

Company Number: 03756817

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

of

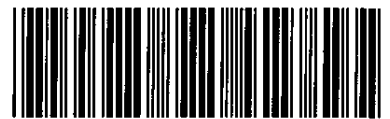
SANGAMO THERAPEUTICS UK LTD

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Adopted under the Companies Act 2006 by special resolution on 28 March 2018

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## ARTICLES OF ASSOCIATION

- of -

### SANGAMO THERAPEUTICS UK LTD

(the "Company")

#### 1. PRELIMINARY

- 1.1 The relevant model articles (within the meaning of section 20(2), Companies Act 2006 as amended, modified or re-enacted from time to time) are excluded in their entirety.
- 1.2 For so long as there is only one shareholder of the Company (ignoring for these purposes the Company as holder of any treasury shares), references in these articles to shareholders or which imply the existence of more than one shareholder shall be construed as references to the one shareholder for the time being of the Company.
- 1.3 In these articles (unless the context requires otherwise), the following words and expressions have the following meanings:

"**address**" has the meaning given in article 21.8;

"**Appointor**" has the meaning given in article 8.1;

"**Associate**" means, in relation to any person, the ultimate parent undertaking of that person and any direct or indirect subsidiary undertaking of that person or of any such parent undertaking;

"**associated company**" has the meaning given in article 22.1;

"**bankruptcy**" means the making of a bankruptcy order by a court in England and Wales or Northern Ireland, or any individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

"**capitalised sum**" has the meaning given in article 15.1.2;

"**Chairman**" has the meaning given in article 4.6.1;

"**clear days**" means, in relation to a period of notice, a period of the specified length excluding the date on which notice is given and the day for which it is given or on which it is to take effect;

"**Companies Acts**" means the Companies Acts (as defined in section 2 of the Companies Act 2006 as amended, modified or re-enacted from time to time), in so far as they apply to the Company;

**"Companies Act 2006"** means the Companies Act 2006 including any statutory modification or re-enactment of that statute for the time being in force, subject always to article 1.4;

**"Company Secretary"** means the secretary of the Company ( if any) or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary (if any);

**"directors"** means the directors of the Company from time to time, and a reference to a **"director"** shall be a reference to any one of them;

**"Distribution Recipient"** has the meaning given in article 14.2.2;

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

**"eligible director"** means: (a) in relation to a matter proposed at a directors' meeting, a director who is entitled to vote and to have that vote counted in relation to that particular matter at that meeting; or (b) in relation to a decision of the directors taken in accordance with article 4.2, a director who would have been entitled to vote and to have that vote counted, had the matter in question been proposed at a directors' meeting;

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

**"Group Companies"** means the Company and its parent undertaking and its subsidiary undertakings from time to time, and a reference to a **"Group Company"** shall be a reference to any one of them;

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

**"persons entitled"** has the meaning given in article 15.1.2;

**"Relevant Company"** has the meaning given in article 23.2;

**"Relevant Matter"** means, in relation to a director, a matter which may constitute or give rise to a breach by that director of his duty under section 175, Companies Act 2006 to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company (including a breach which would arise by virtue of his appointment as a director);

**"shareholder"** means a person whose name is entered on the register of members of the Company as the holder of a share in the capital of the Company;

**"share"** means a share in the capital of the Company;

**"Transmittee"** means a person entitled to a share by reason of the death, bankruptcy or liquidation (as the case may be) of a shareholder or otherwise by operation of law;

**"treasury share"** means any share held by the Company as a treasury share within the meaning of section 724, Companies Act 2006;

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

**"writing"** means a method of representing or reproducing words, symbols or other information by any method or combination of methods, whether in electronic form, hard copy form or in any other legible and non-transitory form and **"written"** shall be construed accordingly.

- 1.4 Words and expressions defined in the Companies Act 2006 and used in these articles (either without further definition or by expressly referring to the statutory definition of that word or expression) shall bear the same meaning as in the Companies Act 2006 as in force on the date when these articles are adopted by the Company. This does not apply: (a) where the word or expression used is not defined by express reference to the Companies Act 2006 and the subject or context in which that word or expression is used is inconsistent with the statutory definition; or (b) where that word or expression is otherwise defined in these articles. In all other circumstances, references in these articles to any statute or statutory provision (including, without limitation, to the Companies Act 2006 or any provision of the Companies Act 2006), subordinate legislation, code or guideline ("**legislation**") is a reference to such legislation as the same may from time to time be amended, re-enacted, modified, extended, varied, superseded, replaced, substituted or consolidated.

## 2. **LIABILITY OF SHAREHOLDERS**

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

## 3. **DIRECTORS' POWERS, RESPONSIBILITIES AND DELEGATION**

- 3.1 Subject to these 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.
- 3.2 The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action. No such special resolution shall invalidate anything which the directors have done before the passing of that special resolution.
- 3.3 Subject to these articles, the directors may delegate any of the powers which are conferred on them under these articles to such person or committee, by such means (including by power of attorney), to such an extent, in relation to such matters or territories, and on such terms and conditions, as they think fit. If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated. The directors may revoke any delegation in whole or part, or alter its terms and conditions.

- 3.4 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 these articles which govern the taking of decisions by directors. The directors may make rules of procedure for all or any committees which prevail over rules derived from these articles if they are not consistent with them.

#### **4. DECISION-MAKING BY DIRECTORS**

##### **4.1 Directors to take decisions collectively**

4.1.1 The general rule about decision making by directors is that any decision of the directors must either be a majority decision at a directors' meeting or taken in accordance with article 4.2.

4.1.2 If the Company only has one director for the time being (and no provision of these articles requires it to have more than one director) the general rule does not apply and the sole director (for as long as he remains the sole director) shall be entitled to exercise all the powers and authorities vested in the directors by these articles (and the provisions of these articles shall be construed accordingly), and he may take decisions (provided that he constitutes an eligible director in relation to any particular decision) without regard to the provisions of articles 4.2, 4.3, 4.4.1, 4.4.2, 4.4.5, 4.4.6, 4.5.1, 4.5.2 and 4.6 relating to directors' decision-making.

##### **4.2 Unanimous decisions**

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. 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 his agreement in writing. A decision may only be taken in accordance with this article 4.2 where the eligible directors taking the decision would have formed a quorum had the matter been proposed as a resolution at a directors' meeting.

##### **4.3 Calling a directors' meeting**

4.3.1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the Company Secretary to give such notice. The Company Secretary must call a directors' meeting if a director so requests.

4.3.2 Notice of any directors' meeting must indicate its proposed location (if any), its proposed date and time and, 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.

4.3.3 Subject to these articles, notice of a meeting of the directors must be given to each director (including one who is absent for the time being from the United

Kingdom) and may be given either personally or by word of mouth or in hard copy form or by electronic means, or by any other means authorised by the director concerned.

- 4.3.4 Notice of a directors' meeting need not be given to directors who are not entitled to receive notice, or who have elected not to receive notice of that meeting pursuant to article 7.1.2, or who have waived their entitlement to notice of that meeting, by giving notice to that effect to the Company in advance of the meeting or not more than 7 days after the date on which the meeting is held. Where such notice of waiver is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

#### **4.4 Participation in directors' meetings and decision making**

- 4.4.1 Subject to these articles, the directors participate in a directors' meeting when the meeting has been called and takes place in accordance with these articles and where each director can communicate orally to all of the other directors taking part, any information or opinions he has on any particular item of the business of the meeting. In determining whether the directors are participating in a directors' meeting it is irrelevant where any director is or (subject to the first sentence of this article) how the directors communicate with each other. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the board meeting is located.

- 4.4.2 Subject to these articles, each director participating in a directors' meeting has one vote.

- 4.4.3 Subject to the Companies Act 2006 and the other provisions of these articles, a director may participate in any decision-making process (including being able to vote on, and be counted in the quorum at any meeting) where the matter under consideration or the resolution to be voted on concerns a matter in which he has a direct or indirect interest which conflicts or may conflict with the interests of the Company provided that:

4.4.3.1 the director has declared the nature and extent of that interest in accordance with and to the extent required by the provisions of the Companies Act 2006 and these articles;

4.4.3.2 where necessary, any situation which could give rise to a conflict and which would otherwise be prohibited by section 175 of the Companies Act 2006 is authorised pursuant to article 5 or article 6; and

4.4.3.3 the terms of any authorisation given or imposed pursuant to article 5 or article 6 do not prevent or otherwise restrict the director from doing so,

but otherwise shall not be entitled to participate in such process or to vote or count in the quorum where he has a direct or indirect interest which conflicts or may conflict with the interests of the Company. If a director purports to vote in a situation where, by virtue of this article 4.4.3 (or the terms of any authorisation) he is not entitled to vote, his vote shall not be counted.

4.4.4 For the purposes of article 4.4.3:

4.4.4.1 an interest of a person who is connected with a director (within the meaning of section 252, Companies Act 2006) shall be treated as an interest of the director;

4.4.4.2 in relation to an alternate, an interest of his Appointor shall be treated as an interest of the alternate in addition to any interest which the alternate otherwise has, but 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 (or for himself if he is a director and has no such interest);

4.4.4.3 references to a conflict of interest include a conflict of interest and duty and a conflict of duties; and

4.4.4.4 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

For the avoidance of doubt, where a director ("**first director**") is appointed to act as an alternate by another one or more directors ("**second director**") and the first director has an interest which prevents him from voting in relation to any transaction or arrangement, that first director shall also not be entitled to vote in relation to that transaction or arrangement as alternate on behalf of any second director.

4.4.5 Subject to article 4.4.6, if a question arises at a meeting of the 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, and that question is not resolved by the director voluntarily agreeing to abstain from voting, the question may, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any director other than the Chairman is to be final and binding.

4.4.6 If any question as to the right to participate in a meeting (or part of a meeting) arises in respect of the Chairman (and that question is not resolved by the Chairman voluntarily agreeing to abstain from voting), the question is to be decided by a decision of the directors at that meeting, for which purpose the Chairman is not to be counted as entitled to participate in the meeting (or that part of the meeting) for voting or quorum purposes.

#### 4.5 **Quorum for directors' meetings**

- 4.5.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 4.5.2 Save as set out in article 4.5.3, the quorum for the transaction of business of the directors shall be two eligible directors.
- 4.5.3 The quorum for transaction of business of the directors shall be one eligible director, if:
- 4.5.3.1 there is a sole director; or
  - 4.5.3.2 at any meeting of the directors, to the extent called to consider and vote on any matter in relation to which a director is not entitled to or does not vote or whose vote is not counted by virtue of:
    - 4.5.3.2.1 the provisions of article 4.4.3; or
    - 4.5.3.2.2 the exercise by a director, pursuant to article 7.1, of the right not to attend and vote; or
    - 4.5.3.2.3 section 175(6)(b) Companies Act 2006;
- there is only one eligible director willing to take a decision on any matter.
- 4.5.4 If there are no directors in office or the directors in office or the sole director are unable or unwilling to form a quorum or to take a decision on any particular matter, or to appoint further directors to make up a quorum or to enable a decision to be taken on any particular matter, or to call a general meeting or circulate a written resolution to do so, then any shareholder (ignoring for these purposes the Company as holder of any treasury shares) may call a general meeting or circulate a written resolution or instruct the Company Secretary to do so, for the purposes of taking the decision or appointing one or more additional directors to form a quorum or to enable a decision to be taken.

#### 4.6 **Chairing of directors' meetings and chairman's casting vote**

- 4.6.1 The directors may appoint (and remove at any time) a director to chair their meetings and the person so appointed for the time being is known as the "**Chairman**". If the Chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, or is unwilling or unable to act as Chairman at that meeting or any part of it, the participating directors must appoint one of themselves who is willing and able so to act, to be the Chairman for that meeting or for that part of the meeting.
- 4.6.2 If the numbers of votes for and against a proposal are equal, the Chairman or other director chairing the meeting has a casting vote, unless in relation to a



particular proposal at a meeting, the Chairman or other director chairing the meeting is not an eligible director.

#### **4.7 Records of decisions to be kept**

The directors must ensure that the Company keeps a permanent record in writing which can be read by the naked eye, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors and of any decisions taken by a sole director.

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

Subject to these articles and the Companies Act 2006, 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.

### **5. DIRECTORS' PERMITTED INTERESTS**

5.1 Provided that: (a) he has declared the nature and extent of his interest in accordance with (and to the extent required by) the provisions of article 5.4; (b) the directors or the shareholders have not (upon request) refused to give specific authorisation pursuant to article 6 for a particular situation or matter; and (c) the directors and shareholders have not otherwise resolved pursuant to article 6.3 that a particular situation or matter shall no longer be authorised; a director, notwithstanding his office, shall be authorised:

5.1.1 to enter into, or otherwise be interested in, any transaction or arrangement with the Company or any other Group Company or in which the Company (or any other Group Company) is interested, either with regard to his tenure of any office or position in the management, administration or conduct of its business or as seller, buyer or otherwise;

5.1.2 to hold any office or place of profit (except that of auditor) with, or to be employed by or a consultant to or otherwise interested (including by way of the holding of shares or securities convertible into shares) in, the Company, any other Group Company or in any shareholder holding a majority of the voting rights attaching to the issued share capital of the Company or any Associate of any such shareholder;

5.1.3 to act by himself or by any firm of which he is a partner, director, employee or member in a professional capacity (except as auditor) for the Company, any other Group Company or any shareholder holding a majority of the voting rights attaching to the issued share capital of the Company or any Associate of any such shareholder and he or his firm shall be entitled to remuneration for professional services as if he were not a director of the Company; and

5.1.4 to be a director of any other company in which the Company does not have an interest if that cannot reasonably be regarded as likely to give rise to a conflict of

interest at the time of his appointment as a director of the Company or that other company (whichever is the later),

and such authorisations shall extend to any direct or indirect interest that conflicts or possibly may conflict with the interests of the Company which may reasonably be expected to arise out of the situations and matters so authorised and which is capable of being authorised at law. No authorisation shall be required pursuant to article 6 of any such situation or matter authorised by this article 5.1 and, without limitation, no director shall, by reason of his holding office as a director of the Company (or of the fiduciary relationship established by his holding that office) be liable to account to the Company for any remuneration, profit or other benefit received as a result of any interest permitted by this article 5.1 and no transaction or arrangement shall be liable to be avoided by reason of any director having any interest or having received any benefit permitted by this article 5.1.

5.2 The authorisations given pursuant to and the other provisions of article 5.1 shall extend to and include, without limitation, direct or indirect interests of a director which arise (or which may potentially arise) due to:

5.2.1 any transaction entered into by the director or any shareholder holding the majority of the voting rights attaching to the issued share capital of the Company or any Associate of that shareholder in relation to shares (or securities convertible into shares) debentures or other securities in: (a) the Company or any other Group Company; or in (b) such shareholder or in any such Associate of such shareholder;

5.2.2 any guarantee, security or indemnity given or proposed to be given by any Group Company to, or to any person for the benefit of: (a) any other Group Company; or (b) any shareholder holding the majority of the voting rights attaching to the issued share capital of the Company or any Associate of that shareholder;

5.2.3 the recommendation, declaration and payment of any dividend or other distribution by the Company;

5.2.4 any transaction or arrangement proposed, made, terminated or varied between: (a) the Company and any other Group Company; or (b) the Company and any shareholder holding the majority of the voting rights attaching to the issued share capital of the Company or any Associate of that shareholder including, without limitation, transactions or arrangements relating to the sale and supply of goods and services, the borrowing or advancing of money and the use of property and other assets; and

5.2.5 any claim or right arising between: (a) the Company and any other Group Company; or (b) the Company and any shareholder holding the majority of the voting rights attaching to the issued share capital of the Company or any Associate of that shareholder.

It shall be a term and condition of the authorisation given pursuant to article 5.2.5 that the director shall not be entitled to vote or participate in any discussions relating to the exercise, enforcement or pursuance of any claim or right so authorised.

5.3 For the purposes of articles 5.1 and 5.2:

5.3.1 an interest of: (a) a person who is connected with a director (within the meaning of section 252, Companies Act 2006); and (b) the Appointor in relation to any alternate shall be treated as an interest of the director or the alternate (as appropriate) in each case in addition to any interest which the director or alternate otherwise has; and

5.3.2 any authorisation of a situation or matter pursuant to this article 5 relating to a Group Company or to any shareholder holding the majority of the voting rights in the share capital of the Company or any Associate of that shareholder, shall be effective only for so long as the relevant Group Company remains a Group Company, the relevant shareholder holds the majority of the voting rights in the Company or the relevant Associate remains an Associate of a person who holds the majority of the voting rights in the Company.

5.4 In relation to transactions or arrangements with the Company, the director shall declare the nature and extent of any interest authorised under this article 5 in any way permitted by the Companies Act 2006 and shall only be required to make such disclosure to the extent required to do so under the Companies Act 2006. In relation to other situations of actual or potential conflict of interest, the director shall declare the nature and extent of his interest at a meeting of the directors, or as otherwise determined by the directors, but shall not be required to declare the nature and extent of his interest to the extent that the other directors are already aware of the nature of the interest and its extent.

5.5 For the purposes of this article 5, when calculating whether any shareholder holds a majority of the voting rights attached to the issued share capital of the Company, the voting rights attached to any shares held by the Company as treasury shares shall be ignored.

## **6. AUTHORISATION OF CONFLICTS OF INTEREST**

6.1 Any Relevant Matter may be authorised by the directors to the fullest extent permitted by law in accordance with the provisions of articles 6.2 to 6.4.

6.2 Any director may propose that a Relevant Matter be authorised by the directors. Such proposal and any authorisation given by the directors shall be effected in the same way as any other matter may be proposed to, and resolved upon by, the directors in accordance with these articles (or in such other manner as all the directors may approve) except that no authorisation shall be effective unless the requirements of section 175(6), Companies Act 2006 have been complied with. Any authorisation of a matter pursuant to this article 6 shall, unless it states otherwise, extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

- 6.3 Any authorisation of a matter under article 6.1 shall be subject to such terms, conditions and limitations as the directors may specify, whether at the time of giving the authorisation or subsequently. The directors or the shareholders may terminate or vary (including by imposing new terms, conditions and limitations in relation to) any authorisation given under this article 6 or under article 5 for the purpose of section 175, Companies Act 2006 at any time, but no such termination or variation shall be of retrospective effect. The director concerned must act in accordance with any terms, conditions or limitations specified by the directors or the shareholders in accordance with this article 6.3.
- 6.4 No director shall, by reason of his office as director of the Company (or by reason of the fiduciary relationship established by holding that office), be liable to account to the Company for any benefit derived from any Relevant Matter to the extent that the Relevant Matter has been authorised by the directors in accordance with this article 6. No transaction or arrangement shall be liable to be avoided by reason of any interest of a director to the extent that it has been so authorised.
- 6.5 Notwithstanding the other provisions of this article 6, the shareholders shall be entitled to authorise a Relevant Matter (whether or not authorisation has previously been requested from and/or refused by the directors) and any authorisation of a matter pursuant to this article 6.5 shall, unless it states otherwise, extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised. The provisions of articles 6.3 and 6.4 shall apply *mutatis mutandis* to any authorisation so given by the shareholders save that the word(s) "directors" or "directors or shareholders" when referring to the authorisation being given, or to any terms and conditions of authorisation being specified, imposed, varied or terminated, shall be read only as the word "shareholders". Any authorisation, and the variation or termination of any authorisation by the shareholders under article 6.3 or this article 6.5, shall be by ordinary resolution, save where any greater majority is otherwise required by the Companies Act 2006 or other applicable law.

## 7. DIRECTORS' INTERESTS: GENERAL

- 7.1 Where this article 7.1 applies, a director shall be deemed to have the authority, without breaching the general duties he owes to the Company by virtue of sections 171 to 177 of the Companies Act 2006, to take (and shall take if so requested by the other directors or the shareholders) such steps as may be necessary or desirable for the purpose of managing any conflict of interest to which this article 7.1 applies, including (without limitation) by:
- 7.1.1 complying with any procedures laid down from time to time by the directors or shareholders for the purpose of managing conflicts of interest generally or any specific procedures approved by the directors or shareholders in relation to the situation, matter or interest in question;
  - 7.1.2 excluding himself from attending and voting at board meetings or otherwise participating in directors' decision making to the extent relating to such situation,

matter or interest or from participating in discussions (whether at meetings of the board or otherwise), or receiving documents or information to the extent relating to any such situation, matter or interest (including, without limitation, notice of meetings, board papers, minutes or draft minutes, directors' written resolutions and legal advice given to any Group Company);

7.1.3 arranging for documents or information relating to any such situation, matter or interest to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information; and/or

7.1.4 not disclosing to the Company, or not using in relation to the Company's affairs, information which he obtains or has obtained otherwise than through his position as a director of the Company which relates to a situation, matter or interest and which is confidential to a third party, where to do so would amount to a breach of confidence or breach of duty to the third party.

7.2 Article 7.1 shall apply where a director has or could have:

7.2.1 a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and provided that the interest or the existence of the situation or relationship leading to the interest has been authorised pursuant to article 5 or article 6 and unless otherwise specified by the terms and conditions of such authorisation; and

7.2.2 a direct or indirect interest in a transaction or arrangement with the Company and such interest has been declared to the other directors to the extent required by the Companies Act 2006.

7.3 Where a director obtains or has obtained information, otherwise than through his position as a director, which is confidential to a third party other than the Company, then provided that the duty of confidentiality does not arise out of a situation in which the director has or may have a direct or indirect conflict of interest, the director shall not be required to disclose such information to the Company or use it in relation to the Company's affairs. This article is without prejudice to the ability of a director to withhold such information from the Company in accordance with the provisions of article 7.1.

7.4 Articles 7.1 and 7.3 are without prejudice to any equitable principle or rule of law which may otherwise excuse or release the director from any requirement to disclose information or use information in relation to the Company's affairs, participate in discussions or receive documents or information.

7.5 For the purposes of articles 5 to 7, references to a conflict of interest include a conflict of interest and duty and a conflict of duties.

8. **ALTERNATE DIRECTORS**

- 8.1 Any director, other than an alternate director, ("**Appointor**") may appoint as an alternate director any other director, or any other person who is willing to act as an alternate director, to exercise (in the absence of the Appointor) the Appointor's powers as a director generally, and in particular, but without limitation (in the absence of the Appointor) to carry out the Appointor's responsibilities in relation to the taking of decisions by directors.
- 8.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the directors. The notice must identify the proposed alternate director and, in the case of a notice of appointment, contain a statement signed by the proposed alternate director that the proposed alternate director is willing to act as the alternate director of the director giving the notice.
- 8.3 An alternate director has the same rights, in relation to any directors' meeting or decision of the directors, as the alternate director's Appointor and, without limitation, is entitled to receive notice of all meetings of directors and committees of directors and all meetings of shareholders which their Appointor is entitled to receive and in the absence of their Appointor, to attend, speak and vote at all such meetings at which their Appointor is entitled to attend, speak and vote.
- 8.4 Except as these articles specify otherwise, alternate directors are deemed for all purposes to be directors, are liable for their own acts and omissions, are subject to the same restrictions as their Appointors, and are not deemed to be agents of or for their Appointors.
- 8.5 Subject to article 8.6, a person who is an alternate director, but not a director:
- 8.5.1 may be counted as participating in a directors' meeting for the purposes of determining whether a quorum is present and may vote on any proposal made at a directors' meeting (if that alternate director's Appointor is not participating but would have been an eligible director in relation to that proposal had he been participating); and
  - 8.5.2 may take part in decisions of the directors pursuant to article 4 (provided that alternate director's Appointor does not take part in making the decision but would have been an eligible director in relation to that decision had he taken part in making it).
- 8.6 A person may be appointed as the alternate director of more than one director. Where a person is appointed as the alternate director of more than one director, or is an alternate director and a director himself, that alternate director shall (subject to article 4.4):
- 8.6.1 be entitled at meetings of the directors to one vote in respect of every director by whom he has been appointed as an alternate director (and who is not himself participating, but who would have been an eligible director in relation to

the proposal had he been participating) in addition to his own vote (if any) as a director;

8.6.2 may be counted more than once for the purpose of determining whether or not a quorum is present; and

8.6.3 shall be entitled to take part in decisions of the directors pursuant to article 4 on behalf of each director by whom he has been appointed (and who would have been an eligible director in relation that decision) as well as being able to take part in making the decision for himself (if he is a director).

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

8.8 An alternate director's appointment as an alternate director for a particular Appointor shall terminate:

8.8.1 when that Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

8.8.2 on the death of that Appointor; or

8.8.3 when the directorship of that Appointor terminates;

and an alternate director's appointment as an alternate director for an Appointor (and, if the person is an alternate director for more than one director, that person's appointment as an alternate director for each Appointor) shall terminate on the occurrence in relation to the alternate director of any event which, if it occurred in relation to any Appointor of that alternate director, would result in the termination of that Appointor's appointment as a director.

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

9.1 The shareholder(s) holding a majority of the voting rights attaching to the issued share capital of the Company (excluding the voting rights attaching to any shares held by the Company as treasury shares) may from time to time appoint any person who is willing to act and who is permitted by law to do so, as a director and may remove from office any director, whether appointed under this article 9.1 or otherwise.

9.2 Any appointment or removal of a director pursuant to article 9.1 shall be made by notice to the Company signed by the shareholder(s) entitled to appoint or remove that director. Any such appointment or removal shall take effect when the notice is received by the Company or at any later time specified for the purpose in the notice.

9.3 Unless prohibited by the terms of any authorisation given under article 6, any director appointed for the time being pursuant to article 9.1 may make such disclosures in relation

to the Group Companies to the shareholder(s) appointing him as he thinks appropriate in his sole discretion.

9.4 The directors shall have no power to appoint any person to be a director.

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

9.5.1 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;

9.5.2 (in case of a director who is a natural person) a bankruptcy order is made against that person or a composition is made with that person's creditors generally in satisfaction of that person's debts;

9.5.3 (in the case of a director that is a body corporate) that body corporate (i) passes any resolution for voluntary winding up (within the meaning of section 84(2) Insolvency Act 1986 or otherwise) or is wound up by the court; (ii) is the subject of an administration order or an administrator is appointed in respect of that body corporate; (iii) makes any proposal under Part I of the Insolvency Act 1986 or otherwise for a composition in satisfaction of its debts or a scheme of arrangement of its affairs or makes any proposal under Part 26 of the Companies Act 2006 or otherwise for a compromise or arrangement between it and its creditors or any class of them, makes any arrangement or compromise with creditors generally or ceases to carry on all or substantially all of its business; (iv) has an administrative receiver, receiver or manager appointed over all or any substantial part of its assets; or is the subject of any occurrence substantially similar in nature or effect, whether in England and Wales or any other jurisdiction;

9.5.4 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;

9.5.5 he is removed from office in accordance with article 9.1; or

9.5.6 notification is received by the Company from the director that the director is resigning from office as director and such resignation has taken effect in accordance with its terms.

## 10. **DIRECTORS' REMUNERATION AND EXPENSES**

10.1 Subject to the prior written consent of the shareholder(s) holding a majority of the voting rights attaching to the issued share capital of the Company, the directors may:

10.1.1 appoint a person to the office of managing director or any other executive or salaried office;



10.1.2 enter into an agreement or arrangement with any such person in respect of such appointment or in respect of the provision by a director of services outside the scope of the ordinary duties of that director; and

10.1.3 agree to pay remuneration in such amount and form (both for their services to the Company as directors and for any other service which they undertake for the Company) as the directors determine.

*Unless the directors decide otherwise (with the prior written consent of shareholder(s) holding a majority of the voting rights attaching to the issued share capital of the Company), such remuneration shall accrue from day to day and directors shall not be 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.*

10.2 The Company may pay any reasonable expenses which the directors (including any alternate director) or the Company Secretary properly incur in connection with their attendance at meetings of directors or committees of directors, general meetings, or separate meetings of the holders of any class of shares or of debentures of the Company, or otherwise in connection with the proper exercise of their powers and the discharge of their responsibilities in relation to the Company.

10.3 The directors may (with the prior written consent of the shareholder(s) holding a majority of the voting rights attaching to the issued share capital of the Company) exercise all the powers of the Company to provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director or former director who holds or has held any executive office or employment with the Company or with any body corporate which is or has been a Group Company or with a predecessor in business of the Company or of any such body corporate, and for any member of his family (including a spouse, former spouse, civil partner or former civil partner) or any person who is or was dependent on him, and may contribute to any fund and pay premiums for the purchase or provision of any such benefit.

10.4 For the purposes of this article 10, when calculating whether any shareholder holds a majority of the voting rights attaching to the issued share capital of the Company, the voting rights attaching to any shares held by the Company as treasury shares shall be ignored.

## 11. **SHARES: GENERAL**

### 11.1 **Shares to be fully paid up**

All shares shall be issued fully paid.

## **11.2 Power to issue different classes of share**

11.2.1 Subject to these 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.

11.2.2 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the relevant shareholder.

## **11.3 Purchase of own shares**

The Company shall have the authority to purchase its own shares out of capital pursuant to section 692(1ZA), Companies Act 2006.

## **11.4 Absolute interests only**

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 these articles, the Company is not in any way to be bound by or recognise any interest in a share other than the shareholder's absolute ownership of it and all the rights attaching to it.

## **11.5 Share certificates**

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

11.5.2 Every certificate must specify:

11.5.2.1 in respect of how many shares and of what class, it is issued;

11.5.2.2 the nominal value of those shares;

11.5.2.3 that the shares are fully paid; and

11.5.2.4 any distinguishing numbers assigned to them,

and no certificate may be issued in respect of shares of more than one class. Certificates must have affixed to them the Company's common seal, or be otherwise executed in accordance with the Companies Acts.

11.6 If more than one person holds a share, only one certificate may be issued in respect of those shares and delivery to one joint shareholder shall be a sufficient delivery to all of them.

11.7 If a certificate issued in respect of a shareholder's shares is damaged or defaced, or said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares. A shareholder exercising the right to be issued with such a replacement certificate may at the same time exercise the right to be issued with a single certificate or separate certificates and (if it is damaged or

defaced) must return the certificate which is to be replaced to the Company, and must comply with such conditions as to evidence and indemnity as the directors decide.

**12. SHARES: AUTHORITY TO ALLOT**

The directors are prohibited from exercising any power of the Company to allot shares or grant rights to subscribe for or convert any security into shares in accordance with section 550, Companies Act 2006, except with the prior written consent of shareholder(s) holding not less than a majority of the voting rights attaching to the issued share capital of the Company (excluding the voting rights attaching to any shares held by the Company as treasury shares).

**13. SHARES: TRANSFER**

13.1 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. No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share and the Company may retain any instrument of transfer which is registered.

13.2 The transferor remains the holder of a share until the transferee's name is entered in the register of members as shareholder in respect of such share.

13.3 Except as required by the Companies Act 2006 or otherwise by law, the directors shall not refuse to register the transfer of a share and shall register any transfer of a share as soon as practicable and in any event within two months after the date on which the following are lodged at the office or such other place as the directors may appoint:

13.3.1 the duly stamped (or exempt) transfer; and

13.3.2 the certificate(s) for the shares to which the transfer relates or an indemnity in lieu of the certificate(s) in a form reasonably satisfactory to the directors.

**14. DIVIDENDS AND OTHER DISTRIBUTIONS**

**14.1 Procedure for declaring dividends**

14.1.1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

14.1.2 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights. Unless the shareholders' resolution to declare or the 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. Any shares held by the Company as treasury shares shall be ignored for the purposes of calculating each shareholder's entitlement to any dividend or distribution.

14.1.3 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.

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

14.2.1 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:

14.2.1.1 transfer to a bank or building society account specified by the *Distribution Recipient* either in writing or as the directors may otherwise decide;

14.2.1.2 sending a cheque made payable to the *Distribution Recipient* by post (in accordance with article 21.4) to the *Distribution Recipient* at the *Distribution Recipient's* registered address (if the *Distribution Recipient* is the shareholder of the share), or (in any other case) to an address specified by the *Distribution Recipient* in writing or (where no such address has been specified) as the directors may otherwise decide;

14.2.1.3 sending a cheque made payable to such person by post (in accordance with article 21.4) to such person at such address as the *Distribution Recipient* has specified in writing or (where no such address has been specified) as the directors may otherwise decide; or

14.2.1.4 any other means of payment as the directors agree with the *Distribution Recipient* in writing.

14.2.2 In these articles, "**Distribution Recipient**" means, in respect of a share in respect of which a dividend or other sum is payable:

14.2.2.1 the shareholder of the share (ignoring for these purposes the Company as holder of any treasury share); or

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

14.2.2.3 if the shareholder is no longer entitled to the share by reason of that shareholder's death or bankruptcy, or otherwise by operation of law, the Transmittee.

#### 14.3 **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 the terms on which the share was issued, or the provisions of another agreement between the shareholder of that share and the Company.

#### **14.4 Unclaimed distributions**

14.4.1 All dividends or other sums which are payable in respect of shares and which are unclaimed after having been declared or becoming payable, may be invested or otherwise made use of by the directors for the benefit of the Company until claimed. The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.

14.4.2 If twelve years have passed from the date on which a dividend or other sum became due for payment and the Distribution Recipient has not claimed it, the Distribution Recipient is no longer entitled to that dividend or other sum and it ceases to be owed by the Company.

#### **14.5 Non-cash distributions**

14.5.1 Subject to the terms of issue of the share in question, the Company may, by ordinary resolution, 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).

14.5.2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including (where any difficulty arises regarding the distribution) fixing the value of any assets, paying cash to any Distribution Recipient on the basis of that value in order to adjust the rights of Distribution Recipient, and vesting any assets in trustees.

#### **14.6 Waiver of distributions**

A Distribution Recipient may waive his entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect prior to the declaration of a dividend by a general meeting, or the payment of an interim dividend decided on by the directors, but if the share has more than one shareholder, or more than one person is entitled to the share whether by reason of the death or bankruptcy of one or more joint shareholders or otherwise, the notice is not effective unless it is expressed to be given, and signed, by all the shareholders or persons otherwise entitled to the dividend in respect of that share.

### **15. CAPITALISATION OF PROFITS**

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

15.1.1 decide to capitalise any profits of the Company (whether or not they are available for distribution) that 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

- 15.1.2 appropriate any sum which they so decide to capitalise ("**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend ("**persons entitled**") and in the same proportions.
- 15.2 Capitalised sums must be applied on behalf of the persons entitled, and in the same proportions as a dividend would have been distributed to them.
- 15.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to that capitalised sum, which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 15.4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company, which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 15.5 Subject to these articles, the directors may:
- 15.5.1 apply capitalised sums in accordance with articles 15.3 and 15.4 partly in one way and partly in another;
- 15.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments or ignoring fractions altogether); and
- 15.5.3 authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## 16. **DECISION-MAKING BY SHAREHOLDERS**

### 16.1 **No general meetings unless required by law**

- 16.1.1 Except where required by law, the Company is not required to hold general meetings or class meetings of any class of share and decisions of the shareholders of any class of share may be made by the passing of a written resolution passed in accordance with the Companies Act 2006.
- 16.1.2 For the purposes of section 297, Companies Act 2006, a proposed written resolution of the shareholders shall lapse if not passed by the end of such period after the circulation date of such resolution as is determined by the directors in respect of that resolution or, if no such period is so determined, the resolution shall lapse at the end of the period of 14 days beginning with its circulation date.

## 17. **COMPANY SECRETARY**

The Company shall not be required to have a secretary, but may choose to have one. Any Company Secretary shall be appointed by the directors for such term and at such

remuneration and upon such conditions as they think fit, and any Company Secretary so appointed may be removed by them.

**18. AUTHENTICATION**

Any director or the Company Secretary or any person appointed by the directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company, any resolutions of the Company or decisions of the directors or any committee of the directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies of, or extracts from, them as true copies or extracts. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the directors or any committee of the directors which is certified in accordance with this article shall be conclusive evidence in favour of a person dealing with the Company upon the faith of that document that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

**19. COMPANY SEALS**

19.1 *Any common seal may only be used by the authority of the directors and the directors may decide by what means and in what form any common seal is to be used.*

19.2 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. For the purposes of this article, an authorised person is:

19.2.1 any director of the Company;

19.2.2 the Company Secretary; or

19.2.3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

**20. PROVISION FOR EMPLOYEES ON THE CESSATION OF BUSINESS**

The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of the Group Companies (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 the Group Companies.

**21. NOTICES AND COMMUNICATIONS**

21.1 Except as otherwise provided in these articles and subject to article 21.4, any document or information to be given, sent or supplied under these articles by the Company shall be given, sent or supplied in any way in which the Company may send or supply documents or information generally to the intended recipient under schedule 5 of the Companies Act 2006 (which may include, without limitation, in hard copy form, in electronic form or by

making it available on a website) subject to, and in accordance with, the requirements of that schedule.

- 21.2 Except as otherwise provided in these articles and subject to article 21.4, any document or information to be given, sent or supplied under these articles to the Company shall be given, sent or supplied in English and otherwise in any way in which documents or information generally may be sent or supplied by the sender to the Company under schedule 5 of the Companies Act 2006 (where the sender is a body corporate) or schedule 4 of the Companies Act 2006 (in all other cases) subject to, and in accordance with, the requirements of schedule 4 or schedule 5 of the Companies Act 2006 (as applicable).
- 21.3 Articles 21.1 and 21.2 shall apply whether the document or information is authorised or required to be sent or supplied by the Companies Acts or otherwise. References in this article 21 to documents or information being given, sent or supplied by or to the Company include references to documents or information being given, sent or supplied by or to the directors of the Company acting on the Company's behalf.
- 21.4 Articles 21.1 and 21.2 shall apply as if schedules 4 and 5 of the Companies Act 2006 required documents and information sent by post to be sent by prepaid first class post or (in the case of a registered address outside the United Kingdom) by prepaid airmail.
- 21.5 In the case of joint shareholders of a share, all notices, documents and information shall be given to the joint shareholder whose name stands first in the register of members in respect of the joint shareholding and any notices, documents and information so given shall be sufficiently given to all the joint shareholders. A shareholder whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices, documents or information may be given to him, or an address to which notices, documents or information may be sent by electronic means, shall be entitled to have such notices, documents or information given to him at that address.
- 21.6 Proof that an envelope containing a notice, document or information was properly addressed, prepaid first class and posted shall be conclusive evidence that the notice, document or information was given. Proof that a notice, document or information sent by electronic means was sent or given in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice, document or information was sent or given. The board may require authentication of any document or information given, sent or supplied to the Company in electronic form in such manner as it may determine.
- 21.7 Section 1147, Companies Act 2006 shall not apply to documents or information sent by or to the Company for the purposes of the Companies Acts or these articles.
- 21.8 In this article 21, "**address**" includes a number or address used for the purposes of sending or receiving documents or information by electronic means.



21.9 Nothing in these articles shall affect any legal requirement that any particular notice or other document be served in any particular manner.

## 22. INDEMNITIES AND FUNDING OF PROCEEDINGS

22.1 Subject to the provisions of and so far as may be consistent with the Companies Act 2006:

22.1.1 the directors may exercise all the powers of the Company to indemnify any person who is, or was at any time, a director of the Company or any of its associated companies, against all liabilities incurred by or attaching to him in connection with his duties, powers or office in relation to any such company of which he is or was a director, to the fullest extent permitted by law;

22.1.2 where the Company or any of its associated companies is or was at any time a trustee of an occupational pension scheme (as defined in section 235(6), Companies Act 2006 as amended, modified or re-enacted from time to time), the directors may exercise all the powers of the Company to indemnify any person who is or was at any time a director of that company against all liabilities incurred by him in connection with that company's activities as trustee of the occupational pension scheme, to the fullest extent permitted by law; and

22.1.3 the directors may exercise all the powers of the Company to provide any director of the Company or of its holding company with funds to meet expenditure incurred or to be incurred by him of the kind referred to in sections 205(1)(a) and 206(a), Companies Act 2006 as amended, modified or re-enacted from time to time and otherwise take any action to enable any such director to avoid incurring such expenditure, to the fullest extent permitted by law;

and in this article 22.1 the term "**associated company**" shall have the meaning given in section 256(b), Companies Act 2006 as amended, modified or re-enacted from time to time.

## 23. INSURANCE

23.1 Without prejudice to article 22, the directors may exercise all the powers of the Company to purchase and maintain insurance for, or for the benefit of, any person who is or was at any time:

23.1.1 a director of any Relevant Company; or

23.1.2 a trustee of any pension fund or retirement, death or disability scheme for the benefit of any employee of any Relevant Company or of any employees' share scheme in which employees of any such Relevant Company are interested;

including, without limitation, insurance against any liability referred to in article 22 attaching to him in relation to any Relevant Company, or any such pension fund, retirement or other scheme or employees' share scheme.

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23.2 In article 23.1, "**Relevant Company**" means the Company or any other undertaking which is or was at any time:

23.2.1 the holding company of the Company; or

23.2.2 a subsidiary of the Company or of such holding company; or

23.2.3 a company in which the Company has an interest (whether direct or indirect).