

Company Number SC117119

**Public company limited by shares**

**NEW ARTICLES OF ASSOCIATION**

**of**

**SSE plc**

**Adopted by special resolution passed on [ ] 2021**

## INDEX

CLAUSE	PAGE
<b>PART 1 PRELIMINARY</b>	
1. Exclusion of Table A	1
2. Defined Terms	1
3. Interpretation and Construction	3
3A. Limited Liability	4
3B. Change of Name	4
<b>PART 2 DIRECTORS</b>	
<i>DIRECTORS' POWERS AND RESPONSIBILITIES</i>	
4. Directors' General Authority	5
5. Shareholders' Reserve Power	5
6. Directors May Delegate	5
7. Committees	6
<i>DECISION-MAKING BY DIRECTORS</i>	
8. Directors to take Decisions Collectively	6
9. Calling a Directors' Meeting	6
10. Participation in Directors' Meetings	7
11. Quorum for Directors' Meetings	7
12. Meetings where Total Number of Directors less than Quorum	7
13. Chairing of Directors' Meetings	8
14. Voting at Directors' Meetings: General Rules	8
15. Chair's Casting Vote at Directors' Meetings	8
16. Alternates Voting at Directors' Meetings	9
17. Directors' Interest in Transactions or Arrangements with the Company	9
18. Directors' Interest: Authorisation of Conflict situations by Directors	11
19. Proposing Directors' Written Resolutions	12
20. Adoption of Directors' Written Resolutions	13
21. Directors' Discretion to make Further Rules	13
<i>APPOINTMENT OF DIRECTORS</i>	
22. Minimum and Maximum Number of Directors	13
23. Methods of Appointing Directors	14
24. Retirement of Directors	14
25. Termination of Director's Appointment	15
26. Directors' Remuneration	16
27. Directors' Expenses	17
<i>ALTERNATE DIRECTORS</i>	
28. Appointment and Removal of Alternate Directors	17
29. Rights and responsibilities of Alternate Directors	17
30. Termination of Alternate Directorship	18
<b>PART 3 DECISION-MAKING BY SHAREHOLDERS</b>	
<i>ORGANISATION OF GENERAL MEETINGS</i>	
31. Convening General Meetings	19
32. Meeting by means of Electronic Facility	19
33. Shareholders can call General Meeting if not enough Directors	19
34. Postponing or Moving General Meeting	20
35. Attendance and Speaking at General Meetings	20

36.	Quorum for General Meetings	22
37.	Chairing of General Meetings	22
38.	Attendance and Speaking by Directors and Non-Shareholders	23
39.	Security arrangements for general meetings	23
40.	Orderly conduct	24
41.	Adjournment	24

*VOTING AT GENERAL MEETINGS*

42.	Voting: General	25
43.	Errors and Disputes	26
44.	Demanding a Poll	26
45.	Procedure on a Poll	27
46.	Content of Proxy Notices	28
47.	Delivery of Proxy Notices	29
48.	Amendments to Resolutions	30

*RESTRICTIONS ON SHAREHOLDERS' RIGHTS (SEE ALSO ARTICLE 77)*

49.	No voting of Shares on which Money owed to Company	30
-----	--	----

*APPLICATION OF RULES TO CLASS MEETINGS*

50.	Class Meetings	31
-----	----------------	----

**PART 4 SHARES AND DISTRIBUTIONS**

*ISSUE OF SHARES*

51.	Powers to Issue Different Classes of Share	31
52.	Payment of Commissions on Subscription for Shares	31

*INTERESTS IN SHARES*

53.	Company not bound by less than Absolute Interests	32
-----	---	----

*SHARE CERTIFICATES*

54.	Certificates to be Issued except in Certain Cases	32
55.	Contents and Execution of Share Certificates	33
56.	Consolidated Share Certificates	33
57.	Replacement Share Certificates	34

*SHARES NOT HELD IN CERTIFICATED FORM*

58.	Uncertificated Shares	35
-----	-----------------------	----

*PARTLY PAID SHARES*

59.	Company's Lien over Partly Paid Shares	36
60.	Enforcement of the Company's Lien	37
61.	Call Notices	38
62.	Liability to pay Calls	39
63.	When Call Notice need not be Issued	39
64.	Failure to Comply with Call Notice: Automatic Consequences	40
65.	Notice of Intended Forfeiture	40
66.	Directors' Power to Forfeit Shares	41
67.	Effect of Forfeiture	41
68.	Procedure following Forfeiture	42
69.	Surrender of Shares	42

*TRANSFER AND TRANSMISSION OF SHARES*

70.	Transfers of Certificated Shares	43
71.	Transfer of Uncertificated Shares	44
72.	Transmission of Shares	44
73.	Transmittees' Rights	44

74.	Exercise of Transferees' Rights	45
75.	Transferees Bound by Prior Notices	45
<i>UNTRACED SHAREHOLDERS</i>		
76.	Directors' Power to Sell Shares	46
<i>DISCLOSURE OF INTERESTS IN SHARES</i>		
77.	Suspension of Rights where Non-disclosure of Interest	47
<i>ALTERATION OF SHARE CAPITAL</i>		
78.	Procedure for Disposing of Fractions of Shares on Consolidation	50
<i>DISTRIBUTIONS</i>		
79.	Procedure for Declaring Dividends	51
80.	Calculation of Dividends	51
81.	Methods of Payment of Dividends and Other Distributions	52
82.	Deductions from Distributions in respect of Sums owed to the Company	54
83.	No Interest on Distributions	55
84.	Unclaimed Distributions	55
85.	Non-Cash Distributions	56
86.	Waiver of Distributions	56
87.	Scrip Dividends	56
<i>CAPITALISATION OF PROFITS</i>		
88.	Authority to Capitalise and Appropriation of Capitalised Sums	60
<b>PART 5 MISCELLANEOUS PROVISIONS</b>		
<i>COMMUNICATIONS</i>		
89.	Means of Communication to be Used	61
90.	Addresses and Other Contact Details	62
91.	Failure to Notify Contact Details	63
<i>ADMINISTRATIVE ARRANGEMENTS</i>		
92.	Company Seals	63
93.	Destruction of Documents	64
94.	No right to Inspect Accounts and Other Records	65
95.	Provision for Employees on Cessation of Business	65
96.	Authentication of Certificates for Debentures	66
<i>DIRECTORS' INDEMNITY AND INSURANCE</i>		
97.	Indemnity	66
98.	Insurance	67
<i>DEPOSITARIES</i>		
99.	Authorised Depositaries	68
<b>SCHEDULE – BORROWING RESTRICTION</b>		

**PART 1**  
**PRELIMINARY**

**1. EXCLUSION OF TABLE A**

The regulations in the Companies (Tables A to F) Regulations 1985, and in any other legislation relating to companies, do not apply as articles or regulations of the company.

**2. DEFINED TERMS**

In the articles, unless the context requires otherwise:

**alternate** or **alternate director** has the meaning given in article 28;

**appointor** has the meaning given in article 28;

**articles** means the company's articles of association;

**auditors** means the auditors of the company;

**bankruptcy** means sequestration or bankruptcy in Scotland, England and Wales or Northern Ireland, and individual insolvency proceedings in any other jurisdiction which have an effect similar to that of sequestration;

**call** has the meaning given in article 61;

**call notice** has the meaning given in article 61;

**certificate** means a paper certificate evidencing a person's title to specified shares or other securities;

**certificated** in relation to a share, means that it is not an uncertificated share;

**chair** has the meaning given in article 13;

**chair of the meeting** has the meaning given in article 37;

**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;

**the company** means SSE plc;

**company secretary** means the secretary, or (if there are joint secretaries) any one of the joint secretaries, of the company and includes an assistant or deputy secretary and any person appointed by the directors to perform any of the duties of the secretary;

**company's lien** has the meaning given in article 59;

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

**distribution recipient** has the meaning given in article 81;

**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;

**electronic facility** means a device, system, procedure, method or facility providing an electronic means of attendance at or participation in (or both attendance at and participation in) a general meeting determined by the directors pursuant to article 32;

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

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

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

**instrument** means a document in hard copy form;

**lien enforcement notice** has the meaning given in article 60;

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

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

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

**partly paid** in relation to a share means that part of that share's nominal value or any premium at which it was issued has not been paid to the company;

**proxy notice** has the meaning given in article 46;

**proxy notification address** has the meaning given in article 46;

**qualifying person** has the meaning given in section 318 of the Companies Act 2006;

**securities seal** has the meaning given in article 55;

**shareholder** means a person who is the holder of a share in the company;

**shares** means shares in the company;

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

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

**subsidiary undertaking** has the meaning given in section 1162 of the Companies Act 2006;

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

**uncertificated** in relation to a share means that, by virtue of legislation (other than section 778 of the Companies Act 2006) permitting title to shares to be evidenced and transferred without a certificate, title to that share is evidenced and may be transferred without a certificate;

**working day** has the meaning given in section 1173 of the Companies Act 2006; and

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

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

### 3. **INTERPRETATION AND CONSTRUCTION**

In the articles:

words denoting persons include bodies corporate and unincorporated;

words denoting the masculine include the female and vice versa;

words denoting the singular include the plural and vice versa;

heading and sub-headings are for convenience only and do not affect the meaning of the articles;

unless the context otherwise requires, and subject to the last paragraph of article 2, references to any statute or statutory provision include any modification or re-enactment of it in force for the time being;

any powers of delegation shall not be restrictively construed, but the widest interpretation shall be given to them. Except where the terms of the delegation in question expressly provide otherwise, delegation of a power does 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 the articles or under another delegation of the power;

nothing in the articles shall preclude the holding and conducting of a meeting in such a way that persons who are not present together at the same place may by electronic means attend and speak and vote at it;

references to a **meeting** mean a meeting convened and held in any manner permitted by these articles, including without limitation a general meeting of the Company at which some persons entitled to be present attend and participate by means of electronic facility or facilities, and such persons shall be deemed to be **present** at that meeting for all purposes of the Act and the articles and **attend** and **participate**, **attending** and **participating** and **attendance** and **participation** shall be construed accordingly.

### **3A. LIMITED LIABILITY**

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

### **3B. CHANGE OF NAME**

The company may change its name by resolution of the directors.

**PART 2**  
**DIRECTORS**

**DIRECTORS' POWERS AND RESPONSIBILITIES**

**4. DIRECTORS' GENERAL AUTHORITY**

- 4.1 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.
- 4.2 In exercising the powers of the company to borrow money, the directors must comply with the attached schedule (which forms part of the articles).

**5. SHAREHOLDERS' RESERVE POWER**

- 5.1 The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- 5.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

**6. DIRECTORS MAY DELEGATE**

- 6.1 Subject to the articles, the directors may delegate any of their powers:
  - 6.1.1 to such person or committee;
  - 6.1.2 by such means (including by power of attorney);
  - 6.1.3 to such an extent;
  - 6.1.4 in relation to such matters or territories; and
  - 6.1.5 on such terms and conditions;  
as they think fit.
- 6.2 Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to authorise further delegation of the directors' powers by any person or committee to whom they are delegated.

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

## 7. COMMITTEES

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

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

## DECISION-MAKING BY DIRECTORS

### 8. DIRECTORS TO TAKE DECISIONS COLLECTIVELY

Subject to the articles, decisions of the directors must be taken:

8.1 at a directors' meeting; or

8.2 in the form of a directors' written resolution.

### 9. CALLING A DIRECTORS' MEETING

9.1 Any director may call a directors' meeting.

9.2 The company secretary must call a directors' meeting if a director so requests.

9.3 A directors' meeting is called by giving notice of the meeting to the directors.

9.4 Notice of any directors' meeting must indicate:

9.4.1 its proposed date, time and subject matter;

9.4.2 where it is to take place; and

9.4.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

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

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

## 10. **PARTICIPATION IN DIRECTORS' MEETINGS**

10.1 Subject to the articles, directors participate in a directors' meeting, or part of a director's meeting, when:

- 10.1.1 the meeting has been called and takes place in accordance with the articles; and
- 10.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

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

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

## 11. **QUORUM FOR DIRECTORS' MEETINGS**

11.1 At a directors' meeting, unless a quorum is participating, no proposal shall be voted on, except a proposal to call another meeting.

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

## 12. **MEETINGS WHERE TOTAL NUMBER OF DIRECTORS LESS THAN QUORUM**

12.1 This article applies where the total number of directors for the time being is less than the quorum for directors' meetings.

12.2 If there is only one director, that director may appoint sufficient directors to make up a quorum or call a general meeting to do so.

12.3 If there is more than one director:

- 12.3.1 a directors' meeting may take place, if it is called in accordance with the articles and at least two directors participate in it, with a view to appointing sufficient directors to make up a quorum or calling a general meeting to do so; and
- 12.3.2 if a director's meeting is called but only one director attends at the appointed date and time to participate in it, that director may appoint sufficient directors to make up a quorum or call a general meeting to do so.

### 13. **CHAIRING OF DIRECTORS' MEETINGS**

- 13.1 The directors may appoint a director to chair their meetings.
- 13.2 The person so appointed for the time being is known as the **chair**.
- 13.3 The directors may appoint other directors as deputy or assistant chairs to chair directors' meetings in the chair's absence.
- 13.4 The directors may terminate the appointment of the chair, deputy or assistant chair at any time.
- 13.5 If neither the chair nor any director appointed generally to chair directors' meetings in the chair's absence is participating in a meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

### 14. **VOTING AT DIRECTORS' MEETINGS: GENERAL RULES**

- 14.1 Subject to the articles, a decision is taken at a directors' meeting when a majority of the participating directors vote in favour of a proposal.
- 14.2 Subject to the articles, each director participating in a directors' meeting has one vote.
- 14.3 Subject to the articles, if a director has an interest in an actual or proposed transaction or arrangement with the company, that director may not vote on any proposal relating to it.

### 15. **CHAIR'S CASTING VOTE AT DIRECTORS' MEETINGS**

- 15.1 If the numbers of votes for and against a proposal are equal, the chair or other director chairing the meeting shall have a casting vote.

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

**16. ALTERNATES VOTING AT DIRECTORS' MEETINGS**

A director who is also an alternate director has an additional vote on behalf of each appointor who is:

- 16.1 not participating in a directors' meeting; and
- 16.2 would have been entitled to vote if they were participating in it.

**17. DIRECTORS' INTEREST IN TRANSACTIONS OR ARRANGEMENTS WITH THE COMPANY**

17.1 Subject to the Companies Acts, and provided the director has complied with any provision of the Companies Acts requiring declaration of their interest to the other directors, a director may:

- 17.1.1 have any kind of interest in any existing or proposed transaction or arrangement with the company or in which the company is otherwise interested;
- 17.1.2 have any kind of interest in any existing or proposed transaction or arrangement with or involving another company in which the company is interested; and
- 17.1.3 alone (or through some firm with which they are associated) do paid professional work for the company (other than as auditor).

17.2 Unless otherwise agreed, a director is not accountable to the company for any benefit which they receive as a result of anything allowed under article 17.1.

17.3 If a directors' meeting, or part of a directors' meeting, is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in that meeting, or part of a meeting, for voting or quorum purposes.

17.4 But if article 17.5 below applies, a director who is interested in an actual or proposed transaction or arrangement with the company and that director's alternate:

- 17.4.1 is to be counted for quorum purposes as participating in a decision at a directors' meeting, or part of a directors' meeting, relating to it; and
- 17.4.2 is entitled to vote on a proposal relating to it.

17.5 This article 17.5 applies when:

- 17.5.1 the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in, or voting at, a directors' meeting;
- 17.5.2 the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- 17.5.3 the director's conflict of interest arises from a permitted cause.

17.6 For the purposes of this article 17, the following are permitted causes:

- 17.6.1 a guarantee, indemnity or security given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
- 17.6.2 subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities;
- 17.6.3 any contract in which the director is interested by virtue of their interest in shares or debentures or other securities of the company or by reason of any other interest in or through the company;
- 17.6.4 any contract concerning any other company (not being a company in which the director owns one per cent or more) in which the director is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;
- 17.6.5 arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors as such; and
- 17.6.6 any contract for the purchase or maintenance of insurance against any liability for, or for the benefit of, any director or directors or for, or for the benefit of, persons who include directors.

17.7 For the purposes of article 17.6.4, a company is deemed to be one in which a director owns one per cent or more if and for so long as (but only if any for so long as) the director would be connected with

that company for the purposes of section 254 of the Companies Act 2006 if, for the references in that section to "20%", there were substituted references to "1%".

- 17.8 References in articles 17.6.3, 17.6.4 and 17.6.6 to a contract include references to a proposed contract and to any transaction or arrangement whether or not constituting a contract.
- 17.9 If a question arises at a meeting of directors or of a committee as to the right of a director (other than the chair) to vote or be counted in the quorum, the question may, before the conclusion of the meeting, be referred to the chair whose ruling in relation to the director concerned is to be final and conclusive. If any question shall arise in respect of the chair, the question is to be decided by a decision of the directors at that meeting, for which purpose the chair is not to be counted as participating in the meeting, or that part of the meeting, for voting or quorum purposes.

#### **18. DIRECTORS' INTEREST: AUTHORISATION OF CONFLICT SITUATIONS BY DIRECTORS**

- 18.1 For the purposes of section 175 of the Companies Act 2006, the directors 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 they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company.
- 18.2 Authorisation of a matter under this article 18 is effective only if:
  - 18.2.1 the matter in question is proposed in writing for consideration at a directors' meeting, in accordance with the directors' normal procedures or in such other manner as the directors may approve;
  - 18.2.2 the proposal is dealt with as an item of business at that directors' meeting in accordance with the directors' normal procedures (subject to articles 18.2.3 and 18.2.4);
  - 18.2.3 any requirement as to the quorum at the directors' meeting, or the part of a directors' meeting, at which the matter is considered is met without counting the director in question and any other interested director (together the **interested directors**); and
  - 18.2.4 the matter is agreed to without the interested directors voting, or the matter would have been agreed to if the votes of the interested directors had not been counted.
- 18.3 Any authorisation of a matter under this article 18 extends to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

18.4 Any authorisation of a matter under this article 18 may be given on or subject to such conditions or limitations as the directors decide, whether at the time such authorisation is given or subsequently. In particular, the directors may provide:

- 18.4.1 for the exclusion of some or all of the interested directors from the receipt of information, or participation in discussion (whether at directors' meetings or otherwise), relating to the matter authorised by the directors; or
- 18.4.2 with respect to an interested director who obtains information that is confidential to a third party, that director is not obliged to disclose that information to the company, or to use the information in relation to the company's affairs, where to do so would amount to a breach of that confidence.

A director must comply with any obligations imposed by the directors in or pursuant to any authorisation.

18.5 A director is not, except as otherwise agreed by that director, accountable to the company for any benefit which they (or a person connected with them) derives from any matter authorised by the directors under this article 18, and any contract, transaction or arrangement relating to such matter is not liable to be avoided on the grounds of any such benefit.

18.6 An authorisation under this article 18 may be terminated by the directors at any time.

18.7 The provisions of article 18.2 apply in relation to any modification of the conditions or limitations on or subject to which an authorisation is given as they apply in relation to the giving of the authorisation.

18.8 An authorisation must be recorded in writing, but failure to do so will not invalidate the authorisation.

18.9 The directors may not delegate the powers conferred on them under article 18.1.

## 19. PROPOSING DIRECTORS' WRITTEN RESOLUTIONS

19.1 Any director may propose a directors' written resolution.

19.2 The company secretary must propose a directors' written resolution if a director so requests.

19.3 A directors' written resolution is proposed by giving notice of the proposed resolution to the directors.

19.4 Notice of a proposed directors' written resolution must indicate:

- 19.4.1 the proposed resolution; and

19.4.2 the time by which it is proposed that the directors should adopt it.

19.5 Notice of a proposed directors' written resolution must be given in writing to each director.

**20. ADOPTION OF DIRECTORS' WRITTEN RESOLUTIONS**

20.1 A proposed directors' written resolution is adopted when a majority of the directors who would have been entitled to vote on the resolution at a directors' meeting have executed one or more copies of it or otherwise indicated agreement to it in writing, provided that those directors executing would have formed a quorum at such meeting.

20.2 It is immaterial whether any director executes the resolution or otherwise indicates agreement to it in writing before or after the time by which the notice proposed that it should be adopted.

20.3 Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the articles.

20.4 The company secretary must ensure that the company keeps a record, in writing, of all directors' written resolutions for at least ten years from the date of their adoption.

**21. 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.

**APPOINTMENT OF DIRECTORS**

**22. MINIMUM AND MAXIMUM NUMBER OF DIRECTORS**

22.1 Subject to article 22.2, the company shall have:

22.1.1 not more than 16; and

22.1.2 not less than four,

directors.

22.2 The company may by ordinary resolution vary the minimum or maximum number of directors.

22.3 For the purposes of this article 22, an alternate director is not deemed to be a director.

**23. METHODS OF APPOINTING DIRECTORS**

23.1 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:

23.1.1 by ordinary resolution; or

23.1.2 by a decision of the directors.

**24. RETIREMENT OF DIRECTORS**

24.1 At every annual general meeting all directors at the date of the notice convening the annual general meeting must retire from office and may offer themselves for reappointment by the shareholders.

24.2 If:

24.2.1 any resolution or resolutions for the appointment or re-appointment of the persons eligible for appointment or re-appointment as directors are put to the annual general meeting and lost, and

24.2.2 at the end of that meeting the number of directors is fewer than any minimum number of directors required under article 22.1.2,

all retiring directors who stood for re-appointment at that meeting (the **Retiring Directors**) shall be deemed to have been re-appointed as directors and shall remain in office, but the Retiring Directors may only:

24.2.3 act for the purpose of filling vacancies and convening general meetings of the Company; and

24.2.4 perform such duties as are appropriate to maintain the Company as a going concern and to comply with the Company's legal and regulatory obligations,

but not for any other purpose.

24.3 The Retiring Directors shall convene a general meeting as soon as reasonably practicable following the annual general meeting referred to in article 24.2, and they shall retire from office at that meeting. If at the end of any meeting convened under this article the number of directors is fewer than any minimum number of directors required under article 22.1.2, the provisions of article 24.2 and this article shall also apply to that meeting.

**25. TERMINATION OF DIRECTOR'S APPOINTMENT**

25.1 A person ceases to be a director as soon as:

- 25.1.1 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;
- 25.1.2 a bankruptcy order or an award of sequestration is made against that person or their estate;
- 25.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts, or that person grants a trust deed (within the meaning of section 5(4A) of the Bankruptcy (Scotland) Act 1985);
- 25.1.4 a consultant specialist who is treating that person (provided they are a consultant specialist in the discipline which customarily deals with that person's alleged condition) gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and is likely to remain so for more than three months;
- 25.1.5 notification is received by the company from the director that the director is resigning or retiring from office as director, and such resignation or retirement has taken effect in accordance with its terms;
- 25.1.6 that person has been absent for more than six consecutive months without permission of the board from meetings of the board held during that period and their alternate director (if any) has not attended in their place during that period and the board resolves that their office be vacated; or
- 25.1.7 that person receives notice executed by not less than three quarters of the other directors stating that that person should cease to be a director.

25.2 The termination of a person's appointment as a director under the articles terminates that person's membership of any committee.

25.3 The termination of a person's appointment as a director under the articles is without prejudice to any claim which that person may have for breach of contract.

**26. DIRECTORS' REMUNERATION**

- 26.1 Directors may undertake any services for the company that the directors decide.
- 26.2 Subject to article 26.6, directors are entitled to such remuneration as the directors determine:
  - 26.2.1 for their services to the company as directors; and
  - 26.2.2 for any other service which they undertake for the company.
- 26.3 Subject to the articles, a director's remuneration may:
  - 26.3.1 take any form; and
  - 26.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- 26.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 26.5 Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.
- 26.6 The fees paid to directors for their services to the company as directors must not exceed in aggregate £1.5 million per annum, or such higher amount as the company may from time to time decide by ordinary resolution.
- 26.7 The fees referred to in article 26.6 are distinct from any remuneration or other amounts payable to a director pursuant to other provisions of the articles or any contract or arrangement between the company and the relevant director, and nothing in article 26.6 prevents or restricts the payment of such extra remuneration as the directors may determine to any director who:
  - 26.7.1 is appointed to any executive office (including for this purpose the office of chair, deputy chair or vice-chair, whether or not such office is held in an executive capacity);
  - 26.7.2 serves on any committee;
  - 26.7.3 acts as trustee of a retirement benefits scheme or employees' share scheme;
  - 26.7.4 otherwise performs duties which are outside the scope of the ordinary duties of a director; or

26.7.5 makes any special exertions in going or residing abroad or otherwise in or about the business of the company.

27. **DIRECTORS' EXPENSES**

The company may pay any reasonable expenses which the directors properly incur in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

**ALTERNATE DIRECTORS**

28. **APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

28.1 Any director (the **appointor**) may appoint as their alternate (an **alternate** or **alternate director**) any other director, or any other person approved by resolution of the directors, to:

28.1.1 exercise that director's powers; and

28.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors in the absence of the alternate's appointor.

28.2 Any appointment or removal of an alternate must be effected by notice in writing to the company executed by the appointor, or in any other manner approved by the directors.

28.3 The notice must:

28.3.1 identify the proposed alternate; and

28.3.2 in the case of a notice of appointment, contain a statement executed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

29. **RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

29.1 An alternate director has (except as regards power to appoint an alternate and remuneration) the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor.

29.2 Except as the articles specify otherwise, alternate directors:

29.2.1 are deemed for all purposes to be directors;

29.2.2 are liable for their own acts and omissions;

29.2.3 are subject to the same restrictions as their appointors; and

29.2.4 are not deemed to be agents of or for their appointors.

29.3 A person who is an alternate director but not a director:

29.3.1 must be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating); and

29.3.2 may execute a written resolution (but only if it is not executed or to be executed by that person's appointor).

No alternate may be counted as more than one director for such purposes.

29.4 Subject to the articles, if an alternate's appointor has an interest in an actual or proposed transaction or arrangement with the company:

29.4.1 that alternate may not vote on any proposal relating to it; but

29.4.2 this does not preclude the alternate from voting in relation to that transaction or arrangement on behalf of another appointor who does not have such an interest.

29.5 An alternate director is not entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

## 30. TERMINATION OF ALTERNATE DIRECTORSHIP

30.1 An alternate director's appointment as an alternate terminates:

30.1.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;

- 30.1.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- 30.1.3 on the death of the alternate's appointor; or
- 30.1.4 when the alternate's appointor's appointment as a director terminates, except that an alternate's appointment as an alternate does not terminate when the appointor retires at a general meeting and is then re-appointed as a director at the same general meeting.

### **PART 3**

#### **DECISION-MAKING BY SHAREHOLDERS**

#### **ORGANISATION OF GENERAL MEETINGS**

##### **31. CONVENING GENERAL MEETINGS**

- 31.1 The directors shall determine in relation to each general meeting the means of attendance and participation in the meeting, including whether the persons entitled to attend and participate in general meeting shall be enabled to do so by simultaneous attendance and participation at a physical place (or places in accordance with article 35) anywhere in the world determined by it, or in addition by means of electronic facility or facilities determined by it in accordance with article 32, or partly in one way and partly in another.

##### **32. MEETING BY MEANS OF ELECTRONIC FACILITY**

- 32.1 If the directors determine that a general meeting shall be held by means of electronic facility or facilities, the notice of general meeting shall specify the means, or all the different means, of attendance and participation determined in accordance with the articles and any access, identification and security arrangements determined in accordance with article 39.4.

##### **33. SHAREHOLDERS CAN CALL GENERAL MEETING IF NOT ENOUGH DIRECTORS**

If:

- 33.1 the total number of directors for the time being is less than the quorum for director's meeting;  
and

33.2 the directors (if any) are unable or unwilling to appoint sufficient directors to make up a quorum or to call a general meeting to do so,

then two or more shareholders may call a general meeting (or instruct the company secretary in writing to do so) for the purpose of appointing one or more directors.

**34. POSTPONING OR MOVING GENERAL MEETING**

34.1 If it appears to the directors, in their absolute discretion, that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time or place or places, and/or by means of a declared electronic facility specified in the notice of the general meeting, they may postpone or move the general meeting to another date or time, and/or change place and/or electronic facility.

34.2 The directors need not send notice of the date, time, place and/or electronic facility of the rearranged meeting but should take reasonable steps to advertise the date and time of the rearranged meeting, and the means of attendance and participation (including any place and/or electronic facility) for the rearranged meeting, which may include advertising that information by means of a notice on the company's website or an announcement to a regulatory information service (and those means, if both are used in relation to the directors' decision, shall be deemed to constitute reasonable steps to advertise for the purpose of this article) and shall, if practicable, make arrangements for notices of the change of place or places and/or electronic facility or facilities and/or postponement to appear at the original place or places and/or on the original electronic facility or facilities, in each case at the original time. Notice of the business to be transacted at this rearranged meeting need not be given again.

34.3 The directors may also postpone or move the rearranged meeting under this article.

**35. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

35.1 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.

35.2 A person is able to exercise the right to vote at a general meeting when:

35.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

35.2.2 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.

35.3 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.

35.4 In determining attendance at a general meeting, it is immaterial whether any two or more persons attending it are in the same physical place as each other.

35.5 Two or more persons who are not in the same physical 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.

35.6 The directors may resolve to enable persons entitled to attend and participate in a general meeting to do so by simultaneous attendance and participation by means of electronic facility or facilities and determine the means, or all different means, of attendance and participation used in relation to a general meeting. The members present in person or by proxy by means of electronic facility or facilities shall be counted in the quorum for, and entitled to participate in, the general meeting in question. That meeting shall be duly constituted and its proceedings valid if the chair of the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that members attending the meeting by all means (including by means of electronic facility or facilities) are able to:

- 35.6.1 participate in the business for which the meeting has been convened;
- 35.6.2 hear all persons who speak at the meeting; and
- 35.6.3 be heard by all other persons present at the meeting.

35.7 A member seeking to be present in person or by proxy at a general meeting by means of electronic facility or facilities is responsible for ensuring they have access to and can use the facility or facilities.

35.8 If persons present at more than one place attend a general meeting, a failure (for any reason) of communication equipment, electronic facility or facilities, or any other failure in the arrangements for enabling those in a location other than the principal meeting place to exercise their rights to speak or vote at that meeting, shall not affect the validity of the meeting at the principal meeting place, or any business conducted there or any action taken pursuant to such business. The general meeting shall be duly constituted and its proceedings valid notwithstanding the inability of the person or persons to gain access to or use the facility or facilities, or the loss of access to or use of the facility or facilities during the meeting.

35.9 The directors may, for the purpose of facilitating the organisation and administration of any general meeting, make such arrangements for controlling the level of attendance at any place (including the issue of tickets or the imposition of some other means of selection) as they, in their absolute discretion, consider to be appropriate, and may change those arrangements.

36. **QUORUM FOR GENERAL MEETINGS**

No business other than the appointment of the chair of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum. Three qualifying persons present at a meeting are a quorum unless, of those three:

- 36.1 all or a majority are qualifying persons only because they are authorised under section 323 of the Companies Act 2006 to act as representatives at the meeting, and they are representatives of the same corporation; or
- 36.2 all or a majority are qualifying persons only because they are appointed as proxies in relation to the meeting and they are proxies of the same shareholder.

37. **CHAIRING OF GENERAL MEETINGS**

- 37.1 The chair (if any) shall chair general meetings at which they are present.
- 37.2 If the chair is not present within ten minutes of the time at which a meeting was due to start, the deputy chair (if any) shall chair the meeting. If there is no deputy chair, or the deputy chair is not present within ten minutes of the time at which the meeting was due to start:

- 37.2.1 the directors present; or
  - 37.2.2 (if no directors are present), the meeting,

must appoint a director or shareholder or a proxy of a shareholder or a person authorised to act as a representative of a corporation in relation to a meeting to chair the meeting, and the appointment of the chair of the meeting must be the first business of the meeting.

- 37.3 The person chairing a meeting in accordance with this article 35 is referred to as the **chair of the meeting**.

**38. ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS**

- 38.1 Directors may attend and speak at general meetings, whether or not they are shareholders.
- 38.2 The chair of the meeting may permit other persons who are not:
  - 38.2.1 shareholders of the company; or
  - 38.2.2 otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

**39. SECURITY ARRANGEMENTS FOR GENERAL MEETINGS**

- 39.1 The directors and the company secretary may, before a general meeting, make any arrangement, or impose any requirement or restriction, they may consider appropriate to ensure the security of the meeting and the health, safety and security of persons attending the meeting.
- 39.2 Such arrangements may include:
  - 39.2.1 directing that persons attending the meeting should produce evidence of identity or submit to searches of their personal property; or
  - 39.2.2 restricting the items that may be taken into the meeting place.
- 39.3 The directors or the company secretary or the chair of the meeting may refuse entry to, and the chair of the meeting may eject from, a general meeting any person who fails to comply with arrangements, requirements or restrictions under this article.
- 39.4 If a general meeting is held partly by means of electronic facility or facilities, the directors (and at a general meeting, the chair) may make any arrangements and/or impose any requirement or restriction that is:
  - 39.4.1 necessary to ensure the identification of those taking part and the security of the electronic communication; and
  - 39.4.2 proportionate to the achievement of those objectives.

**40. ORDERLY CONDUCT**

40.1 The chair of the meeting shall take such action, or give directions for such action to be taken, as they think fit to promote the orderly conduct of the business of a general meeting as laid down in the notice of the meeting, and to promote the conduct of such business with reasonable despatch.

40.2 The decision of the chair of the meeting on matters of procedure or arising incidentally from the business of a general meeting shall be final, as shall be the chair's determination as to whether any matter is of such a nature. This provision is without prejudice to the powers of the chair of the meeting under articles 43.2, 43.4 and 48.

**41. ADJOURNMENT**

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

41.2 The chair of the meeting may adjourn a general meeting at which a quorum is present if:

41.2.1 the meeting consents to an adjournment; or

41.2.2 without the meeting's consent if it appears to the chair of the meeting that:

- (a) the persons wishing to attend cannot be conveniently accommodated in the place or places appointed for the meeting;
- (b) an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner;
- (c) an electronic facility has become inadequate for the purposes referred to in article 35.6; or
- (d) it would facilitate the conduct of the business of the meeting to do so.

41.3 The chair of the meeting must adjourn a general meeting if directed to do so by the meeting.

41.4 When adjourning a general meeting, the chair of the meeting must (subject to section 307A(7)(b) of the Companies Act 2006):

- 41.4.1 either specify the time and with such means of attendance and participation (including at such place and/or by means of such electronic facility) to which it is adjourned or state that it is to continue at a time and with such means of attendance and participation to be fixed by the directors; and
- 41.4.2 have regard to any directions as to the time and means of attendance and participation of any adjournment which have been given by the meeting.

41.5 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 seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

- 41.5.1 to the same persons to whom notice of the company's general meetings is required to be given; and
- 41.5.2 containing the same information which such notice is required to contain.

41.6 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**

**42. VOTING: GENERAL**

42.1 A resolution put to the vote of a general meeting held partly by means of electronic facility or facilities shall, unless the chair of the meeting determines that it shall (subject to the remainder of this article) be decided on a show of hands, be decided on a poll. Subject thereto, a resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is taken on it in accordance with the articles.

42.2 Subject to the articles:

- 42.2.1 on a vote on a resolution on a show of hands at a meeting:
  - (a) every shareholder present in person has one vote; and

(b) every proxy present who has been duly appointed by one or more shareholders entitled to vote on the resolution has one vote (subject to section 285(2) of the Companies Act 2006); and

42.2.2 on a vote on a resolution on a poll taken at a meeting, every shareholder present in person or by proxy has one vote in respect of each share held by them.

#### 43. **ERRORS AND DISPUTES**

43.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

43.2 Any such objection must be referred to the chair of the meeting whose decision shall be final.

43.3 If any votes are not counted at a general meeting which ought to have been counted, such error does not invalidate the vote on any resolution unless the error is pointed out at that meeting or adjourned meeting.

43.4 Any such error must be referred to the chair of the meeting, and shall only invalidate the vote on any resolution if the chair of the meeting decides that the error may have affected the decision of the meeting. The decision of the chair of the meeting on such matter shall be final.

#### 44. **DEMANDING A POLL**

44.1 A poll on a resolution may be demanded:

44.1.1 in advance of the general meeting where it is to be put to the vote; or

44.1.2 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, or on the withdrawal of any other demand for a poll.

For the purposes of articles 45.5, 45.7 and 47.4, a poll demanded in advance of a general meeting is treated as demanded at the start of that meeting.

44.2 A poll may be demanded by:

44.2.1 the chair of the meeting;

- 44.2.2 the directors;
- 44.2.3 five or more persons having the right to vote on the resolution; or
- 44.2.4 a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.

44.3 A demand for a poll may be withdrawn if:

- 44.3.1 the poll has not yet been taken; and
- 44.3.2 the chair of the meeting consents to the withdrawal.

45. **PROCEDURE ON A POLL**

- 45.1 Subject to the articles, polls at general meetings must be taken when, where and in such manner as the chair of the meeting directs.
- 45.2 The chair of the meeting may appoint scrutineers (who need not be shareholders) and decide how and when the result of the poll is to be declared. In particular, the chair of the meeting may adjourn the meeting to some time and by such means of attendance and participation (including such place and/or by means of such electronic facility) as the chair directs for the purpose of declaring the result of the poll.
- 45.3 The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.
- 45.4 A poll on:
  - 45.4.1 the election of the chair of the meeting; or
  - 45.4.2 a question of adjournment,must be taken immediately.
- 45.5 Other polls must be taken within 30 days of their being demanded.
- 45.6 A demand for a poll does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded.

45.7 No notice need be given of a poll not taken immediately if the time and means by which it is to be taken are announced at the meeting at which it is demanded.

45.8 In any other case, at least seven days' notice must be given specifying the time and means by which the poll is to be taken.

46. **CONTENT OF PROXY NOTICES**

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

46.1.1 states the name of the shareholder appointing the proxy;

46.1.2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;

46.1.3 is executed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may decide; and

46.1.4 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.

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

46.3 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.

46.4 Unless a proxy notice indicates otherwise, it must be treated as:

46.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting (including any proposed amendment of a resolution); and

46.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

46.5 A vote given or poll demanded by proxy or by a representative of a corporation shall be valid notwithstanding that they have not voted in accordance with any instructions given by the member by whom they are appointed. The company is not bound to check or ensure that a person appointed as a

proxy or representative of a corporation has in fact voted (or abstained from voting) in accordance with any such member's instructions.

**47. DELIVERY OF PROXY NOTICES**

- 47.1 Any notice of a general meeting must specify the address or addresses (**proxy notification address**) at which the company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.
- 47.2 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.
- 47.3 Subject to articles 47.4, 47.5 and 47.6, a proxy notice must be delivered to a proxy notification address by such time as may be specified (such time not being more than 48 hours before the general meeting or adjourned meeting at which the person named in the proxy notice proposes to vote) or if no such time is specified, not less than 48 hours before the general meeting or adjourned meeting at which the person named in the proxy notice proposes to vote.
- 47.4 In the case of a poll taken more than 48 hours after it is demanded, the proxy notice must be delivered to a proxy notification address not less than 24 hours before the time appointed for the taking of the poll.
- 47.5 In the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded the proxy notice must be delivered in accordance with article 47.3 or at the meeting at which the poll was demanded to the chair of the meeting or to the secretary or to any director.
- 47.6 In the case of a meeting rearranged under article 34, the proxy notice must be delivered to a proxy notification address not less than 48 hours before the time appointed for holding the rearranged meeting.
- 47.7 An appointment under a proxy notice may be revoked by delivering a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given to a proxy notification address.
- 47.8 A notice revoking a proxy appointment only takes effect if it is delivered before:
  - 47.8.1 the start of the meeting or adjourned meeting to which it relates; or

47.8.2 (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll to which it relates.

47.9 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.

47.10 The directors may in their discretion determine that, in calculating the periods mentioned in articles 47.3, 47.4 and 47.5, no account is to be taken of any part of a day which is not a working day.

**48. AMENDMENTS TO RESOLUTIONS**

48.1 An ordinary resolution to be proposed at a general meeting may be amended if:

- 48.1.1 notice of the proposed amendment is given to the company secretary 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 chair of the meeting may decide); and
- 48.1.2 the proposed amendment does not, in the reasonable opinion of the chair of the meeting, materially alter the scope of the resolution.

48.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

- 48.2.1 the chair of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
- 48.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

48.3 If the chair of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chair's error does not invalidate the vote on that resolution.

**RESTRICTIONS ON SHAREHOLDERS' RIGHTS (SEE ALSO ARTICLE 77)**

**49. NO VOTING OF SHARES ON WHICH MONEY OWED TO COMPANY**

No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, unless all amounts payable to the company in respect of that share have been paid.

## APPLICATION OF RULES TO CLASS MEETINGS

**50. CLASS MEETINGS**

The provisions of the articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of shares as they apply in relation to general meetings.

### PART 4

#### SHARES AND DISTRIBUTIONS

##### ISSUE OF SHARES

**51. POWERS TO ISSUE DIFFERENT CLASSES OF SHARE**

- 51.1 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, in the absence of any such determination, as the directors may determine.
- 51.2 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.
- 51.3 The rights attached to any shares are not, unless otherwise expressly provided in the terms on which such shares are issued, deemed to be varied by the creation or issue of further shares ranking *pari passu* with them.

**52. PAYMENT OF COMMISSIONS ON SUBSCRIPTION FOR SHARES**

- 52.1 The company may, to the full extent permitted by the Companies Acts, pay any person a commission in consideration for that person:
  - 52.1.1 subscribing, or agreeing to subscribe, for shares; or
  - 52.1.2 procuring, or agreeing to procure, subscriptions for shares.
- 52.2 Any such commission may be paid:
  - 52.2.1 in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other; and

52.2.2 in respect of a conditional or an absolute subscription.

### **INTERESTS IN SHARES**

**53. COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

- 53.1 Except as required by law or as otherwise provided by the articles, no person shall be recognised by the company as having any equitable, contingent, future or partial interest in any share, and except as otherwise required by law or the articles, the company shall not in any way be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.
- 53.2 The company may (but is not obliged to) recognise, in such manner and to such extent as it thinks fit, any trust, expressed, implied or constructive, in respect of a share.
- 53.3 Where the company recognises a trust, it will not be bound to see to the execution, administration or observance of the trust, and will be entitled to recognise and give effect to the acts and deeds of the holder as if they were the absolute owner of the share.
- 53.4 In articles 53.2 and 53.3, a "trust" includes any right in respect of a share other than an absolute right in the holder or any right of a transmittree under the articles.

### **SHARE CERTIFICATES**

**54. CERTIFICATES TO BE ISSUED EXCEPT IN CERTAIN CASES**

- 54.1 The company must issue each shareholder with one or more certificates in respect of the shares which that shareholder holds.
- 54.2 This article does not apply to:
  - uncertificated shares; or
  - 54.2.1 shares in respect of which the Companies Acts permit the company not to issue a certificate.
- 54.3 Except as otherwise specified in the articles, all certificates must be issued free of charge.
- 54.4 No certificate may be issued in respect of shares of more than one class.
- 54.5 If more than one person holds a share, only one certificate may be issued in respect of it.

**55. CONTENTS AND EXECUTION OF SHARE CERTIFICATES**

55.1 Every certificate must specify:

- 55.1.1 in respect of how many shares, of what class, it is issued;
- 55.1.2 the nominal value of those shares;
- 55.1.3 the amount paid up on them; and
- 55.1.4 any distinguishing numbers assigned to them.

55.2 Certificates must:

- 55.2.1 have affixed to them the company's common seal or an official seal which is a facsimile of the company's common seal with the addition on its face of the word "Securities" (a **securities seal**); or
- 55.2.2 be otherwise executed or subscribed in accordance with the Requirements of Writing (Scotland) Act 1995.

**56. CONSOLIDATED SHARE CERTIFICATES**

56.1 When a shareholder's holding of shares of a particular class increases, the company may issue that shareholder with:

- 56.1.1 a single, consolidated certificate in respect of all the shares of a particular class which that shareholder holds; or
- 56.1.2 a separate certificate in respect of only those shares by which that shareholder's holding has increased.

56.2 When a shareholder's holding of shares of a particular class is reduced, the company must ensure that the shareholder is issued with one or more certificates in respect of the number of shares held by the shareholder after that reduction. But the company need not (in the absence of a request from the shareholder) issue any new certificate if:

- 56.2.1 all the shares which the shareholder no longer holds as a result of the reduction; and
- 56.2.2 none of the shares which the shareholder retains following the reduction,

were, immediately before the reduction, represented by the same certificate.

- 56.3 A shareholder may request the company, in writing, to replace:
  - 56.3.1 the shareholder's separate certificates with a consolidated certificate; or
  - 56.3.2 the shareholder's consolidated certificate with two or more separate certificates representing such proportion of the shares as they may specify.
- 56.4 When the company complies with such a request, it may charge such reasonable fee as the directors may decide for doing so.
- 56.5 A consolidated certificate must not be issued unless any certificates which it is to replace have first been returned to the company for cancellation.

## 57. **REPLACEMENT SHARE CERTIFICATES**

- 57.1 If a certificate issued in respect of a shareholder's shares is:
  - 57.1.1 damaged or defaced; or
  - 57.1.2 said to be lost, stolen or destroyed,that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- 57.2 A shareholder exercising the right to be issued with such a replacement certificate:
  - 57.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
  - 57.2.2 must return the certificate which is to be replaced to the company if it is damaged or defaced; and
  - 57.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

## SHARES NOT HELD IN CERTIFICATED FORM

### 58. UNCERTIFICATED SHARES

58.1 In this article, the **relevant rules** means:

- 58.1.1 any applicable provision of the Companies Acts about the holding, evidencing of title to, or transfer of shares other than in certificated form; and
- 58.1.2 any applicable legislation, rules or other arrangements made under or by virtue of such provision.

58.2 The provisions of this article 58 have effect subject to the relevant rules.

58.3 Any provision of the articles which is inconsistent with the relevant rules must be disregarded, to the extent that it is inconsistent, whenever the relevant rules apply.

58.4 Any share or class of shares of the company may be issued or held on such terms, or in a such a way, that:

- 58.4.1 title to it or them is not, or must not be, evidenced by a certificate; or
- 58.4.2 it or they may or must be transferred wholly or partly without a certificate.

58.5 The directors have power to take such steps as they think fit in relation to:

- 58.5.1 the evidencing of and transfer of title to uncertificated shares (including in connection with the issue of such shares);
- 58.5.2 any records relating to the holding of uncertificated shares;
- 58.5.3 the conversion of certificated shares into uncertificated shares; or
- 58.5.4 the conversion of uncertificated shares into certificated shares.

58.6 The company may by notice to the holder of a share require that share:

- 58.6.1 if it is uncertificated, to be converted into certificated form; and
- 58.6.2 if it is certificated, to be converted into uncertificated form,

to enable it to be dealt with in accordance with the articles.

58.7 If:

58.7.1 the articles give the directors power to take action, or require other persons to take action, in order to sell, transfer or otherwise dispose of shares; and

58.7.2 uncertificated shares are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument,

the directors may take such action as is necessary or expedient to achieve the same results when exercising that power in relation to uncertificated shares.

58.8 In particular, the directors may take such action as they consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it.

58.9 Unless the directors otherwise determine, shares which a shareholder holds in uncertificated form must be treated as separate holdings from any shares which that shareholder holds in certificated form.

58.10 A class of shares must not be treated as two classes simply because some shares of that class are held in certificated form and others are held in uncertificated form.

### **PARTLY PAID SHARES**

**59. COMPANY'S LIEN OVER PARTLY PAID SHARES**

59.1 The company has a lien (the **company's lien**) over every share which is partly paid for any part of:

59.1.1 that share's nominal value; and

59.1.2 any premium at which it was issued,

which has not been paid to the company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it.

59.2 The company's lien over a share:

59.2.1 takes priority over any third party's interest in that share; and

59.2.2 extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.

59.3 The directors may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part.

**60. ENFORCEMENT OF THE COMPANY'S LIEN**

60.1 Subject to the provisions of this article 60 , if:

60.1.1 a lien enforcement notice has been given in respect of a share; and

60.1.2 the person to whom the notice was given has failed to comply with it,

the company may sell that share in such manner as the directors decide.

60.2 A lien enforcement notice:

60.2.1 may only be given in respect of a share which is subject to the company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;

60.2.2 must specify the share concerned;

60.2.3 must require payment of the sum payable within 14 days of the notice;

60.2.4 must be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and

60.2.5 must state the company's intention to sell the share if the notice is not complied with.

60.3 Where shares are sold under this article 60:

60.3.1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and

60.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

60.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:

60.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice;

60.4.2 second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice.

60.5 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been sold to satisfy the company's lien on a specified date:

60.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and

60.5.2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

## 61. CALL NOTICES

61.1 Subject to the articles and the terms on which shares are allotted, the directors may send a notice (a **call notice**) to a shareholder requiring the shareholder to pay the company a specified sum of money (a **call**) which is payable in respect of shares which that shareholder holds at the date when the directors decide to send the call notice.

61.2 A call notice:

61.2.1 may not require a shareholder to pay a call which exceeds the total sum unpaid on that shareholder's shares (whether as to the share's nominal value or any amount payable to the company by way of premium);

61.2.2 must state when and how any call to which it relates is to be paid; and

61.2.3 may permit or require the call to be paid by instalments.

61.3 A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 days have passed since the notice was sent.

61.4 Before the company has received any call due under a call notice the directors may:

61.4.1 revoke it wholly or in part; or

61.4.2 specify a later time for payment than is specified in the notice,

by a further notice in writing to the shareholder in respect of whose shares the call is made.

## 62. **LIABILITY TO PAY CALLS**

62.1 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.

62.2 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.

62.3 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them:

62.3.1 to pay calls which are not the same; or

62.3.2 to pay calls at different times.

## 63. **WHEN CALL NOTICE NEED NOT BE ISSUED**

63.1 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the company in respect of that share (whether in respect of nominal value or premium):

63.1.1 on allotment;

63.1.2 on the occurrence of a particular event; or

63.1.3 on a date fixed by or in accordance with the terms of issue.

63.2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

**64. FAILURE TO COMPLY WITH CALL NOTICE: AUTOMATIC CONSEQUENCES**

64.1 If a person is liable to pay a call and fails to do so by the call payment date:

64.1.1 the directors may issue a notice of intended forfeiture to that person; and

64.1.2 until the call is paid, that person must pay the company interest on the call from the call payment date at the relevant rate.

64.2 For the purposes of this article:

64.2.1 the **call payment date** is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the **call payment date** is that later date;

64.2.2 the **relevant rate** is:

- (a) the rate fixed by the terms on which the share in respect of which the call is due was allotted;
- (b) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
- (c) if no rate is fixed in either of these ways, 5 per cent per annum.

64.3 The relevant rate must not exceed 20 per centum per annum.

64.4 The directors may waive any obligation to pay interest on a call wholly or in part.

**65. NOTICE OF INTENDED FORFEITURE**

A notice of intended forfeiture:

65.1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;

65.2 must be sent to the holder of that share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;

- 65.3 must require payment of the call and any accrued interest by a date which is not less than 14 days after the date of the notice;
- 65.4 must state how the payment is to be made; and
- 65.5 must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

**66. DIRECTORS' POWER TO FORFEIT SHARES**

If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

**67. EFFECT OF FORFEITURE**

- 67.1 Subject to the articles, the forfeiture of a share extinguishes:
  - 67.1.1 all interests in that share, and all claims and demands against the company in respect of it; and
  - 67.1.2 all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company.
- 67.2 Any share which is forfeited in accordance with the articles:
  - 67.2.1 is deemed to have been forfeited when the directors decide that it is forfeited;
  - 67.2.2 is deemed to be the property of the company; and
  - 67.2.3 may be sold, re-allotted or otherwise disposed of as the directors think fit.
- 67.3 If a person's shares have been forfeited:
  - 67.3.1 the company must send that person notice that forfeiture has occurred and record it in the register of members;
  - 67.3.2 that person ceases to be a shareholder in respect of those shares;

- 67.3.3 that person must surrender the certificate for the shares forfeited to the company for cancellation;
- 67.3.4 that person remains liable to the company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and
- 67.3.5 the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

67.4 At any time before the company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.

**68. PROCEDURE FOLLOWING FORFEITURE**

- 68.1 If a forfeited share is to be disposed of by being transferred, the company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.
- 68.2 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date:
  - 68.2.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
  - 68.2.2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.
- 68.3 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.

**69. SURRENDER OF SHARES**

69.1 A shareholder may surrender any share:

- 69.1.1 in respect of which the directors may issue a notice of intended forfeiture;
- 69.1.2 which the directors may forfeit; or
- 69.1.3 which has been forfeited.

69.2 The directors may accept the surrender of any such share.

69.3 The effect of surrender on a share is the same as the effect of forfeiture on that share.

69.4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

#### **TRANSFER AND TRANSMISSION OF SHARES**

**70. TRANSFERS OF CERTIFICATED SHARES**

70.1 Certificated shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of:

- 70.1.1 the transferor; and
- 70.1.2 (if any of the shares is partly paid) the transferee.

70.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

70.3 The company may retain any instrument of transfer which is registered.

70.4 The transferor remains the holder of a certificated share until the transferee's name is entered in the register of members as holder of it.

70.5 The directors may refuse to register the transfer of a certificated share if:

- 70.5.1 the share is not fully paid;
- 70.5.2 the transfer is not lodged at the company's registered office or such other place as the directors have appointed;
- 70.5.3 the transfer is not duly stamped or adjudged or certified as not chargeable to stamp duty;

- 70.5.4 the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;
- 70.5.5 the transfer is in respect of more than one class of share; or
- 70.5.6 the transfer is in favour of more than four transferees.

70.6 If the directors refuse to register the transfer of a share, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

**71. TRANSFER OF UNCERTIFICATED SHARES**

A transfer of an uncertificated share must not be registered if it is in favour of more than four transferees.

**72. TRANSMISSION OF SHARES**

- 72.1 If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- 72.2 Nothing in the articles releases the estate of a deceased shareholder from any liability in respect of a share solely or jointly held by that shareholder.

**73. TRANSMITTEES' RIGHTS**

- 73.1 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:
  - 73.1.1 may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person; and
  - 73.1.2 subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

73.2 But transmittees do not have the right to attend or vote at a general meeting in respect of shares to which they are entitled by reason of the holder's death or bankruptcy unless they become the holders of those shares.

**74. EXERCISE OF TRANSMITTEES' RIGHTS**

74.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.

74.2 If the share is a certificated share and a transmittee wishes to have it transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

74.3 If the share is an uncertificated share and the transmittee wishes to have it transferred to another person, the transmittee must:

74.3.1 procure that all appropriate instructions are given to effect the transfer; or

74.3.2 procure that the uncertificated share is changed into certificated form and then execute an instrument of transfer in respect of it.

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

**75. 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.

## UNTRACED SHAREHOLDERS

### 76. DIRECTORS' POWER TO SELL SHARES

76.1 The company may sell any certificated shares in the company on behalf of the holder of, or transmittee entitled to if:

- 76.1.1 the shares have been in issue either as certificated shares or uncertificated shares throughout the qualifying period and at least three cash dividends have become payable on the shares during the qualifying period;
- 76.1.2 no cash dividend payable on the shares has either been claimed by presentation to the paying bank of the relevant cheque or warrant or similar financial instrument or been satisfied by the transfer of funds to a bank account designated by the holder of, or transmittee entitled to, the shares or by the transfer of funds by means of a system operated pursuant to the relevant rules (as defined in article 58.1) at any time during the relevant period;
- 76.1.3 the company has made reasonable enquiries to establish the address of the holder or person entitled;
- 76.1.4 the company has sent a sale notice (a **sale notice**) to the last known address of the holder or person entitled stating its intention to sell the shares; and
- 76.1.5 a period of three months has elapsed from the date on which the sale notice is deemed to have been received by the holder or person entitled and the company has received no indication either of the whereabouts or of the existence of such holder or person.

76.2 For the purpose of this article:

**the qualifying period** means the period of twelve years immediately preceding the date on which the sale notice referred to in article 76.1.4 is deemed to have been received by the member or person entitled; and

**the relevant period** means the period beginning at the commencement of the qualifying period and ending on the date when all the requirements of articles 76.1.1 to 76.1.5 have been satisfied.

If during any relevant period further shares have been issued in right of those held at the beginning of that relevant period or of any previously so issued during that relevant period and all the requirements

of articles 76.1.2 to 76.1.5 above have been satisfied in regard to the further shares, the company may also sell the further shares.

- 76.3 To give effect to any sale of shares pursuant to this article 76 the directors may authorise some person to transfer the shares and an instrument of transfer executed by that person will be as effective as if it had been executed by the holder of, or transmittee entitled to, the shares.
- 76.4 The purchaser of shares shall not be bound to see to the application of the purchase money nor shall the purchaser's title to the shares be affected by any irregularity or invalidity in the process relating to the sale.
- 76.5 The net proceeds of sale belong to the company. The company shall not be obliged to account to the former holder of, or transmittee entitled to, the shares for an amount equal to the net proceeds. The company shall be entitled to use the proceeds in any way which the directors from time to time think fit.

#### **DISCLOSURE OF INTERESTS IN SHARES**

#### **77. SUSPENSION OF RIGHTS WHERE NON-DISCLOSURE OF INTEREST**

- 77.1 Where the holder of any shares, or any other person appearing to be interested in those shares:
  - 77.1.1 fails to comply within the relevant period with any statutory notice in respect of those shares; or
  - 77.1.2 in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular,

the company may give the holder of those shares a further notice (a **restriction notice**) to the effect that from the service of the restriction notice those shares will be subject to some or all of the relevant restrictions, and from service of the restriction notice those shares are, notwithstanding any other provision of the articles, subject to those relevant restrictions.
- 77.2 If, after the service of a restriction notice in respect of any shares, the directors are satisfied that all information required by any statutory notice relating to those shares or any of them from their holder or any other person appearing to be interested in them has been supplied, the company must, within seven days, cancel the restriction notice.
- 77.3 The company may at any time, at its discretion, cancel any restriction notice or exclude any share from it.

77.4 A restriction notice automatically ceases to have effect in respect of any shares transferred where the transfer is pursuant to an arm's length sale of those shares.

77.5 Where any restriction notice is cancelled or ceases to have effect in relation to any shares, any money relating to those shares which was withheld by reason of that notice must be paid, without interest, to the person who would but for the notice have been entitled to it or as they may direct.

77.6 Any new shares issued in right of any shares subject to a restriction notice are also subject to the restriction notice, and the directors may make any right to an allotment of the new shares subject to restrictions corresponding to those which apply to those shares by reason of the restriction notice when such shares are issued. Any relevant restrictions applying to, or to a right to, new shares by virtue of this article 77.6 must cease to have effect when the relevant restrictions applying to the shares subject to a restriction notice cease to have effect.

77.7 Any holder of shares on whom a restriction notice has been served may at any time request the company to give in writing the reason why the restriction notice has been served, or why it remains uncancelled, and within 14 days of receipt of such a notice the company must give that information.

77.8 If a statutory notice is given to a person appearing to be interested in any share, a copy must at the same time be given to the holder, but the failure or omission to do so, or the non-receipt of the copy by the holder, does not invalidate such notice.

77.9 This article 77 is in addition to, and does not in any way prejudice or affect, the statutory rights of the company arising from any failure by any person to give any information required by a statutory notice within the time specified in it. For the purpose of this article a statutory notice need not specify the relevant period, and may require any information to be given before the expiry of the relevant period.

77.10 In this article 77:

77.10.1 a sale is an **arm's length sale** if the directors are satisfied that it is a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with the holder or with any person appearing to be interested in such shares. It includes a sale made by way of or in pursuance of acceptance of a takeover offer and a sale made through the London Stock Exchange or any other stock exchange outside the United Kingdom on which the company's shares are normally traded. For this purpose an associate (within the definition of that expression in section 435 of the Insolvency Act 1986) is included among the persons who are connected with the holder or any person appearing to be interested in such shares;

77.10.2 **person appearing to be interested** in any shares means any person named in a response to a statutory notice or otherwise notified to the company by a shareholder as being so interested or shown in any register or record kept by the company under the Companies Acts as so interested or, taking into account a response or failure to respond in the light of the response to any other statutory notice and any other relevant information in the possession of the company, any person whom the company knows or has reasonable cause to believe is or may be so interested, and **interested** shall be construed as it is for the purposes of Part 22 of the Companies Act 2006;

77.10.3 **person with a 0.25 per cent interest** means a person who holds, or is shown in any register or record kept by the company under the Companies Acts as having an interest in, shares which comprise in total at least 0.25 per cent in number or nominal value of the shares of the company (calculated exclusive of any shares held as treasury shares), or of any class of such shares (calculated exclusive of any shares of that class held as treasury shares), in issue at the date of service of the statutory notice or the restriction notice (as the case may be);

77.10.4 **relevant period** means 14 days;

77.10.5 **relevant restrictions** means in the case of a restriction notice served on a person with a 0.25 per cent interest that:

- (a) the shares do not confer on the holder any right to attend or vote either personally or by proxy at any general meeting of the company or at any separate general meeting of the holders of any class of shares in the company or to exercise any other right conferred by membership in relation to general meetings;
- (b) the directors may withhold payment of all or any part of any dividends or other money payable in respect of the shares and the holder is not entitled to receive shares in lieu of dividend; and
- (c) the directors may decline to register a transfer of the shares or any of them which are certificated shares, unless such a transfer is pursuant to an arm's length sale or unless the holder of the shares has not failed to comply with the relevant statutory notice or proves to the satisfaction of the directors that no person who has failed to comply is interested in any of the shares the subject of the transfer,

and in any other case means only the restriction specified in sub-paragraph (a) of this definition;  
and

77.10.6 **statutory notice** means a notice served by the company under the Companies Acts requiring particulars of interests in shares or of the identity of persons interested in shares.

#### **ALTERATION OF SHARE CAPITAL**

#### **78. PROCEDURE FOR DISPOSING OF FRACTIONS OF SHARES ON CONSOLIDATION**

78.1 This article applies where:

78.1.1 there has been a consolidation or division of shares; and

78.1.2 as a result, shareholders are entitled to fractions of shares.

78.2 The directors may:

78.2.1 sell the shares representing the fractions to any person including the company for the best price reasonably obtainable;

78.2.2 in the case of a certificated share, authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and

78.2.3 distribute the net proceeds of sale in due proportion among the holders of the shares.

78.3 Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that holder's portion may be distributed to an organisation which is a charity for the purposes of the law of Scotland, England and Wales or Northern Ireland.

78.4 The person to whom the shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.

78.5 The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale.

## DISTRIBUTIONS

### 79. PROCEDURE FOR DECLARING DIVIDENDS

- 79.1 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 79.2 A dividend must not be declared by ordinary resolution unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 79.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 79.4 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 to declare or decision to pay it.
- 79.5 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.
- 79.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 79.7 If the directors act in good faith they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

### 80. CALCULATION OF DIVIDENDS

- 80.1 Except as otherwise provided by the articles, the rights attached to shares or the terms of issue thereof, all dividends must be:
  - 80.1.1 declared and paid according to the amounts paid up on the shares on which the dividend is paid; and
  - 80.1.2 apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

80.2 If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.

80.3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

**81. METHODS OF PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

81.1 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:

81.1.1 transfer to a bank or building society account by electronic means or by any other means to an account (of a type approved by the directors) specified by the distribution recipient in writing or by such other means as the directors decide;

81.1.2 in respect of an uncertificated share, by means of the relevant system (subject to the facilities and requirements of the relevant system); or

81.1.3 sending a cheque or any similar financial instrument made payable to the distribution recipient or to the order of the holder by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient in writing or by such other means as the directors decide;

81.1.4 sending a cheque or any similar financial instrument made payable to such person by post to such person at such address as the distribution recipient has specified in writing or by such other means as the directors decide;

81.1.5 any other means of payment (including by the allotment or transfer of further shares in accordance with the articles) as the directors agree with the distribution recipient in writing or by such other means as the directors decide; or

81.1.6 by such other means as the directors in their absolute discretion consider appropriate,

81.2 The directors may apply different methods of payment to different holders or groups of holders.

81.3 If the directors decide in accordance with the articles that more than one payment of a dividend or other sum which is a distribution payable in respect of a share may be used to pay the distribution recipient, the company may notify the relevant holders:

81.3.1 of the methods of payment decided by the directors; and

81.3.2 that the holders may nominate one of these methods of payment in writing or in such other manner as the directors may decide;

and if any holder does not nominate a method of payment pursuant to article 81.3.2, the dividend or other distribution may be paid by such method as the directors may decide.

81.4 If the directors decide in accordance with article 81.1 that only one method of payment of a dividend or distribution in respect of a share may be used to pay any distribution recipient, the company may notify the distribution recipients accordingly.

81.5 In the articles, the **distribution recipient** means, in respect of a share in respect of which a dividend or other sum is payable:

81.5.1 the holder of the share; or

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

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

81.6 Payment of a cheque or any similar financial instrument by the bank on which it was drawn, or the transfer of funds by the bank instructed to make the transfer, or the payment by electronic means or by any other means approved by the directors directly to an account (of a type approved by the directors), or in respect of an uncertificated share, the making of payment in accordance with the facilities and requirements of the relevant system (which, if the relevant system is CREST, may include the sending by the company or by any person on its behalf of an instruction to the operator of the relevant system to credit the cash memorandum account of the distribution recipient or, if permitted by the company, of such person as the holder or joint holders may in writing direct) shall be a good discharge to the company.

81.7 Any cheque or similar financial instrument sent, or transfer of funds or payment made, in accordance with these articles shall be at the 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 pursuant to article 81.1.

- 81.8 If the directors elect to make payments by transfer to a bank or building society specified by a distribution recipient, but no such account is nominated by the distribution recipient, or a transfer into a specified account is rejected or refunded, the company may credit the amount payable to an account of the company to be held until the distribution recipient specifies a valid account.
- 81.9 An amount credited to an account under article 81.8 is to be treated as having been paid to the distribution recipient entitled to it at the time it is credited to that account. The company will not be a trustee of any such monies and no interest will accrue on such monies.
- 81.10 The company will not pay interest on any dividend or other money due to a distribution recipient in respect of a share, unless the rights attaching to any such share provide otherwise.

**82. DEDUCTIONS FROM DISTRIBUTIONS IN RESPECT OF SUMS OWED TO THE COMPANY**

- 82.1 If:
  - 82.1.1 a share is subject to the company's lien; and
  - 82.1.2 the directors are entitled to issue a lien enforcement notice in respect of it, they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the company in respect of that share to the extent that they are entitled to require payment under a lien enforcement notice.
- 82.2 Money so deducted must be used to pay any of the sums payable in respect of that share.
- 82.3 The company must notify the distribution recipient in writing of:
  - 82.3.1 the fact and amount of any such deduction;
  - 82.3.2 any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction; and
  - 82.3.3 how the money deducted has been applied.

**83. NO INTEREST ON DISTRIBUTIONS**

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

- 86.1 the terms on which the share was issued; or
- 86.2 the provisions of another agreement between the holder of that share and the company.

**84. UNCLAIMED DISTRIBUTIONS**

84.1 All dividends or other sums which are:

- 84.1.1 payable in respect of shares; and
- 84.1.2 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.

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

84.3 If:

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

84.3.2 the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

84.4 The company may cease to send any cheque or any similar financial instrument for a dividend in respect of a share which is normally paid in that way if, in respect of three consecutive dividends payable on that share, the cheque or any similar financial instrument has been returned undelivered or remains uncashed. The entitlement conferred on the company by this article in respect of any distribution recipient shall cease if the distribution recipient claims a dividend or cashes a cheque or similar financial instrument.

**85. NON-CASH DISTRIBUTIONS**

- 85.1 Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).
- 85.2 If the shares in respect of which such a non-cash distribution is paid are uncertificated, any shares in the company which are issued as a non-cash distribution in respect of them must be uncertificated.
- 85.3 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:
  - 85.3.1 fixing the value of any assets;
  - 85.3.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
  - 85.3.3 vesting any assets in trustees.

**86. WAIVER OF DISTRIBUTIONS**

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

- 86.1 the share has more than one holder; or
- 86.2 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 executed, by all the holders or persons otherwise entitled to the share.

**87. SCRIP DIVIDENDS**

The directors may, if authorised by an ordinary resolution, offer any holders of shares (excluding any shareholder holding shares as treasury shares) the right to elect to receive shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the directors) of any dividend specified by the ordinary resolution, and any such offer may be made subject to the condition that any

required authorisation by an ordinary resolution of the company is passed before the relevant ordinary shares are allotted if such authorisation has not been obtained by the date of such offer. The following provisions apply:

- 87.1 an ordinary resolution may specify some or all of a particular dividend (whether or not already declared) or may specify some or all of any dividends declared or paid within a specified period, but that period may not end later than the third anniversary of the date of the meeting at which the ordinary resolution is passed;
- 87.2 the entitlement of each holder of shares to new shares must be such that the relevant value of the entitlement is as nearly as possibly equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder elects to forego;
- 87.3 for this purpose **relevant value** is calculated by reference to the average of the middle market quotations for the shares on the London Stock Exchange, as derived from the Daily Official List, on the day on which the shares are first quoted "ex" the relevant dividend and the four subsequent dealing days, or in such other manner as may be determined by or in accordance with the ordinary resolution;
- 87.4 a certificate or report by the auditors as to the amount of the relevant value in respect of any dividend is conclusive evidence of that amount, and in giving such a certificate or report the auditors may rely on advice or information from brokers or other sources of information as they think fit;
- 87.5 no fraction of any share may be allotted. The directors may make such provisions as they think fit for any fractional entitlements, including, without limitation, provisions:
  - 87.5.1 whereby, in whole or in part, the benefit thereof accrues to the company;
  - 87.5.2 under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any shareholder and such accruals or retentions are applied to the allotment by way of bonus to, or cash subscription on behalf of, such shareholder of fully paid shares; or
  - 87.5.3 whereby cash payments may be made to shareholders in respect of their fractional entitlements;

- 87.6 the directors, as soon as practicable after announcing that any dividend is to be declared or recommended, if they intend to offer an election in respect of any dividend, must give notice to the holders of shares of the right of election offered to them, and specify the procedure to be followed and the place at which, and the latest time by which, elections must be lodged in order for elections to be effective (which time may be before, on or after the date on which any authorisation under this article 87 is passed);
- 87.7 no such notice need be given to holders of shares who have previously given election mandates in accordance with this article 87 and whose mandates have not been revoked;
- 87.8 the accidental omission to give notice of any right of election to, or the non-receipt of any such notice by, any holder of shares entitled to the same neither invalidates any offer of an election nor gives rise to any claim, suit or action;
- 87.9 the directors must not proceed with any election unless the company has sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined;
- 87.10 the directors may exclude from any offer or make other arrangement in relation to any holders of shares where the directors believe that such exclusion or arrangement is necessary or expedient in relation to legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory, or the directors believe that for any other reason the offer should not be made to them;
- 87.11 the dividend (or that part of the dividend in respect of which a right of election has been offered) is not payable on shares in respect of which an election has been made (for the purposes of this article the **elected shares**) and instead new shares must be allotted to the holders of the elected shares on the basis of allotment calculated as stated. For such purposes the directors must:
  - 87.11.1 capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution as the directors may determine, a sum equal to the aggregate nominal amount of the new shares to be allotted on that basis; and
  - 87.11.2 apply it in paying up in full the appropriate number of unissued shares for allotment and distribution to the holders of the elected shares on that basis;

87.12 if:

87.12.1 the directors specify a latest time for lodging elections in respect of a final dividend which is after the time at which that dividend is declared (the **time of declaration**); and

87.12.2 in accordance with this procedure, a holder lodges an election to receive new shares instead of some or all of their cash dividend after the time of declaration,

no liability on the company to pay a liquidated sum equal to the cash dividend which the holder would have received but for the election is treated as having arisen at the time of declaration. Accordingly, the new shares allotted in satisfaction of the election are treated as allotted for a consideration other than cash.

87.13 the new shares, when allotted, rank pari passu in all respects with the fully-paid shares then in issue except that they are not entitled to participation in the relevant dividend;

87.14 unless the directors otherwise decide, or unless the relevant rules (as defined in article 58.1) otherwise require, the new shares which a holder has elected to receive instead of cash in respect of the whole (or some part) of the specified dividend declared or paid in respect of the elected shares must be in uncertificated form in respect of the holder's elected shares which were uncertificated shares on the date of the holder's election) and in certificated form (in respect of the holder's elected shares which were in certificated shares on the date of the holder's election);

87.15 the directors may also from time to time establish or vary a procedure for election mandates, under which a holder of shares may elect in respect of future rights of election offered to that holder under this article 87 until the election mandate is revoked in accordance with the procedure;

87.16 the directors may decide how any costs relating to making new shares available in place of a cash dividend will be met, including deciding to deduct an amount from the entitlement of a holder under this article; and

87.17 at any time before new shares are allotted instead of cash in respect of any part of a dividend, the directors may decide that such new shares will not be allotted. Any such decision may be made before or after any election has been made by holders in respect of the relevant dividend.

**CAPITALISATION OF PROFITS****88. AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS**

88.1 Subject to the articles, the directors may, if they are so authorised by an ordinary resolution:

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

88.1.2 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.

88.2 Capitalised sums must be applied:

88.2.1 on behalf of the persons entitled; and

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

88.3 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.

88.4 A capitalised sum which was appropriated from profits available for distribution may be applied:

88.4.1 in or towards paying up any amounts unpaid on existing shares held by the persons entitled; or

88.4.2 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.

88.5 Subject to the articles, the directors may:

88.5.1 apply capitalised sums in accordance with articles 88.3 and 88.4 partly in one way and partly in another;

- 88.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article 88 (including the issuing of fractional certificates or the making of cash payments);
- 88.5.3 unless the relevant resolution provides otherwise, treat the company as if it were entitled to receive dividends in respect of any treasury shares (of the relevant class at the record date specified in the relevant resolution) as if those treasury shares had been held by a person other than the company; and
- 88.5.4 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 88.

## **PART 5**

### **MISCELLANEOUS PROVISIONS**

#### **COMMUNICATIONS**

##### **89. MEANS OF COMMUNICATION TO BE USED**

- 89.1 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.
- 89.2 Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 89.3 A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.
- 89.4 Without prejudice to any other means of communication, the company may send or supply any document or information that is required or authorised to be sent or supplied by the company:
  - 89.4.1 by a provision of the Companies Acts;
  - 89.4.2 pursuant to the articles; or

89.4.3 pursuant to any other rules or regulations to which the company may be subject, by making it available on a website (and in particular may make it available on a website to shareholders who do not elect to receive it in electronic form or hard copy form).

The provisions of the Companies Act 2006 which apply when documents sent under the Companies Acts are made available on a website shall also apply, with any necessary changes, when any document or information is sent or supplied under the articles or any other rules or regulations to which the company may be subject by making it available on a website.

89.5 In its application to the company, section 1147(2) of the Companies Act 2006 (deemed receipt of documents or information sent by post) has effect (except where second-class mail is employed) as if "24 hours" were substituted for "48 hours".

**90. ADDRESSES AND OTHER CONTACT DETAILS**

90.1 Anything sent to a shareholder under the articles may be sent to that shareholder's address as registered in the register of members, unless:

90.1.1 the shareholder and the company have agreed that another means of communication is to be used; and

90.1.2 the shareholder has supplied the company with the information it needs in order to be able to use that other means of communication.

90.2 Any notice or document sent to a director may be sent to that director's address as registered in the register of directors, unless:

90.2.1 the director and the company have agreed that another means of communication is to be used; and

90.2.2 the director has supplied the company with the information it needs in order to be able to use that other means of communication.

90.3 Nothing in articles 90.1 and 90.2 restricts the sending of a notice or document to any other address to which any provision of the Companies Acts authorises the notice or document to be sent or supplied.

90.4 A shareholder (meaning, for this purpose, in the case of joint holders, the person first named in the register of members) whose address on the register of members is outside the United Kingdom may give the company a United Kingdom address where notices or documents may be sent, or an address to

which notices and documents may be sent in electronic form. If the holder does so, they are entitled to have notices or documents sent to that address. Otherwise, they are not entitled to receive any notices and documents from the company.

#### **91. FAILURE TO NOTIFY CONTACT DETAILS**

91.1 If:

91.1.1 the company sends two consecutive documents to a shareholder over a period of at least twelve months; and

91.1.2 each of those documents is returned undelivered, or the company receives notification that it has not been delivered,

that shareholder ceases to be entitled to receive notices from the company.

91.2 A shareholder who has ceased to be entitled to receive notices from the company shall become entitled to receive such notices again by sending the company:

91.2.1 a new address to be recorded in the register of members; or

91.2.2 if the shareholder has agreed that the company should use a means of communication other than sending things to such an address, the information that the company needs to use that means of communication effectively.

### **ADMINISTRATIVE ARRANGEMENTS**

#### **92. COMPANY SEALS**

92.1 Any common seal may only be used by the authority of the directors.

92.2 The directors may decide by what means and in what form any common seal or securities seal is to be used.

92.3 Without prejudice to article 92.8, if the company has a common seal the directors may determine who shall attest any document to which it is affixed and, unless otherwise so determined, it must be subscribed by two directors of the company, by a director and the company secretary, or by two authorised persons.

92.4 For the purposes of this article, an authorised person is any person authorised by the directors for the purpose of executing documents to which the common seal is applied.

92.5 If the company has an official seal for use abroad, it may only be affixed to a document if its use on that document, or documents of a class to which it belongs, has been authorised by a decision of the directors.

92.6 If the company has a securities seal, it may only be affixed to securities by the company secretary or a person authorised to apply it to securities by the company secretary. Securities which have the securities seal affixed to them do not need to be executed.

92.7 For the purposes of the articles, references to the securities seal being affixed to any document include the reproduction of the image of that seal on or in a document by any mechanical or electronic means which has been approved by the directors in relation to that document or documents of a class to which it belongs.

92.8 If the directors think fit, they may decide, in relation to specific documents, or documents belonging to a specific class, to which the common seal is affixed, that the attestations referred to in article 92.3, or either of them:

- 92.8.1 may be a copy or representation of such attestation made or produced by any mechanical or electronic means or in any other way the directors approve; or
- 92.8.2 may be dispensed with.

**93. DESTRUCTION OF DOCUMENTS**

93.1 The company is entitled to destroy:

- 93.1.1 all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entries are made in the register of members, from six or more years after the date of registration;
- 93.1.2 all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address, from two years after they have been recorded;
- 93.1.3 all share certificates which have been cancelled from one year after the date of the cancellation;

- 93.1.4 all paid dividend warrants and cheques from one year after the date of actual payment; and
- 93.1.5 all proxy notices from one year after the end of the meeting to which the proxy notice relates.
- 93.2 If the company destroys a document in good faith, in accordance with the articles, and without notice of any claim to which that document may be relevant, it is conclusively presumed in favour of the company that:
  - 93.2.1 entries in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed were duly and properly made;
  - 93.2.2 any instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
  - 93.2.3 any share certificate so destroyed was a valid and effective certificate duly and properly cancelled; and
  - 93.2.4 any other document so destroyed was a valid and effective document in accordance with its recorded particulars in the books or records of the company.
- 93.3 This article 93 does not impose on the company any liability which it would not otherwise have if it destroys any document before the time at which this article permits it to do so.
- 93.4 In this article 93, references to the destruction of any document include a reference to its being disposed of in any manner.

94. **NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

Except as provided by law or authorised by the directors or ordered by a court of competent jurisdiction, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder.

95. **PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS**

The directors may make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

**96. AUTHENTICATION OF CERTIFICATES FOR DEBENTURES**

Certificates for bonds or other debentures issued by the company may be executed:

- 96.1 in the same manner as share certificates;
- 96.2 in such manner as may be prescribed by the terms and conditions relating to such bonds or other debentures; or
- 96.3 (except to the extent that such terms and conditions otherwise provide) in such manner as the directors may decide, either generally or in any particular case or cases.

The terms and conditions may provide, or the directors may decide, that any attestation on such certificates on behalf of the company may be a copy or representation of an autographic attestation made or produced by any mechanical or electronic means or in any other way the directors approve.

**DIRECTORS' INDEMNITY AND INSURANCE**

**97. INDEMNITY**

- 97.1 Subject to the provisions of the Companies Act 2006, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every director or other officer of the company (other than any person (whether an officer or not) engaged by the company as auditor) shall be indemnified out of the assets of the company against:

97.1.1 any liability incurred by such person for negligence, default, breach of duty or breach of trust in relation to the affairs of the company;

97.1.2 any liability incurred by such person in connection with the company's activities as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006); or

97.1.3 any other liability incurred by such person in relation to the company or its affairs;

provided that this article 97.1 shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this article 97.1, or any element of it, to be treated as void under the Companies Acts.

97.2 Without prejudice to article 97.1 or to any indemnity to which a director may otherwise be entitled, to the extent permitted by the Companies Acts and otherwise upon such terms and subject to such conditions as the directors may in their absolute discretion think fit, the directors shall have power to make arrangements to provide a director with funds to meet expenditure incurred or to be incurred by that director:

97.2.1 in defending any criminal or civil proceedings or in connection with any alleged negligence, default, breach of duty or breach of trust by the director in relation to the company or any associated company; or

97.2.2 in defence of an investigation by a regulatory authority, or against action proposed to be taken by a regulatory authority, in connection with any such alleged negligence, default, breach of duty or breach of trust as foreshadowed, or

97.2.3 in connection with any application referred to in section 205(5) of the Companies Act 2006, or to enable a director to avoid incurring such expenditure.

97.3 In article 97.1 **liability** includes costs, charges, losses and expenses. For the purposes of article 97.2, **associated company** is to be read in accordance with section 256 of the Companies Act 2006.

## 98. INSURANCE

98.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

98.2 In this article 98:

98.2.1 a **relevant officer** means any director or former director of the company, or of an associated company, any other officer or employee or former officer or employee of the company or of an associated company, (other than the auditors), or any trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006) or an employees' share scheme of the company or of an associated company;

98.2.2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any occupational pension scheme or employees' share scheme of the company or of an associated company; and

98.2.3 **associated company** has the meaning given in article 97.3.

**DEPOSITARIES****99. AUTHORISED DEPOSITARIES**

99.1 In this article 99, an **ADR Depositary** means a person (or their nominee) who meets all of the following conditions:

99.1.1 the person is a custodian or depositary appointed under contractual arrangements with the company or other contractual arrangements approved by the directors;

99.1.2 under those contractual arrangements, the person or the nominee holds shares; and

99.1.3 the person issues American depositary receipt evidencing rights in relation to those shares or a right to receive them.

99.2 If a statutory notice (as defined in article 77.10.6) is served on a holder of shares and that holder is an ADR Depositary acting in its capacity as such, the obligations of the ADR Depositary as a holder of shares is limited to disclosing to the company such information relating to the shares in question as has been recorded by it pursuant to the terms of any agreement entered into between the ADR Depositary and the company.

99.3 Where any person appearing to be interested (as defined in article 77.10.2) in shares has been served with a statutory notice (as defined in article 77.10.6) and the shares in which such person appears to be interested are held by an ADR Depositary, that notice and the provisions of article 77 shall be treated as applying only to those shares held by the ADR Depositary in which such person appears to be interested and not (insofar as such person's apparent interest is concerned) to any other shares held by the ADR Depositary.

## SCHEDULE – BORROWING RESTRICTION

### 1. Limit

The directors must:

- 1.1 limit the borrowings of the company; and
- 1.2 exercise all voting and other rights or powers of control exercisable by the company in relation to its subsidiary undertakings;

so as to ensure that the aggregate amount of all borrowings by the group outstanding at any time is not more than three times the adjusted capital and reserves.

This limit on borrowings only affects subsidiary undertakings of the company to the extent that the directors can restrict the borrowings of those subsidiary undertakings by exercising the company's rights and powers of control over such subsidiary undertakings.

The limit on borrowings can be exceeded if the consent of the shareholders has been given in advance by passing an ordinary resolution.

The limit does not include borrowings owed by one member of the group to another member of the group (subject to paragraph 2.2.3).

### 2. Definitions

For the purposes of this schedule:

2.1 **adjusted capital and reserves** means a sum equal to the aggregate of:

- 2.1.1 the amount paid up on the issued share capital of the company and on such of the share capital as is allotted but not issued; and
- 2.1.2 the amount standing to the credit of all reserves;

all as shown in the relevant balance sheet but after:

- 2.1.3 deducting any debit balance on profit and loss account or any reserve;
- 2.1.4 making all adjustments which are, in the opinion of the directors, necessary or appropriate to take account of a variation in the amounts referred to in paragraphs 2.1.1 and 2.1.2 since the

date of the relevant balance sheet arising out of the allotment of shares in the capital of the company.

For this purpose, if a proposed allotment or issue of shares by the company for cash has been underwritten, then such shares are deemed to have been allotted or issued, and the amount (including any premium) of the subscription money payable in respect of those shares (not being money payable later than six months after the date of allotment or issue) is, to the extent so underwritten, deemed to have been paid up, on the date when the allotment or issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);

- 2.1.5 deducting (so far as not already deducted or provided for) the amount of a distribution declared, recommended or paid by a member of the group to a person other than a member of the group out of profits accrued up to and including the date of, but not provided for in, the relevant balance sheet;
- 2.1.6 making all adjustments which are, in the opinion of the directors, necessary or appropriate to reflect any variation in the interests of the company in any other member of the group (including a variation whereby a subsidiary undertaking of the company becomes, or ceases to be, such a subsidiary undertaking) since the date of the relevant balance sheet;
- 2.1.7 if the calculation is required for the purposes of, or in connection with, a transaction under or in connection with which any undertaking is to become or cease to be a subsidiary undertaking of the company, making all adjustments which are, in the opinion of the directors, necessary or appropriate if such transaction had been carried into effect; and
- 2.1.8 excluding any sums attributable to minority interests in subsidiary undertakings of the company, to the extent not already excluded;

2.2 **borrowings** means all money borrowed by the group. In calculating borrowings for the purposes of this schedule:

- 2.2.1 amounts borrowed by a member of the group for the purpose of repaying (with or without a premium) all or any part of any other borrowings falling to be taken into account, and intended to be applied for such purpose within six months of being borrowed, are not to be taken into account pending their use for such purpose;
- 2.2.2 amounts borrowed by a partly-owned subsidiary undertaking which are not owed to another member of the group are to be taken into account (except that a proportion of the borrowings equal to the minority proportion is to be excluded);

- 2.2.3 amounts borrowed by a member of the group which are owed to a partly-owned subsidiary undertaking are to be taken into account to the extent of a proportion of the borrowings equal to the minority proportion;
- 2.2.4 amounts borrowed by a subsidiary undertaking before it became a member of the group are not to be taken into account until six months after the date it became a member of the group;
- 2.2.5 amounts secured on an asset of a member of the group before it was acquired by a member of the group are not to be taken into account until six months after the date of the acquisition;
- 2.2.6 if the amount of the borrowings is being calculated in connection with a transaction involving a company becoming or ceasing to be a member of the group, the amount is to be calculated as if the transaction had already occurred;
- 2.2.7 the nominal amount of any allotted and issued paid up share capital (other than equity share capital) of any subsidiary undertaking not beneficially owned, directly or indirectly, by another member of the group is to be taken into account;
- 2.2.8 the principal amount of any borrowings of any person, the redemption or repayment of which is guaranteed or secured (wholly or partly), or the subject of an indemnity granted, by a member of the group is to be taken into account (except so far as such amount is otherwise taken into account as money borrowed by a member of the group);
- 2.2.9 any amount raised by acceptance under an acceptance credit facility is to be taken into account;
- 2.2.10 any amount raised under a note purchase facility is to be taken into account;
- 2.2.11 borrowings for the purpose of financing a contract are not to be taken into account to the extent that the price receivable under the contract is guaranteed or insured by the Export Credit Guarantee Department of the Department for Business, Innovation and Skills or by another person fulfilling a similar function;
- 2.2.12 the amount of any liability in respect of a lease or hire purchase agreement which would, in accordance with then current International Financial Reporting Standards, be treated as a finance lease is to be taken into account;
- 2.2.13 if this paragraph 2.2 provides that an amount is not to be taken into account, any guarantees or indemnities given by a member of the group in relation to that amount are not to be taken into account;
- 2.2.14 any premium payable on final redemption or repayment of any borrowings falling to be taken into account is also to be so taken in account, and any premium payable on final redemption

or repayment of an amount not to be so taken into account is also not to be so taken into account;

2.2.15 borrowings incurred by a member of the group for the purpose of complying with any direction issued under section 34 or 96 of the Electricity Act 1989 are not to be taken into account;

2.2.16 no amount is to be taken into account more than once in any calculation of borrowings; and

2.2.17 there is to be credited against borrowings:

- (a) all cash in hand and cash deposits freely remittable with any bank or financial institution (not itself a member of the group); and
- (b) investments which are readily convertible into known amounts of cash with notice of 48 hours or less;

(in each case beneficially owned, directly or indirectly, by a member of the group and whether denominated in sterling or in a currency other than sterling); and

- (c) the amount of any cash securing the repayment by the group of any borrowings by the group;

if any item falling within (a), (b) or (c) above is beneficially owned, directly or indirectly, by a partly-owned subsidiary undertaking, a proportion thereof equal to the minority proportion is not to be credited;

2.3 **group** means the company and its subsidiary undertakings for the time being;

2.4 **minority proportion** means the proportion of the issued equity share capital of a partly-owned subsidiary undertaking which is not, for the time being, beneficially owned by the group; and

2.5 **relevant balance sheet** means, at any time, the latest audited consolidated balance sheet dealing with the state of affairs of the company and (with or without exceptions) its subsidiary undertakings which has been prepared for the purposes of the Companies Acts in accordance with the historical cost and fair value conventions and approved by the directors, and on which the auditors have made their report pursuant to the Companies Acts.

3. **Rates of exchange**

3.1 When the amount of borrowings to be taken into account for the purposes of this schedule on a particular day is being calculated, money denominated or repayable in a currency other than sterling is to be converted for the purpose of calculating the sterling equivalent either:

- 3.1.1 at the rate of exchange specified in a forward purchase contract, currency option, back-to-back loan, swap or other arrangement taken out or entered into to reduce the risk associated with fluctuations in rates of exchange in respect of repayment of those borrowings (a **hedging agreement**); or
- 3.1.2 if that money was borrowed on or before the date of the relevant balance sheet and repayment of the money has not been covered by a hedging agreement, at the more favourable to the company of:
  - (a) the rate of exchange used for the conversion of that currency in the relevant balance sheet; or
  - (b) the middle-market rate of exchange quoted by The Royal Bank of Scotland plc at 11.00am in London on the business day immediately preceding the day on which the calculation falls to be made; or
- 3.1.3 if that money was borrowed after the date of the relevant balance sheet and repayment of the money has not been covered by a hedging agreement, at the more favourable to the company of:
  - (a) the middle-market rate of exchange quoted by The Royal Bank of Scotland plc at 11.00am in London on the date of the relevant balance sheet; or
  - (b) the middle-market rate of exchange quoted by The Royal Bank of Scotland plc at 11.00am in London on the business day immediately preceding the day on which the calculation falls to be made.

3.2 The company will not be in breach of the limit on borrowings in paragraph 1 by reason of the limit being exceeded as a result only of any fluctuation in rates of exchange, provided that within six months of the directors becoming aware of any such fluctuation which would, but for this provision, have caused such a breach, the aggregate amount of borrowings to be taken into account is reduced to an amount not exceeding the limit.

**4. Certification**

4.1 A certificate or report given by the auditors or an independent firm of accountants chosen by the directors certifying or reporting:

- 4.1.1 on the total amount of borrowings by the group outstanding at a particular time;
- 4.1.2 on the amount of the adjusted capital and reserves; or
- 4.1.3 to the effect that the limit on borrowings imposed by this schedule has not been, or will not be, exceeded at any particular time or times or as a result of any particular transaction or transactions;

will be conclusive evidence of that amount or of that fact.

- 4.2 The directors can nevertheless rely on a *bona fide* estimate of the amount of borrowings or the amount of the adjusted capital and reserves. If, in consequence, the limit on borrowings in paragraph 1 is accidentally exceeded, an amount of borrowings equal to the excess can be disregarded until six months after the date on which the directors became aware that this situation had, or might have, arisen.
- 4.3 For the purposes of their computation in relation to giving a certificate or report under paragraph 4.1, the auditors or the firm of accountants may at their discretion make such further or other adjustment (if any) as they think fit.

**5. Validity of borrowing arrangements**

No lender or other person dealing with the group needs to see or enquire whether the limit on borrowings imposed by this schedule is observed. No debt incurred or security given in excess of this borrowing limit will be invalid or ineffective unless the lender or the recipient of the security had express notice, at the time when the debt was incurred or security given, that the limit had been or would be exceeded as a result.