

ESSENTIAL REFERENCE PAPER 'B'

**Articles of Association of
Millstream Property Investments Limited**

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Date: 7 December 2017

Company having a share capital

Memorandum of association

of

Millstream Property Investments Limited

Each subscriber to this memorandum of association wishes to form a company under the Companies Act 2006 and agrees to become a member of the company and to take at least one share. Name of each subscriber

Name of each subscriber	Authentication by each subscriber
East Hertfordshire District Council	

Date:

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PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

1. Defined terms

1.1 In the Articles, unless the context requires otherwise—

Alternate Director means a person identified by a Director (the Appointor) to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the Directors, in the absence of the Appointor;

Appointor means a Director who has identified an Alternate Director to act in their place;

Articles means the company's Articles of association;

Bankruptcy includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of Bankruptcy;

Chairman has the meaning given in Article 12.2;

Chairman of the meeting has the meaning given in Article 39;

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;

Conflict means a situation in which a Director has, or can have, a direct or indirect interest that Conflicts, or possibly may Conflict, with the interests of the Company;

Core Director means an officer of East Herts Council appointed as a Director who has not been appointed as an Independent Director;

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 31.2;

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;

Eligible Director means any Director who would be entitled to vote on the matter at a meeting of Directors, but excludes any Director whose vote is not to be counted in respect of the particular matter;

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;

Independent Director means a Director who is not a Core Director;

Instrument means a Document in Hard Copy Form;

Interested Director shall have the meaning given to the term in Article **Error! Reference source not found.**14.1;

Model Articles means the Model Articles for private companies limited by Shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and reference to a numbered Model Article is a reference to that Article of the Model Articles;

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;

Permitted Transferee means a successor body to a shareholder;

Proxy Notice has the meaning given in Article 45;

Shareholder means a person who is the Holder of a Share;

Shares means Shares in the company;

Special Resolution has the meaning given in section 283 of the Companies Act 2006;

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

Transmittee means a person entitled to a Share by reason of the death or Bankruptcy of a Shareholder or otherwise by operation of law; and

Writing or **Written** 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.

- 1.2 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the company.
 - 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
 - 1.4 A reference in these Articles to an Article is a reference to the relevant Article of these Articles unless expressly provided otherwise.
 - 1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as it is in force on the date when these Articles become binding on the Company.
 - 1.6 Any reference to a statute or statutory provision is a reference to it as it is in force from time to time, taking account of any change, extension, consolidation or re-enactment and includes any subordinate legislation for the time being in force made under it.
 - 1.7 These Articles have adopted the Model Articles save for those Model Articles amended or deleted as described in Articles 1.8 and 1.9 respectively. The numbering of the Model Articles is followed throughout save for where only one Article is present in the Model Articles, such Articles are renumbered as X.1 in the corresponding Article here.
 - 1.8 The following Model Articles have been amended:

Model Articles 1.1, 7.1, 8.1, 9.1, 11.1 – 11.3, 13.1, 14.1, 14.6 – 14.7, 17.1 – 17.3, 20.1, 27.1, 28.1, 29, 34.1 – 34.2, 36.1 – 36.2, 38.1 (included in amended form as 38.2 in these Articles), 39.1 – 41.6, 44.3, 50.1 – 52.2, 53.1 – 53.2.
 - 1.9 The following Model Articles have been deleted:

Model Articles 6.2, 7.2, 8.3 – 8.4, 13.2, 18.1(e), 19.4 – 19.5, 22.2, 26.5, 27.2 – 27.3, 28.2 – 28.3, 36.3 – 36.5, 44.2, 52.3.
 - 1.10 These Articles include amended or newly added Articles which in some cases have the same numbers as deleted Model Articles listed in Article 1.9.
 - 1.11 In all cases, these Articles rather than the Model Articles, however numbered, apply.
 - 1.12 The objects of the Company are to acquire or develop residential and commercial property to be let, leased out, managed or disposed of by the Company.
- 2. Liability of members**
- 2.1 The liability of the members is limited to the amount, if any, unpaid on the Shares held by them.

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

3. Directors' general authority

3.1 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. Shareholders' reserve power

4.1 The Shareholders may, by Special Resolution, direct the Directors to take, or refrain from taking, specified action.

4.2 No such Special Resolution invalidates anything which the Directors have done before the passing of the resolution.

5. Directors may delegate

5.1 Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles—

- (a) to such person or committee;
- (b) by such means (including by power of attorney);
- (c) to such an extent;
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions;

as they think fit.

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

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

6. Committees

6.1 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.

DECISION-MAKING BY DIRECTORS

7. Directors' meetings

- 7.1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with Article 8.
- 7.2 Subject as provided in these Articles, the Directors may participate in Directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 7.3 Resolutions at a meeting of the Directors shall require the approval of a majority of the Core Directors at the meeting save that the approval of any Director who is not an Eligible Director will not be required.
- 7.4 The provisions of Article 11 shall apply equally to meetings of any committee of the Directors as to meetings of the Directors.

8. Unanimous decisions of Directors

- 8.1 A decision of the Directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 8.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in Writing.

9. Calling a Directors' meeting

- 9.1 Any Director may call a meeting of Directors by giving not less than one month's notice of the meeting (or such shorter period of notice as agreed in writing by a majority of Directors) to each Director or by authorising the Company secretary (if any) to give such notice.
- 9.2 Notice of any Directors' meeting must—
- (a) indicate its proposed date and time;
 - (b) indicate where it is to take place; and
 - (c) if it is anticipated that Directors participating in the meeting will not be in the same place, indicate how it is proposed that they should communicate with each other during the meeting
 - (d) be accompanied by an agenda specifying in reasonable detail the matters to be raised at the meeting; and
 - (e) be accompanied by copies of any papers to be discussed at the meeting.
- 9.3 Notice of a Directors' meeting must be given to each Director, but need not be in writing.

- 9.4 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 7 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.
- 9.5 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of Directors unless all the Directors agree in writing.

10. Participation in Directors' meetings

- 10.1 Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when—
- (a) the meeting has been called and takes place in accordance with the Articles, and
 - (b) 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 The quorum for the transaction of business at meetings of the Directors shall be two Core Directors.
- 11.2 Subject to Article 11.1, no business shall be conducted at any meeting of the Directors unless a quorum is present at the beginning of the meeting and also when that business is voted on other than to consider a proposal to call another meeting.
- 11.3 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision to call on the Shareholder to appoint further Directors.

12. Chairing of Directors' meetings

- 12.1 The Directors may appoint a Director to chair their meetings.
- 12.2 The person so appointed for the time being is known as the Chairman.
- 12.3 The Directors may terminate the Chairman's appointment at any time.
- 12.4 If the Chairman is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it.

13. Votes

- 13.1 If the numbers of votes for and against a proposal are equal, the view of a majority of the Core Directors present shall be taken to be the decision of the Board of Directors. If there is no majority view among the Core Directors present the proposal shall not be carried.

14. Conflicts of interest

- 14.1 If a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the company in which a Director is interested, that Director (the Interested Director) is not to be counted as participating in the decision-making process for quorum or voting purposes and the Directors may:

- a) determine that a Director's interest extends to any actual or potential Conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- b) provide that the Interested Director be excluded from the receipt of Documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
- c) provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
- d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
- e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
- f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters

- 14.2 But if Article 14.3 applies, a Director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

- 14.3 This paragraph applies when—

- (a) the company by Ordinary Resolution disapplies the provision of the Articles which would otherwise prevent a Director from being counted as participating in the decision-making process;
- (b) the Director's interest cannot reasonably be regarded as likely to give rise to a Conflict of interest; or

- (c) the Director's Conflict of interest arises from a permitted cause.
- 14.4 For the purposes of this Article, the following are permitted causes—
- (a) a guarantee 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;
 - (b) 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; and
 - (c) 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.
- 14.5 For the purposes of this Article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.
- 14.6 If a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Core Directors whose ruling in relation to any Director is to be final and conclusive.
- 14.7 That a Director is an employee or elected member of the Shareholder shall not be deemed for the purposes of Article 14 to of itself represent an actual or potential Conflict of interest.

15. Records of decisions to be kept

- 15.1 The Directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors.
- 15.2 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in a form that enables the Company to retain a copy of such decisions.

16. Directors' discretion to make further rules

- 16.1 Directors are obliged to follow the Articles at all times when making decisions.

APPOINTMENT OF DIRECTORS

17. Methods for appointing directors and alternate directors

- 17.1 The number of Core Directors shall not be less than nor more than three, save for any period before the appointment of the first Core Directors or between subsequent appointments.

- 17.2 The total number of Directors shall not exceed six.
- 17.3 No Shareholding qualification for Directors shall be required.
- 17.4 The Shareholder shall be entitled to appoint all Directors so long as:
- (a) the total number of Directors complies with Article 17.2
 - (b) each Core Director shall be an employee of the East Hertfordshire District Council.
- 17.5 Any appointment of a Director pursuant to this Article shall be in writing and signed by or on behalf of the Shareholder and notified for the attention of the secretary or delivered to a duly constituted meeting of the Directors of the Company. Any such appointment shall take effect when received by the Company or at such later time as shall be specified in such notice.
- 17.6 No Director shall be appointed otherwise than pursuant to these Articles, save as provided by law.
- 17.7 A Director (other than an Alternate Director) (the Appointor) may appoint any person other than an existing Director to be an Alternate Director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the Directors, in the absence of the Appointor.
- 17.8 In these Articles, where the context so permits, the term "a Core Director" or "Independent Director" shall include an Alternate Director appointed by a Core Director or an Independent Director respectively (as the case may be). A person may be appointed an Alternate Director by more than one Director but cannot represent more than one Director simultaneously.
- 17.9 Any appointment or removal of an Alternate Director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the Directors.
- 17.10 Any notice in accordance with Article 17.9 must:
- (a) identify the proposed alternate; and
 - (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the Director giving the notice.
- 17.11 An Alternate Director has the same rights, in relation to any decision of the Directors, as the alternate's Appointor.
- 17.12 Except as the Articles specify otherwise, Alternate Directors:
- (a) are deemed for all purposes to be Directors;
 - (b) are liable for their own acts and omissions;
 - (c) are subject to the same restrictions as their Appointors; and

- (d) are not deemed to be agents of or for their Appointors, and, in particular (without limitation), each Alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his Appointor is a member.

17.13 A person who is an Alternate Director but not a Director may, subject to him being appointed by an Eligible Director:

- (a) be counted as participating for the purposes of determining whether a quorum is present at a meeting of Directors (but only if that person's Appointor is an Eligible Director and is not participating); and
- (b) participate in a unanimous decision of the Directors (but only if his Appointor is an Eligible Director in relation to that decision, and does not himself participate).

17.14 An Alternate Director may be Paid expenses and may be indemnified by the Company to the same extent as if he were a Director but shall not be entitled to receive from the Company any remuneration in his capacity as an Alternate Director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.

17.15 An Alternate Director's appointment as an alternate (in respect of a particular Appointor) terminates:

- a) when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or
- b) 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; or
- c) when the Alternate Director's Appointor ceases to be a Director for whatever reason.

18. Termination of Director's appointment

18.1 A person ceases to be a Director as soon as—

- (a) 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;
- (b) a Bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months;
- (e) notification is received by the company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms

- (f) the Director is removed from office by the Shareholder
 - (g) any Director who is an employee of the Company ceases to be an employee of the Company
 - (h) any Core Director who is an employee of East Herts Council ceases to be an employee of East Herts Council.
- 18.2 Any removal of a Director pursuant to this Article shall be in writing and signed by or on behalf of the Shareholder and notified for the attention of the secretary or delivered to a duly constituted meeting of the Directors of the Company and on the Director. Any such removal shall take effect when received by the Company or at such later time as shall be specified in such notice.
- 18.3 No Director shall be removed otherwise than pursuant to these Articles, save as provided by law.

19. Directors' remuneration

- 19.1 Directors may undertake any services for the company that the Directors decide.
- 19.2 A Director who is already receiving remuneration from the Shareholder shall not be entitled to remuneration from the Company other than reimbursement of expenses as determined by reference to Article 20.
- 19.3 Subject to Article 20.2, Directors are entitled to such remuneration as the Directors determine—
- (a) for their services to the company as Directors, and
 - (b) for any other service which they undertake for the company.
- 19.4 Subject to the Articles, a Director's remuneration may—
- (a) take any form, and
 - (b) 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.

20. Directors' expenses

- 20.1 Unless Article 19.2 applies, the company may pay any reasonable expenses which the Directors (including Alternate Directors and the secretary) properly incur in connection with their attendance at—
- (a) meetings of Directors or committees of Directors,
 - (b) general meetings, or
 - (c) separate meetings of the Holders of any class of Shares or of debentures of the company, or otherwise in connection with the exercise of their

powers and the discharge of their responsibilities in relation to the company.

- 20.2 The Company shall not pay for expenses that would otherwise be payable directly by the Shareholder if not Paid by the Company.

PART 3

SHARES AND DISTRIBUTIONS

SHARES

21. All Shares to be Fully Paid up

- 21.1 No Share is to be issued for less than the aggregate of its nominal value and any premium to be Paid to the company in consideration for its issue.
- 21.2 This does not apply to Shares taken on the formation of the company by the subscribers to the company's memorandum.

22. Powers to issue different classes of Share

- 22.1 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.

23. Company not bound by less than absolute interests

- 23.1 Except as required by law, no person is to be recognised by the company as holding any Share upon any trust, and except as otherwise required by law or the Articles, the company is not in any way to 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.

24. Share certificates

- 24.1 The company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds.
- 24.2 Every certificate must specify—
- (a) in respect of how many Shares, of what class, it is issued;
 - (b) the nominal value of those Shares;
 - (c) that the Shares are Fully Paid; and
 - (d) any distinguishing numbers assigned to them.
- 24.3 No certificate may be issued in respect of Shares of more than one class.
- 24.4 If more than one person holds a Share, only one certificate may be issued in respect of it.
- 24.5 Certificates must—

- (a) have affixed to them the company's common seal, or
- (b) be otherwise executed in accordance with the Companies Acts.

25. Replacement Share certificates

- 25.1 If a certificate issued in respect of a Shareholder's Shares is—
- (a) damaged or defaced, or
 - (b) said to be lost, stolen or destroyed, that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares.
- 25.2 A Shareholder exercising the right to be issued with such a replacement certificate—
- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
 - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

26. Share transfers

- 26.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.
- 26.2 No Share shall be transferred unless the transfer is made in accordance with these Articles and with the prior written consent of all Shareholders for the time being.
- 26.3 Subject to Article 026.4 the Directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of Shares which has not been made in compliance with these Articles unless they suspect that the proposed transfer may be fraudulent.
- 26.4 The Directors may, as a condition to the registration of any transfer of Shares in the Company (whether to a Permitted Transferee or otherwise) require the transferee to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any Shareholders' agreement (or similar Document) in force between the Shareholders in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other Document). If any such condition is imposed in accordance with this Article 026.4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

- 26.5 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 the transferor.
- 26.6 No fee may be charged for registering any Instrument of transfer or other Document relating to or affecting the title to any Share.
- 26.7 The company may retain any Instrument of transfer which is registered.
- 26.8 The transferor remains the Holder of a Share until the transferee's name is entered in the register of members as Holder of it.
- 26.9 A Shareholder may only transfer all of its Shares in the Company to a Permitted Transferee.

27. Transmission of shares

- 27.1 In light of Article 26.9, there shall be no cause for the transmission of shares.

28. Exercise of transmitters' rights

- 28.1 In light of Article 26.9, there shall be no cause for the transmission of shares.

29. Transmitters bound by prior notices

- 29.1 In light of Article 26.9, there shall be no cause for the transmission of shares.

DIVIDENDS AND OTHER DISTRIBUTIONS

30. Procedure for declaring dividends

- 30.1 The company may by Ordinary Resolution declare dividends, and the Directors may decide to pay interim dividends.
- 30.2 A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors.
- 30.3 No dividend may be declared or Paid unless it is in accordance with Shareholders' respective rights.
- 30.4 Unless the Shareholders' resolution to declare or Directors' decision to pay a dividend, or the terms on which Shares are issued, specify otherwise, it must be Paid by reference to each Shareholder's holding of Shares on the date of the resolution or decision to declare or pay it.
- 30.5 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 arrears.
- 30.6 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.
- 30.7 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.

31. Payment of dividends and other distributions

31.1 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—

- (a) transfer to a bank or building society account specified by the Distribution Recipient in writing;
- (b) sending a cheque made payable to the Distribution Recipient 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;
- (c) sending a cheque made payable to such person by post to such person at such address as the Distribution Recipient has specified in writing; or
- (d) any other means of payment as the Directors agree with the Distribution Recipient in writing.

31.2 In the Articles, "the Distribution Recipient" means, in respect of a Share in respect of which a dividend or other sum is payable—

- (a) the Holder of the Share; or
- (b) if the Share has two or more joint Holders, whichever of them is named first in the register of members; or
- (c) if the Holder is no longer entitled to the Share by reason of death or Bankruptcy, or otherwise by operation of law, the Transmittree.

32. No interest on distributions

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

- (a) the terms on which the Share was issued, or
- (b) the provisions of another agreement between the Holder of that Share and the company.

33. Unclaimed distributions

33.1 All dividends or other sums which are—

- (a) payable in respect of Shares, and
- (b) 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.

- 33.2 The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.
- 33.3 If—
- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
 - (b) 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.

34. Non-cash distributions

- 34.1 Subject to the terms of issue of the Share in question and the Company's annual business plan, the company may, by Ordinary Resolution on the recommendation of the Directors, decide to recommend to the Shareholder that all or part of a dividend or other distribution payable in respect of a Share be Paid by transferring non-cash assets of equivalent value (including, without limitation, Shares or other securities in any company).
- 34.2 For the purposes of paying a non-cash distribution, the Directors may recommend whatever arrangements they think fit to the Shareholder, including, where any difficulty arises regarding the distribution—
- (a) fixing the value of any assets;
 - (b) paying cash to any Distribution Recipient on the basis of that value in order to adjust the rights of recipients; and
 - (c) vesting any assets in trustees.

35. Waiver of distributions

- 35.1 Distribution Recipients may waive their entitlement to a dividend or other distribution payable in respect of a Share by giving the company notice in writing to that effect, but if—
- (a) the Share has more than one Holder, or
 - (b) more than one person is entitled to the Share, whether by reason of the death or Bankruptcy of one or more joint Holders, or otherwise,
- the notice is not effective unless it is expressed to be given, and signed, by all the Holders or persons otherwise entitled to the Share.

CAPITALISATION OF PROFITS

36. Authority to capitalise and appropriation of capitalised sums

- 36.1 Subject to the Articles, the directors may, if they are so authorised by an ordinary resolution, make a recommendation to the Shareholder in respect of—

- (a) the capitalisation of 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
- (b) the appropriation of 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.

36.2 Only the Shareholder can determine any recommendation made in accordance with Article 36.1.

PART 4

DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

37. Attendance and speaking at general meetings

- 37.1 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.
- 37.2 A person is able to exercise the right to vote at a general meeting when—
- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - (b) 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.
- 37.3 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.
- 37.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 37.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

38. Quorum for general meetings

- 38.1 At all times that the Company has a single Shareholder, that Shareholder may determine whether or not to hold general meetings. Any general meeting so called shall be deemed to be quorate so long as the Shareholder or his proxy is present.

38.2 If there is more than one Shareholder or if there is only one Shareholder and that Shareholder decides to hold a general meeting, no business other than the appointment of the Chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

39. Chairing general meetings

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

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

(a) the Directors present, or

(b) (if no Directors are present), the meeting

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

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

40. Attendance and speaking by Directors and non-Shareholders

40.1 Directors may attend and speak at general meetings, whether or not they are Shareholders.

40.2 The Chairman of the meeting may permit other persons who are not—

(a) Shareholders of the company, or

(b) otherwise entitled to exercise the rights of Shareholders in relation to general meetings,

to attend and speak at a general meeting.

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 Chairman of the meeting must adjourn it.

41.2 The Chairman of the meeting may adjourn a general meeting at which a quorum is present if—

(a) the meeting consents to an adjournment, or

(b) it appears to the Chairman of the meeting that 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.

- 41.3 The Chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 41.4 When adjourning a general meeting, the Chairman of the meeting must—
- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors, and
 - (b) have regard to any directions as to the time and place 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 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
- (a) to the same persons to whom notice of the company's general meetings is required to be given, and
 - (b) 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 must be decided on a show of hands among Shareholders present or by proxy unless a poll is duly demanded in accordance with the Articles.

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 Chairman of the meeting, whose decision is final.

44. Poll votes

- 44.1 Subject to Articles 38.1 and 38.2, a poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 44.2 A poll on a resolution may be demanded—
- (a) in advance of the general meeting where it is to be put to the vote, or
 - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on the resolution is declared.

44.3 A demand for a poll may be withdrawn if—

- (a) the poll has not yet been taken, and
- (b) the Chairman of the meeting consents to the withdrawal.

A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made

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

45. Content of Proxy Notices

45.1 Proxies may only validly be appointed by a notice in writing (a “Proxy Notice”) which—

- (a) states the name and address of the Shareholder appointing the proxy;
- (b) identifies the person appointed to be that Shareholder’s proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and
- (d) is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate.

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

45.3 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.

45.4 Unless a Proxy Notice indicates otherwise, it must be treated as—

- (a) 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, and
- (b) 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. Delivery of Proxy Notices

46.1 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.

46.2 An appointment under a Proxy Notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given.

- 46.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 46.4 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. Amendments to resolutions**
- 47.1 An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if—
- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the Chairman of the meeting, materially alter the scope of the resolution.
- 47.2 A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution, if—
- (a) the Chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 47.3 If the Chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairman's error does not invalidate the vote on that resolution.

PART 5

ADMINISTRATIVE ARRANGEMENTS

48. Means of communication to be used

- 48.1 Any notice, Document or other information shall be in English, unless a Director or Shareholder representative has given prior notification that communications should be made available in another language and/or format.
- 48.2 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.
- 48.3 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.

- 48.4 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.
- 48.5 Any notice, Document or other information shall be deemed served on or delivered to the intended recipient:
- a) if properly addressed and sent by pre-paid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five working days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five working days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
 - b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - c) if properly addressed and sent or supplied by electronic means, one hour after the Document or information was sent or supplied; and
 - d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this Article, no account shall be taken of any part of a day that is not a working day.

- 48.6 In proving that any notice, Document or other information was properly addressed, it shall be sufficient to show that the notice, Document or other information was delivered to an address permitted for the purpose by the Companies Act 2006.

49. Company seals

- 49.1 Any common seal may only be used by the authority of the Directors.
- 49.2 The Directors may decide by what means and in what form any common seal is to be used.
- 49.3 Unless otherwise decided by the Directors, if the company has a common seal and it is affixed to a Document, the Document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 49.4 For the purposes of this Article, an authorised person is—
- (a) any Director of the company;
 - (b) the company secretary (if any); or
 - (c) any person authorised by the Directors for the purpose of signing Documents to which the common seal is applied.

50. Right to inspect accounts and other records

50.1 The Directors of the company shall extend to the Shareholder the right to inspect any of the company's accounting or other records or documents.

51. Provision for employees on cessation of business

51.1 The Directors shall not without the permission of the Shareholder make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE

52. Indemnity

52.1 Subject to Article 52.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- a) each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and
- b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article a) (a) and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.

52.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

53. Insurance

53.1 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.

53.2 In this Article 53—

- (a) a “relevant officer” means any Director, former Director or other officer of the company or an associated company , but excluding in each case any person engaged by the Company as auditor (whether or not he is also a Director or other officer), to the extent he acts in his capacity as auditor; and
- (b) a “relevant loss” means any loss or liability which has been or may be incurred by a relevant officer in connection with that officer’s duties or powers in relation to the company, any associated company or any pension fund or employees’ Share scheme of the company or associated company, and
- (c) companies are associated if one is a Subsidiary of the other or both are subsidiaries of the same body corporate.