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No. SC389555

The Companies Act 2006

Company Limited by Shares

**ARTICLES OF ASSOCIATION**

adopted by special resolution passed on 25 November 2021

of

**Scottish Power Energy Networks Holdings Limited**

(incorporated on 26 November 2010)

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The Companies Act 2006  
Company Limited by Shares

## **Articles of Association**

adopted by special resolution passed on 25 November 2021

**of**

**Scottish Power Energy Networks Holdings Limited (the “Company”)**

### **Preliminary**

#### **1 Default Articles not to apply**

Neither the regulations in The Companies (Model Articles) Regulations 2008 nor any other articles or regulations prescribing the form of articles applicable to the Company under any former enactment relating to companies shall apply to the Company.

### **Part 1**

#### **Interpretation and Limitation of Liability**

#### **2 Defined terms**

##### **2.1** In the Articles, unless the context requires otherwise:

“**Alternate**” or “**Alternate Director**” has the meaning given in Article 35;

“**appointor**” has the meaning given in Article 35;

“**Articles**” means the Company’s articles of association;

“**Associated Company**” has the same meaning as in Section 256 Companies Act 2006;

“**bankruptcy**” includes individual insolvency proceedings in a jurisdiction other than Scotland which have an effect similar to that of bankruptcy;

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

“**Chairman**” has the meaning given in Article 16;

“**Chairman of the Meeting**” has the meaning given in Article 58;

“**Companies Acts**” means the Companies Acts (as defined in Section 2 of the Companies Act 2006), in so far as they apply to the Company;

“**Director**” means a director of the Company, and includes any person occupying the position of director, by whatever name called;

“**document**” includes, unless otherwise specified, any document sent or supplied in electronic form;

“**electronic form**” has the meaning given in Section 1168 of the Companies Act 2006;

“**fully paid**” in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company;

“**hard copy form**” has the meaning given in Section 1168 of the Companies Act 2006;

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

“**Iberdrola**” has the meaning given in Article 4.1;

“**Iberdrola Group**” has the meaning given in Article 4.1;

“**Member**” means a member of the Company;

“**ordinary resolution**” has the meaning given in Section 282 of the Companies Act 2006;

“**paid**” means paid or credited as paid;

“**participate**”, in relation to a Directors’ meeting, has the meaning given in Article 14;

“**payee**” has the meaning given in Article 50;

“**proxy notice**” has the meaning given in Article 64;

“**Relevant Officer**” means any Director, former Director or Secretary of the Company or any director or former director of an Associated Company of the Company;

“**Secretary**” means any person appointed to perform the duties of the secretary of the Company (including any deputy or assistant secretary) in accordance with Article 36;

“**shareholder**” means a person who is the holder of a share;

“**shares**” means shares in the Company;

“**special resolution**” has the meaning given in Section 283 of the Companies Act 2006;

“**SPEN Business**” has the meaning given in Article 4.2;

“**subsidiary**” has the meaning given in Section 1159 of the Companies Act 2006;

“**transmittee**” means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and

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

**2.2** Unless the context otherwise requires, (i) other words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the Company and (ii) words importing a gender include every gender.

**2.3** The provisions of these Articles relating to general meetings and to the proceedings at such meetings shall apply to separate meetings of a class of shareholders.

### **3 Liability of shareholders**

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

## **Part 2**

### **The Corporate Group**

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

**4.1** The Company is part of an international and decentralised 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**") whose corporate structure of decentralised decision-making (based on the principle of subsidiarity and the implementation of detailed coordination mechanisms) are designed to ensure the global integration of all of the Iberdrola Group's businesses, in accordance with a business model aimed at maximising the value of the Iberdrola's Group's business as a whole in the interests of its members, whilst maintaining a system of checks and balances and a clear separation of functions and responsibilities.

**4.2** The Company is configured as the head of business sub-holding company of the energy networks business (which includes the electricity transmission and distribution regulated activity) in Great Britain (the "**SPEN Business**") as part of the Iberdrola Group, assuming, without prejudice to its necessary corporate autonomy, the day-to-day administration and effective management of the business that constitutes its corporate purpose and with the consequent responsibility for its ordinary control, notwithstanding the organisation, monitoring and strategic coordination function held by Scottish Power Limited (the Company's indirect sole shareholder) as the principal sub-holding company of the Iberdrola Group in Great Britain, without prejudice to any applicable legal provisions regarding the separation of regulated activities.

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

**5.1** The Company, as the head of business sub-holding company of the SPEN Business, shall engage with all stakeholders in its business activities in accordance with any engagement policy adopted on the same based on the principles of transparency and active listening 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.

**5.2** 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 5.1, without prejudice to any applicable legal provisions regarding the separation of regulated activities.

**5.3** 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 5.1 and 5.2.



## **Part 3 Directors**

### **Directors' Powers and Responsibilities**

#### **6 Number of Directors**

The Directors shall not be less than 3 nor more than 10 in number. The Company may, by ordinary resolution, from time to time vary the minimum and/or maximum number of Directors.

#### **7 Directors' general authority**

Subject to the Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

#### **8 Shareholders' reserve power**

**8.1** The shareholders may, by special resolution, direct the Directors to take, or refrain from taking, specified action.

**8.2** No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

#### **9 Directors may delegate**

**9.1** Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles:

**9.1.1** to such person (who need not be a Director) or committee (comprising any number of persons, who need not be Directors);

**9.1.2** by such means (including by power of attorney);

**9.1.3** to such an extent;

**9.1.4** in relation to such matters or territories; and

**9.1.5** on such terms and conditions,

as they think fit.

**9.2** If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.

**9.3** Any reference in these Articles to the exercise of a power or discretion by the Directors shall include a reference to the exercise of a power or discretion by any person or committee to whom it has been delegated.

**9.4** The Directors may revoke any delegation in whole or in part, or alter its terms and conditions.

#### **10 Committees**

The Directors may make regulations in relation to the procedures of committees or sub-committees to whom their powers or discretions have been delegated or sub-delegated. Subject to any such regulations, the meetings and procedures of any committee or sub-

committee shall be governed by the provisions of these Articles regulating the meetings and procedures of Directors.

## **Decision-Making by Directors**

### **11 Directors to take decisions collectively**

The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken by Directors' written resolution in accordance with Article 12.

### **12 Directors' written resolutions**

**12.1** Any Director or the Secretary may propose a written resolution by giving written notice to the other Directors including Alternate Directors (if any) whose appointors are entitled to vote on such resolution or to members of a committee formed under Article 10 for the time being entitled to vote on such a resolution, or may request the Secretary (if any) to give such notice.

**12.2** Subject always to Article 12.3, 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 a resolution or the majority of the members of a committee formed under Article 9) who would have been entitled to vote on such a resolution if it had been proposed at a meeting of the Directors have:

**12.2.1** signed one or more copies of it; or

**12.2.2** otherwise indicated their agreement to it in writing or through any electronic voting system provided by the Company for this purpose.

**12.3** A Directors' written resolution is not adopted if the number of Directors who have signed or otherwise indicated their agreement to it in accordance with Article 12.2 is less than the quorum for Directors' meetings.

**12.4** 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.

**12.5** A Directors' written resolution shall be deemed to be properly sent to a Director if sent in electronic form to such electronic 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.

### **13 Calling a Directors' meeting**

**13.1** Subject to the provisions of these Articles, the Directors may meet together to conduct business, adjourn and otherwise regulate their meetings as they think fit. A Director may at any time, and the Secretary on the requisition of a Director shall, call a meeting of the Directors.

**13.2** Notice of a meeting of the Board and any specific information deemed necessary 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.

- 13.3** 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'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.
- 13.4** Without prejudice to the first sentence of Article 13.1 a meeting of the Directors, or of a committee of the Directors, may, if the chairman of the meeting or committee allows, 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 13.4 shall be called at the registered office of the Company, and the meeting shall be deemed to take place at the registered office of the Company 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. The word "meeting" in these Articles shall be construed accordingly.
- 13.5** 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 13.4. The Secretary shall record the entry and exit of the guests at each meeting in the minutes.

## **14 Participation in Directors' meetings**

- 14.1** Subject to the Articles, Directors may participate in a Directors' meeting, or part of a Directors' meeting, to conduct business or adjourn, or otherwise regulate their meetings as they think fit, provided always:
- 14.1.1** the meeting has been called and takes place in accordance with the Articles; and
  - 14.1.2** they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

**14.2** 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 on his/her behalf at that meeting. The voting rights of any Director being so authorised in accordance with this Article shall be cumulative, but that Director shall not be counted more than once for the purposes of the quorum. The Secretary shall retain a record of any written notice submitted to the Company. 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.

## **15 Quorum for Directors' meetings**

**15.1** At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

**15.2** The quorum for Directors' meetings may be fixed from time to time by a decision of 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. In the event that 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.

**15.3** If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:

**15.3.1** to appoint further Directors; or

**15.3.2** to call a general meeting so as to enable the shareholders to appoint further Directors.

## **16 Chairing of Directors' meetings**

**16.1** The Directors shall appoint a Director to chair their meetings.

**16.2** The person so appointed for the time being is known as the Chairman.

**16.3** The Directors may terminate the Chairman's appointment at any time.

**16.4** If the Chairman is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors may appoint one of their number to chair it.

## **17 Casting vote**

**17.1** Subject to Article 17.2, if the numbers of votes for and against a proposal are equal, the Chairman or other Director chairing the meeting has a casting vote.

**17.2** Article 17.1 does not apply if, in accordance with the Articles, the Chairman or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes.

## **18 Validity of proceedings**

All acts (both written and unwritten) done by any meeting of Directors, or of any committee or sub-committee of the Directors, or by any person acting as a member of any such committee or sub-committee, shall as regards all persons dealing in good faith with the Company be valid, notwithstanding that there was some defect in the appointment of any

Director or any such persons, or that any such persons were disqualified or had vacated office, or were not entitled to vote, or were otherwise incapacitated.

## **19 Record of decisions to be kept**

The Directors or Secretary (if any) must ensure that the Company keeps a record, in writing, of every majority decision taken by the Directors and of every Directors' written resolution for at least 10 years from the date of the decision or resolution.

## **20 Directors' discretion to make further rules**

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

## **21 Change of name**

The Company may change its name by a decision of the Directors.

## **Directors' Interests**

### **22 Authorisation of Directors' interests**

**22.1** For the purposes of Section 175 of the Companies Act 2006, 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 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.

**22.2** Authorisation of a matter under this Article 22 shall be effective only if:

**22.2.1** the matter in question shall have been proposed for consideration at a meeting of the Directors, in accordance with the usual procedures for such meetings or in such other manner as the Directors may resolve;

**22.2.2** 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

**22.2.3** 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.

**22.3** Any authorisation of a matter under this Article may:

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

**22.3.2** be subject to such conditions or limitations as the Directors may resolve, whether at the time such authorisation is given or subsequently; and

**22.3.3** 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.

**22.4** 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 22 and any contract, transaction or

arrangement relating to such a matter shall not be liable to be avoided on the grounds of any such benefit.

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

## **23 Permitted Interests**

- 23.1** Subject to compliance with Article 23.2, a Director, notwithstanding his/her office, may have an interest of the following kind:

**23.1.1** 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;

**23.1.2** 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;

**23.1.3** 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;

**23.1.4** where a Director has an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;

**23.1.5** where a Director has an interest, or a transaction or arrangement gives rise to an interest, of which the Director is not aware; or

**23.1.6** where a Director has any other interest authorised by ordinary resolution.

No authorisation under Article 22 shall be necessary in respect of any such interest.

- 23.2** A Director shall declare the nature and extent of any interest permitted under Article 23.1 and not falling within Article 23.3, at a meeting of the Directors or in such other manner as the Directors may resolve.

- 23.3** No declaration of an interest shall be required by a Director in relation to an interest:

**23.3.1** falling within Articles 23.1.1, 23.1.3 or 23.1.5;

**23.3.2** 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

**23.3.3** if, or to the extent that, it concerns the terms of his/her service contract (as defined in Section 227 of the Companies Act 2006) 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.

- 23.4** 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 such contract, transaction or arrangement or from any such office or employment or from any interest in any Relevant Company or for such remuneration, each as referred to in Article 23.1, and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

**23.5** For the purposes of this Article 23, “**Relevant Company**” shall mean:

**23.5.1** the Company;

**23.5.2** a subsidiary of the Company;

**23.5.3** any holding company of the Company or a subsidiary of any such holding company;

**23.5.4** any body corporate promoted by the Company; or

**23.5.5** any body corporate in which the Company is otherwise interested.

## **24 Quorum and voting**

**24.1** 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) has an interest, unless the interest is solely of a kind permitted by Article 23.1.

**24.2** 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.

## **25 Confidential information**

**25.1** Subject to Article 25.2, 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:

**25.1.1** to disclose such information to the Company or to the Directors, or to any Director, officer or employee of the Company; or

**25.1.2** otherwise use or apply such confidential information for the purpose of or in connection with the performance of his/her duties as a Director.

**25.2** 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.

**25.3** 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 25.1 shall apply only if the conflict arises out of a matter which has been authorised under Article 22 or falls within Article 23.

**25.4** This Article 25 is without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 25.

## **26 Directors’ interests - general**

**26.1** For the purposes of Articles 22 to 26:

- 26.1.1 a person is connected with a Director if that person is connected for the purposes of Section 252 of the Companies Act 2006; and
  - 26.1.2 an interest (whether of the Director 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/her.
- 26.2 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may, and 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:
  - 26.2.1 absenting himself/herself from any meetings of the Directors at which the relevant situation or matter falls to be considered; and
  - 26.2.2 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.
- 26.3 Directors must adopt the necessary measures to prevent creating conflicts of interest as contemplated by the law.
- 26.4 Without prejudice to any provision of law, a conflict of interest shall arise where the interests of a Director, whether on their own behalf or on behalf of others, conflict, directly or indirectly, with the interests of the Company (or the companies within the Iberdrola Group) and their duties towards the Company.
- 26.5 The Secretary shall create and maintain an up-to-date record of the conflicts of interest reported by Directors, being the register of directors' interests, and the reporting Directors shall ensure that the information contained in this register shall be sufficiently detailed to make it possible to understand the scope of each conflict of interest situation.
- 26.6 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 22 to 26.

## **Appointment of Directors**

### **27 Methods of appointing Directors**

- 27.1 Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director:
  - 27.1.1 by ordinary resolution;
  - 27.1.2 by a decision of the Directors; or
  - 27.1.3 by a notice given in accordance with Article 30.



**27.2** In any case where, as a result of death, the Company has no shareholders and no Directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a Director.

**27.3** For the purposes of Article 27.2, where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

## **28 Appointment or removal of an independent director**

Without prejudice to the provisions of the Companies Act 2006 and to any applicable legal provisions regarding regulated activity, no appointment or removal of an independent director (as defined in Article 34.1.3) shall be carried out without first obtaining a proposal or report by the Appointments Committee of Iberdrola, which shall take into account their personal and professional merit, and in particular their experience in relation to the corporate purpose, their links with the geographical areas in which the Company performs its activities, and their independence of judgement in pursuit of the corporate interest.

## **29 Termination of Director's appointment**

**29.1** A person ceases to be a Director as soon as:

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

**29.1.2** a bankruptcy order is made against that person;

**29.1.3** a composition is made with that person's creditors generally in satisfaction of that person's debts;

**29.1.4** 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;

**29.1.5** notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms;

**29.1.6** a shareholder or shareholders holding in aggregate a majority of the nominal value of the shares of the Company terminates that Director's appointment by written notice to the Company;

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

**29.1.8** notice of termination is served or deemed served upon the Director and that notice is given by all the other Directors for the time being.

**29.2** If a Director holds an appointment to an executive office which automatically terminates on termination of his/her office as a Director, his/her removal from office pursuant to this Article 29 shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him/her and the Company.

### **30 Appointment of Director by majority shareholders**

A shareholder or shareholders holding in aggregate a majority of the nominal value of the shares may, by notice to the Company, appoint any person to be a Director to fill a vacancy or to be an additional Director.

### **31 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 Directors 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 Directors may determine.

### **32 Directors' expenses**

**32.1** The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:

**32.1.1** meetings of Directors or committees of Directors;

**32.1.2** general meetings; or

**32.1.3** separate meetings of the holders of any class of shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

### **33 Appointment of executive Officers**

**33.1** 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 whether or not such office is held in an executive capacity) 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. For the avoidance of doubt, the holder of an executive office need not be appointed as a Director in an executive capacity. Any such appointment, agreement or arrangement may be made on such terms and for such period as they may (subject to the Companies Acts) resolve and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke or vary the terms of any such appointment.

**33.2** The appointment of any Director to the office of Chairman or chief executive shall automatically terminate 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.

**33.3** The appointment of any Director to any other executive office shall not automatically terminate if he/she ceases to be a Director for any reason, unless the contract or resolution under which he/she holds office shall expressly state otherwise, in which event such

termination shall be without prejudice to any claim for damages for breach of any contract of service between him/her and the Company.

## **34 Types of Director**

**34.1** A Director might be classified within one of the following categories:

**34.1.1** executive directors, being those who perform management functions within the Company;

**34.1.2** non-executive, non-independent directors, being those who represent a direct or indirect shareholder of the Company and do not have the status of executive director;

**34.1.3** independent directors, being those who do not represent a direct or indirect shareholder of the Company and do not have the status of executive director, and who provide independent oversight and advice in the performance of their duties as a Director; and

**34.1.4** other directors, being those who, while not having the status of executive director nor representing a direct or indirect shareholder of the Company, for any reason do not qualify as independent.

**34.2** The classification of Directors under this Article 34 shall not affect the independence with which all Directors must perform the functions pertaining to their office and their compliance with their statutory duties as Directors of the Company or any applicable legal provisions regarding regulated activities.

## **Alternate Directors**

### **35 Alternate Directors**

**35.1** Any Director (the “**appointor**”) may at any time appoint any person (including another Director) to be his/her alternate (the “**Alternate**” or the “**Alternate Director**”) and may at any time terminate such appointment.

**35.2** The appointment or termination of appointment of an Alternate Director must be made by notice in writing signed by the appointor or in any other manner approved by the Directors, or in accordance with Article 35.4.

**35.3** The notice must identify the proposed Alternate and, in the case of an appointment, contain a statement signed by the proposed Alternate stating that the proposed Alternate is willing to act as the Alternate of the Director giving the notice.

**35.4** The appointment of an Alternate Director shall terminate:

**35.4.1** when the appointor revokes the appointment by notice to the Company specifying when it is to terminate;

**35.4.2** on the occurrence in relation to the Alternate of any event which if it happened to the Alternate’s appointor, would result in the termination of the appointor’s appointment as a Director;

**35.4.3** on receipt by the Company of notice in writing by the Alternate of his/her resignation from such appointment;

**35.4.4** on the death of the Alternate’s appointor; or

35.4.5 if his/her appointor ceases to be a Director.

- 35.5** 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 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.
- 35.6** If an Alternate 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 not be counted more than once for the purposes of the quorum.
- 35.7** If his/her appointor is for the time being temporarily unable to act through ill health or disability an Alternate's signature to any resolution in writing of the Directors shall be as effective as the signature of his/her appointor.
- 35.8** This Article 35 shall also apply (with such changes as are necessary) to such extent as the Directors may from time to time resolve to any meeting of any committee of the Directors of which the appointor of an Alternate Director is a member.
- 35.9** An Alternate Director shall not (except as otherwise provided in this Article 35) have power to act as a Director, nor shall he/she be deemed to be a Director for the purposes of these Articles, nor shall he/she be deemed to be the agent of his/her appointor.
- 35.10** An Alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent as if he/she were a Director.
- 35.11** An Alternate shall not be entitled to receive remuneration from the Company in respect of his/her appointment as Alternate Director except to the extent his/her appointor directs the Company to pay to the Alternate some of the remuneration otherwise payable to that Director.

## **Secretary**

### **36 Secretary**

- 36.1** If the Directors so resolve, a Secretary shall be appointed on such terms as the Directors 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.
- 36.2** The Secretary shall be responsible for performing the typical duties of a company secretary which shall include (but not be limited to) ensuring compliance with the relevant provisions of the Companies Acts and all matters of corporate governance.
- 36.3** The Secretary shall (without prejudice to any obligations or duties of Directors) perform the functions assigned to him/her by law and by the Company's system of corporate governance, and in particular:
- 36.3.1** to keep and preserve a record of the resolutions of the Member(s) of the Company;

- 36.3.2** 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;
- 36.3.3** to keep and preserve a record of contracts entered into between the Member(s) and the Company;
- 36.3.4** to keep and preserve a record of minutes of the Board and other administrative bodies on which he/she holds the office of secretary, duly reflecting the development of the meetings, and also to keep and preserve the corporate documentation generated in relation to the operation of these administrative bodies;
- 36.3.5** to advise upon and check the legality of the actions of the Board and other administrative bodies 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;
- 36.3.6** to advise the Board in relation to the development and updating of the Company's system of corporate governance;
- 36.3.7** to facilitate the Company's interaction with the Directors and the proper functioning of the Board, in accordance with the instructions of the Chairman;
- 36.3.8** 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;
- 36.3.9** to exercise the duties set out in Articles 36.3.7 and 36.3.8 above in relation to the committees or commissions of the Board on which he/she acts as secretary;
- 36.3.10** 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;
- 36.3.11** 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 or commissions with advisory or support functions in relation to the Board; and
- 36.3.12** to certify any documentation in respect of any of the above.

## **37 Experts and legal adviser to the Board**

- 37.1** For the purpose of procuring assistance for the exercise of their duties, any Director may request the engagement, at the Company's expense, of legal, accounting, technical, business or financial advisers or other experts.
- 37.2** Such engagement must relate to specific issues which have significant importance and complexity and which emerge in the course of the Director's performance of their office.
- 37.3** The request for an expert to be hired must be channelled through the Secretary, who may, in turn, put it before the Board for approval, and such approval by the Board may be denied in well-founded instances, including where:

- 37.3.1 expert advice is not necessary for the proper performance of the duties entrusted to the Directors;
  - 37.3.2 the cost thereof is not reasonable in light of the significance of the issues or the assets and income of the Company;
  - 37.3.3 the technical assistance sought may be adequately provided by the Company's own experts and technical personnel; or
  - 37.3.4 it may entail a risk to the confidentiality of information which will be required to be made available to the expert.
- 37.4 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 and professional requirements.

## **Part 4**

### **Shares and Distributions**

#### **Shares**

#### **38 All shares to be fully paid up**

- 38.1 No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.
- 38.2 This does not apply to shares taken on the formation of the Company by the subscribers to the Company's memorandum.

#### **39 Pre-emption rights**

The directors may allot equity securities as if Section 561 of the Companies Act 2006 (Existing shareholders' rights of pre-emption) did not apply to the allotment.

#### **40 Powers to issue different classes of share**

- 40.1 Subject to the Articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution (or, if the Company does not so determine, as the Directors may determine in accordance with section 550 of the Companies Act 2006).
- 40.2 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the Directors may determine the terms, conditions and manner of redemption of any such shares.

#### **41 Trusts**

The Company shall be entitled, but shall not be bound, to accept and, in case of acceptance, shall be entitled to record in such manner as it may think fit, notices of any trusts in respect of any of the shares. Notwithstanding any such acceptance and/or the making of any such record, the Company shall not be bound to see to the execution, administration or observance of any trust, whether expressed, implied or constructive in respect of any shares,

and shall be entitled to recognise and give effect to the acts and deeds of the holders of such shares as if they were absolute owners thereof. For the purpose of this article, "trust" includes any right in respect of any shares other than an absolute right thereto in the holder thereof for the time being or such other rights in case of transmission of shares as are set out in the Articles.

## **42 Share certificates**

**42.1** The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

**42.2** Every certificate must specify:

**42.2.1** the number and class of shares to which it relates;

**42.2.2** the nominal value of those shares;

**42.2.3** that the shares are fully paid; and

**42.2.4** any distinguishing numbers assigned to them.

**42.3** No certificate may be issued in respect of shares of more than one class.

**42.4** If more than one person holds a share, only one certificate may be issued in respect of it.

**42.5** Certificates shall be executed by the Company in such manner as the Directors may decide.

## **43 Replacement share certificates**

**43.1** A shareholder who has separate certificates in respect of shares of one class may request in writing that it be replaced with a consolidated certificate. The Company may comply with such request at its discretion.

**43.2** A shareholder who has a consolidated share certificate may request in writing that it be replaced with two or more separate certificates representing the shares in such proportions as he/she may specify. The Company may comply with such request at its discretion.

**43.3** If a share certificate is damaged or defaced or alleged to have been lost, stolen or destroyed, the Member shall be issued a new certificate representing the same shares upon request.

**43.4** No new certificate will be issued pursuant to this Article 43 unless the relevant shareholder has:

**43.4.1** first delivered the old certificate or certificates to the Company for cancellation; or

**43.4.2** complied with such conditions as to evidence and indemnity as the Directors may think fit; and

**43.4.3** paid such reasonable fee as the Directors may decide.

**43.5** In the case of shares held jointly by several persons, any request pursuant to this Article 43 may be made by any one of the joint holders.

## **44 Authorisation for share buy back out of cash**

Subject to the Companies Act 2006, 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 Companies Act 2006, up to an aggregate purchase price in a financial year of the lower of:

- 44.1** £15,000; or
- 44.2** the nominal value of 5% of its fully paid share capital as at the beginning of the financial year.

## **45 Share transfers**

- 45.1** Shares may be transferred by means of an instrument of transfer executed by or on behalf of the transferor. Such instrument of transfer must be in hard copy form but may otherwise be in any usual form or any other form approved by the Directors.
- 45.2** No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 45.3** The Company may retain any instrument of transfer which is registered.
- 45.4** The transferor remains the holder of the shares concerned until the transferee's name is entered in the register of Members in respect of those shares.
- 45.5** The Directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of the refusal unless they suspect that the proposed transfer may be fraudulent.

## **46 Transmission of shares**

- 46.1** If title to a share passes to a transferee, the Company may only recognise the transferee as having any title to that share.
- 46.2** A transferee who produces such evidence of entitlement to shares as the Directors may reasonably require:
  - 46.2.1** may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person, provided that 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 the relevant Member before the occurrence of the transmission event, and
  - 46.2.2** subject to the Articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 46.3** A transferee does not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which it is entitled, by reason of the holder's death or bankruptcy or otherwise, unless it becomes the holder of those shares.

## **47 Exercise of transferees' rights**

- 47.1** A transferee who wishes to become the holder of shares to which it has become entitled must notify the Company in writing of that wish.
- 47.2** If the transferee wishes to have a share transferred to another person, the transferee must execute an instrument of transfer in hard copy form in respect of it.



**47.3** Any transfer made or executed under this Article 47 is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

#### **48 Transmittees bound by prior notices**

If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of Members.

### **Dividends and Other Distributions**

#### **49 Procedure for declaring dividends**

**49.1** The Company may by ordinary resolution declare dividends, and the Directors may decide to pay dividends (whether final or otherwise).

**49.2** A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors.

**49.3** No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

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

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

**49.6** The Directors may pay fixed dividends on any class of shares carrying such a dividend expressed to be payable on fixed dates on the dates prescribed for payment if it appears to them that the profits available for distribution justify the payment.

**49.7** If the Directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of a fixed or interim dividend on shares with deferred or non-preferred rights.

#### **50 Payment of dividends and other distributions**

**50.1** Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:

**50.1.1** transfer to a bank or building society account specified by the payee either in writing or as the Directors may otherwise decide;

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

**50.1.3** sending a cheque made payable to such person by post to such person at such address as the payee has specified either in writing or as the Directors may otherwise decide; or

50.1.4 any other means of payment as the Directors agree with the payee either in writing or by such other means as the Directors decide.

50.2 Subject to the provisions of these Articles and to the rights attaching to any shares, any dividend or other sum payable on or in respect of a share may be paid in such currency as the Directors may resolve, using such exchange rate for currency conversions as the Directors may select.

50.3 In the Articles, the “**payee**” means, in respect of a share in respect of which a dividend or other sum is payable:

50.3.1 the holder of the share; or

50.3.2 if the share has two or more joint holders, whichever of them is named first in the register of Members; or

50.3.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee; or

50.3.4 such other person or persons as the holder (or, in the case of joint holders, all of them) may direct.

## 51 No interest on distributions

51.1 The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:

51.1.1 the terms on which the share was issued; or

51.1.2 the provisions of another agreement between the holder of that share and the Company.

## 52 Unclaimed distributions

52.1 All dividends or other sums which are:

52.1.1 payable in respect of shares; and

52.1.2 unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

52.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.

52.3 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 52.3 in respect of any Member shall cease if the Member claims a dividend or cashed a dividend warrant or cheque.

52.4 If:

52.4.1 twelve years have passed from the date on which a dividend or other sum became due for payment; and

52.4.2 the payee has not claimed it,

the payee is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

### **53 Non-cash distributions**

**53.1** Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the Directors, direct the payment of a dividend in whole or in part or other distribution payable in respect of a share by the transfer of non-cash assets of equivalent value (including, without limitation, shares or other securities in any Company) and the Directors shall give effect to such resolution.

**53.2** For the purposes of paying a non-cash distribution, the Directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:

**53.2.1** fixing the value of any assets;

**53.2.2** paying cash to any payee on the basis of that value in order to adjust the rights of recipients; and

**53.2.3** vesting any assets in trustees.

### **54 Waiver of distributions**

**54.1** Payees may waive their entitlement to a dividend or other distribution payable in respect of a share in whole or in part by giving the Company notice in writing to that effect, but if:

**54.1.1** the share has more than one holder; or

**54.1.2** more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

## **Capitalisation of Profits**

### **55 Authority to capitalise and appropriation of capitalised sums**

**55.1** Subject to the Articles, the Directors may, if they are so authorised by an ordinary resolution:

**55.1.1** capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account, capital redemption reserve or other undistributable reserve; and

**55.1.2** appropriate any sum which they so decide to capitalise (a "**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (the "**persons entitled**") and in the same proportions.

**55.2** Capitalised sums must be applied:

**55.2.1** on behalf of the persons entitled; and

**55.2.2** in the same proportions as a dividend would have been distributed to them.

- 55.3** Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 55.4** A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 55.5** Subject to the Articles the Directors may:
- 55.5.1** apply capitalised sums in accordance with Articles 55.3 and 55.4 partly in one way and partly in another;
  - 55.5.2** make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article 55 (including to disregard fractional entitlements or for the benefit of them to accrue to the Company ); and
  - 55.5.3** authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this Article 55.

## **Part 5**

### **Decision-Making by Shareholders**

#### **Organisation of General Meetings**

#### **56 Attendance and speaking at general meetings**

- 56.1** A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 56.2** A person is able to exercise the right to vote at a general meeting when:
- 56.2.1** that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
  - 56.2.2** that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 56.3** The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 56.4** In determining attendance at a general meeting, it is immaterial whether any two or more shareholders attending it are in the same place as each other.
- 56.5** Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

#### **57 Quorum for general meetings**

No business, other than the appointment of the Chairman of the Meeting, is to be transacted at a 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.

## **58 Chairing general meetings**

**58.1** If the Directors have appointed a Chairman, the Chairman shall chair general meetings if present and willing to do so.

**58.2** If the Directors have not appointed a Chairman, or if the Chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:

**58.2.1** the Directors present; or

**58.2.2** (if no Directors are present), the meeting,

must appoint a Director or shareholder to chair the meeting, and such appointment must be the first business of the meeting.

**58.3** The person chairing a meeting in accordance with this Article 58 is referred to as the “**Chairman of the Meeting**”.

## **59 Attendance and speaking by Directors and non-shareholders**

**59.1** Directors may attend and speak at general meetings, whether or not they are shareholders.

**59.2** The Chairman of the Meeting may permit other persons who are not:

**59.2.1** shareholders of the Company; or

**59.2.2** otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

## **60 Adjournment**

**60.1** If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chairman of the Meeting must adjourn it.

**60.2** The Chairman of the Meeting may adjourn a general meeting at which a quorum is present if:

**60.2.1** the meeting consents to an adjournment; or

**60.2.2** the Chairman of the Meeting considers that an adjournment is necessary to protect the safety of any person attending the meeting or to ensure that the business of the meeting is conducted in an orderly manner.

**60.3** The Chairman of the Meeting must adjourn a general meeting if directed to do so by the meeting.

**60.4** When adjourning a general meeting, the Chairman of the Meeting must specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors.

- 60.5** If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
- 60.5.1** to the same persons to whom notice of the Company's general meetings is required to be given; and
  - 60.5.2** containing the same information which such notice is required to contain.
- 60.6** No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## **Voting at General Meetings**

### **61 Voting: general**

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

### **62 Errors and disputes**

- 62.1** No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 62.2** Any such objection must be referred to the Chairman of the Meeting, whose decision is final.

### **63 Poll votes**

- 63.1** A poll on a resolution may be demanded:
- 63.1.1** in advance of the general meeting where it is to be put to the vote; or
  - 63.1.2** at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 63.2** A poll may be demanded by:
- 63.2.1** the Chairman of the Meeting;
  - 63.2.2** the Directors;
  - 63.2.3** two or more persons having the right to vote on the resolution; or
  - 63.2.4** a person or persons representing not less than 10% of the total voting rights of all the shareholders having the right to vote on the resolution.
- 63.3** A demand for a poll may be withdrawn if:
- 63.3.1** the poll has not yet been taken; and
  - 63.3.2** the Chairman of the Meeting consents to the withdrawal.
- 63.4** Polls must be taken immediately and in such manner as the Chairman of the Meeting directs.

### **64 Content of proxy notices**

- 64.1** Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:

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

**64.2** The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

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

## **65 Delivery of proxy notices**

**65.1** Proxy notices in hard copy form must be received at such place and by such deadline specified in the notice convening the meeting. If no place is specified, then the proxy notice must be received at the registered office of the Company for the time being. If no deadline is specified, proxy notices must be received, before the start of the meeting or adjourned meeting or, if a poll is taken otherwise than at or on the same day as the meeting or adjourned meeting, at the time for the taking of the poll at which it is to be used.

**65.2** A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.

**65.3** An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

**65.4** A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

**65.5** If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

**65.6** Any vote cast or poll demanded by a proxy shall not be invalidated by the previous death or insanity of the shareholder or by the revocation or termination of the appointment of the proxy or of the authority under which the appointment was made unless notice of such death, insanity, revocation or termination was received in writing at the place specified in the notice of meeting for the receipt of proxy notices (or, if no place is specified, the registered office for the time being) before the start of the meeting or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll.

## **66 Amendments to resolutions**

**66.1** An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

- 66.1.1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chairman of the Meeting may determine); and
    - 66.1.2 the proposed amendment does not, in the reasonable opinion of the Chairman of the Meeting, materially alter the scope of the resolution.
- 66.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
  - 66.2.1 the Chairman of the Meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
  - 66.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 66.3 If the Chairman of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairman of the Meeting's error does not invalidate the vote on that resolution.

## **67 Written resolutions**

The shareholders may pass any resolution (other than a resolution to remove a Director or auditor before expiry of his/her term of office) as a written resolution in accordance with Chapter 2 of Part 13 of the Companies Act 2006.

## **Part 6 Administrative Arrangements**

### **68 Means of communication to be used**

- 68.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- 68.2 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, which is:
  - 68.2.1 sent by hand and properly addressed shall be deemed to have been received by the intended recipient on the day of delivery;
  - 68.2.2 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 and, in the case of post, pre-paid and posted.
- 68.3 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.



- 68.4** 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.
- 68.5** Subject to the Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.
- 68.6** A Director may agree with the Company that notices, documents or information sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than that provided in this Article 68.
- 68.7** Each Director shall provide the Secretary with an up to date electronic mail address from time to time.

## **69 Joint holders**

- 69.1** Except as otherwise specified in the Articles, 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.
- 69.2** Except as otherwise specified in the Articles, 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.
- 69.3** The provisions of this Article 69 shall have effect in place of the provisions of Schedule 5 of the Companies Act 2006 regarding joint holders of shares.

## **70 Company seals**

The Company has no common seal.

## **71 Right to inspect accounts and other documents and records**

- 71.1** Each Director shall have the power to examine any accounting record, book, record, document or other record of corporate transactions of the Company and to communicate with the managers of the Company. The Secretary shall facilitate, as applicable, the exercise of such power by any Director.
- 71.2** Except as provided by law or authorised by the Directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a shareholder.

## **72 Provision for employees on cessation of business**

The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

### **73 Bank mandates**

The Directors may by majority decision or written resolution authorise such person or persons as they think fit to act as signatories to any bank account of the Company and may amend or remove such authorisation from time to time by resolution.

### **74 Authentication of documents**

**74.1** Any Director or the Secretary (if any) or any person appointed by the Directors for the purpose shall have power to authenticate:

**74.1.1** any document affecting the constitution of the Company;

**74.1.2** any resolution passed at a general meeting or at a meeting of the Directors or any committee; and

**74.1.3** any book, record, document or account relating to the business of the Company, and to certify copies or extracts as true copies or extracts.

**74.2** A document purporting to be a copy of any such resolution, or an extract from the minutes of any such meeting, which is certified shall be conclusive evidence in favour of all persons dealing with the Company that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

### **Directors' Liabilities**

#### **75 Indemnity**

**75.1** Subject to Article 75.2, a Relevant Officer shall be and hereby is indemnified out of the Company's assets against:

**75.1.1** any liability incurred by or attaching to that Relevant Officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an Associated Company other than:

(i) any liability to the Company or any Associated Company; and

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

**75.1.2** 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; and

**75.1.3** any liability incurred by or attaching to that Relevant Officer in connection with the activities of the Company or an Associated Company in its capacity as a trustee of an occupational pension scheme (as defined in Section 235(6) of the Companies Act 2006).

**75.2** This Article 75 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law or arising out of fraudulent conduct.

**75.3** Where a Relevant Officer is indemnified against any liability in accordance with this Article, such indemnity shall extend to all costs, charges, losses, expenses and liabilities incurred by him/her in relation thereto.

## **76 Insurance**

**76.1** The Directors shall have the power to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any relevant loss.

**76.2** In this Article 76, a “**relevant loss**” means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Director’s or Secretary’s duties or powers in relation to the Company, any Associated Company or any pension fund or employees’ share scheme of the Company or Associated Company.

## **77 Defence expenditure**

**77.1** So far as may be permitted by the Companies Acts, the Company may:

**77.1.1** provide a Relevant Officer with funds to meet expenditure incurred or to be incurred by him/her in:

(i) 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; or

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

**77.1.2** do anything to enable any such Relevant Officer to avoid incurring such expenditure.

**77.2** The terms set out in Section 205(2) of the Companies Act 2006 shall apply to any provision of funds or other things done under Article 77.1.

**77.3** So far as may be permitted by the Companies Acts, the Company:

**77.3.1** shall provide a Relevant Officer 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; and

**77.3.2** may do anything to enable any such Relevant Officer to avoid incurring such expenditure.

## **78 Winding up**

**78.1** If the Company is wound up, the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies Act 2006 or other applicable law, divide among the shareholders in specie the whole or any part of the assets of the Company. The liquidator may for that purpose value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders.

**78.2** The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the shareholders as he/she with the like sanction

determines but no shareholder shall be compelled to accept any assets upon which there is liability.