notice or other document not so validated by use of such mechanisms shall be deemed not to have been received by the Company.

**124 Statutory requirements**

Nothing in any of Articles 118 to 123 inclusive shall affect any requirement of the Statutes that any particular offer, notice or other document be sent or supplied in any particular manner.

**WINDING UP**

**125 Directors' power to petition**

The Directors shall have the power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up.

**126 Liquidator may distribute in specie**

If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of a special resolution, divide among the members in specie or kind the whole, or any part of, the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such

purpose set such value as he/she deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members.

#### **127 Disposal of assets to trusts**

The liquidator may, with the like authority referred to in Article 126, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

#### **128 Provisions for Employees**

The Directors may, by resolution, exercise any power conferred by Section 247 of the 2006 Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiary undertakings in connection with the cessation, or the transfer to any person, of the whole, or part of, the undertaking of the Company or that subsidiary undertaking.

#### **129 Indemnity**

129.1 Subject to the provisions of, and so far as may be permitted by and consistent with, the Statutes, every Director, former Director and officer of the Company and of each of the Associated Companies of the Company shall be and hereby is indemnified by the Company out of its own funds against:

129.1.1 any liability incurred by or attaching to him/her in connection with any negligence, default, breach of duty or breach of trust by him/her in relation to the Company or any Associated Company of the Company other than:

129.1.1.1 any liability to the Company or any Associated Company; and

129.1.1.2 any liability of the kind referred to in Section 234(3) of the 2006 Act; and

129.1.2 any other liability incurred by or attaching to him/her in the actual or purported execution and/or discharge of his/her duties and/or the exercise or purported exercise of his/her powers and/or otherwise in relation to or in connection with his/her duties, powers or office.

129.2 Subject to the Statutes the Company shall and does indemnify a Director, former Director and officer of the Company and any Associated Company of the Company if it is the trustee of an occupational pension scheme (within the meaning of Section 235(6) of the 2006 Act).

129.3 This Article 130 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Statutes or arising out of fraudulent conduct.

129.4 Where a Director, former Director or officer is indemnified against any liability in accordance with this Article 129, such indemnity shall extend to all costs, charges, losses, expenses and liabilities incurred by him/her in relation thereto.

129.5 In this Article "Associated Company" shall have the meaning given thereto by Section 256 of the 2006 Act.

### **130 Defence Expenditure**

130.1 Subject to the provisions of and so far as may be permitted by the Statutes, the Company:

130.1.1 may provide a Director, former Director or officer of the Company or any Associated Company of the Company with funds to meet expenditure incurred or to be incurred by him/her in defending any criminal or civil proceedings or in:

130.1.1.1 defending any criminal or civil proceedings in connection with any negligence, default, breach of duty or breach of trust by him/her in relation to the Company or an Associated Company of the Company; or

130.1.1.2 in connection with any application for relief under the provisions mentioned in Section 205(5) of the 2006 Act; and

130.1.2 may do anything to enable any such Director, former Director or officer to avoid incurring such expenditure.

130.2 The terms set out in Section 205(2) of the 2006 Act shall apply to any provision of funds or other things done under Article 129.

130.3 Subject to the provisions of and so far as may be permitted by the Statutes, the Company:

130.3.1 may provide a Director, former Director or officer of the Company or any Associated Company of the Company with funds to meet expenditure incurred or to be incurred by him/her in defending himself/herself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust by him/her in relation to the Company or any Associated Company of the Company; and

130.3.2 may do anything to enable any such Director, former Director or officer to avoid incurring such expenditure.

130.4 In this Article 130 "**Associated Company**" shall have the meaning given thereto by Section 256 of the 2006 Act.