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**SOURCE BIOSCIENCE SCOTLAND LIMITED**  
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**PART 1**  
**INTERPRETATION AND LIMITATION OF LIABILITY**

**Defined terms**

1. In the articles, unless the context requires otherwise—

“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;

“chairman of the meeting” has the meaning given in article 43;

“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;

“Connected Person” has the meaning assigned by section 993 of the Income Taxes Act 2007;

“Controlling Interest” means an interest as defined in sections 820 to 825 of the Act in shares in the Company conferring in aggregate more than 50% of the total voting rights normally exercisable at a general meeting of the Company

“Deemed Transfer Notice” as such term is defined in Article 27(1);

“Determination Date” as such term is defined in Article 26(7);

“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 35;

“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;

“Fair Value” for the purposes of these Articles means the value established by the Directors by averaging the value ascertained by two independent firms of Chartered Accountants selected by the Directors for this purpose;

“Family Member” means in relation to any individual such individual’s spouse, children, parent, grandparent, grandchild, brother or sister;

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

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

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

“instrument” means a document in hard copy form;

“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;

“proxy notice” has the meaning given in article 49;

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

“shares” means shares in the company and any interest in such a share;

“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;

“Tag Along Offer” means an unconditional offer, open for acceptance for not less than 28 days, to purchase shares held by the recipients of a Tag Along Offer or shares for which such recipients may subsequently subscribe free from all liens, charges and encumbrances at a price per share equal to the highest price per share (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by any transferee referred to in Article 30(6) (or to any person with whom such transferee is connected with or with whom such transferee is acting in concert) for shares (inclusive of the shares giving rise to the obligation to make a Tag Along Offer) within the period of one year ending on the proposed date of completion of such transfer of shares. In the event of disagreement the calculation of the relevant Tag Along Offer price shall be the Fair Value;

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

“Withdrawal Period” shall have the meaning set out in Article 26(9); and

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

Unless the context otherwise requires, other words or expressions contained in 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.

### **Liability of members**

2. 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

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

3. 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.

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

4. (1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.

(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

##### **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.

(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.

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

##### **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.

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

## DECISION-MAKING BY DIRECTORS

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

7. (1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

(2) If

(a) the company only has one director, and

(b) no provision of the articles requires it to have more than one director,

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

### **Unanimous decisions**

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.

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

(4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

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

9. (1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

(2) Notice of any directors' meeting must indicate—

(a) its proposed date and time;

(b) 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, how it is proposed that they should communicate with each other during the meeting.

- (3) Notice of a directors' meeting must be given to each director, but need not be in writing.
- (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.

### **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.
- (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.
- (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.

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

- 11. (1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two.
- (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—
  - (a) to appoint further directors, or
  - (b) to call a general meeting so as to enable the shareholders to appoint further directors.

### **Chairing of directors' meetings**

- 12. (1) The directors may appoint a director to chair their meetings.
- (2) The person so appointed for the time being is known as the chairman.
- (3) The directors may terminate the chairman's appointment at any time.
- (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



### **Casting vote**

13. (1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

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

### **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 is not to be counted as participating in the decision-making process for quorum or voting purposes.

(2) But if paragraph (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.

(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.

(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.

(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.

(6) Subject to paragraph (7), 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 chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

(7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, 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 participating in the meeting (or that part of the meeting) for voting or quorum purposes.

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

15. 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.

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

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

## **APPOINTMENT OF DIRECTORS**

#### **Methods of appointing directors**

17. Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—by resolution of at least 60% of the shareholders eligible and voting.

(2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.

(3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

#### **Termination of director's appointment**

18. 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) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (f) 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.

#### **Directors' remuneration**

19. (1) Directors may undertake any services for the company that the directors decide.
- (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.
- (3) 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.
- (4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- (5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

#### **Directors' expenses**

20. The company may pay any reasonable expenses which the directors 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.

**PART 3**  
**SHARES AND DISTRIBUTIONS**  
**SHARES**

**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.

(2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

**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.

(2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

**Company not bound by less than absolute interests**

23. 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.

**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.

(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.
- (3) No certificate may be issued in respect of shares of more than one class.
- (4) If more than one person holds a share, only one certificate may be issued in respect of it.
- (5) Certificates must—
  - (a) have affixed to them the company's common seal, or
  - (b) be otherwise executed in accordance with the Companies Acts.

#### **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.
- (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.

#### **Pre-emption rights on transfer of shares**

- 26. (1) For the purposes of these Articles the following shall be deemed (but without limitation) to be a transfer by a holder of shares in the Company:
  - (a) any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of shares that a share be allotted or issued or transferred to some person other than himself; and
  - (b) any sale or any other disposition of any legal or equitable interest in a share (including any voting right attached to it), (i) whether or not by the relevant holder, (ii) whether or not for consideration, and (iii) whether or not effected by a written instrument.
- (2) Except as otherwise permitted by these Articles, the right to transfer shares in the Company shall be subject to the following provisions and Articles 27, 28 and 29:
  - (a) before transferring or agreeing to transfer any share or any interest therein to someone other than a Family Member of the intending Transferor' (including for this purpose the

assignment of any beneficial interest in, or the creation of any charge or security interest over, such share and the renunciation or assignment of any right to receive or subscribe for such share), the person proposing to transfer the same (the "Transferor") shall give notice in writing (a "Transfer Notice") to the Directors that he wishes to transfer such share.

(b) The Transfer Notice shall specify:

- (i) the number and class of shares which the Transferor wishes to transfer (each a "Transfer Share") (which may be all or some of the shares held by the Transferor);
- (ii) the identity of any such third party to whom the Transferor wishes to transfer the said shares;
- (iii) the price at which the Transferor wishes to sell the Transfer Shares; and
- (iv) whether or not the Transferor wishes to impose a Total Transfer Condition (meaning a condition that, unless all the Transfer Shares are sold pursuant to the following provisions of this Article 26, then none shall be sold). In the absence of any such statement, the Transfer Notice shall be deemed not to contain a Total Transfer Condition.

(c) Where any Transfer Notice is deemed to have been given in accordance with Article 27, all the shares registered in the name of the Transferor shall be included for transfer and the provisions of Article 26(2)(b)(iv) shall not apply.

(d) The Transfer Notice shall constitute the Company as the agent of the Transferor for the sale of the Transfer Shares (together with all rights attaching thereto at the date of the Transfer Notice or at any time thereafter) upon the following terms:

- (i) the price for the Transfer Shares is the Price (save in the case of a Deemed Transfer Notice where the Price will be determined in accordance with either Article 27.6 or Article 27.7 (as appropriate)); and
- (ii) the Transfer Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them.

(e) Where a Transfer Notice is given in respect of more than one class of share, it shall be deemed for the purposes of this Article 26 to comprise a separate Transfer Notice in respect of each class of shares proposed to be transferred

(f) Should the notice contain a Total Transfer Condition the condition shall apply to all the shares in the notice of each and every class.

(g) Within twenty eight days of the receipt by them of any Transfer Notice, the Directors shall send a copy of that Transfer Notice to all the members of the Company other than the Transferor.

(3) The Price shall be the price agreed in writing between the Transferor and the Directors or, in the absence of such agreement (whether by disagreement, absence, death or otherwise) at the Fair Value. The "Price", which expression, where used in respect of more than one Transfer Share, shall mean the price in respect of one only of the Transfer Shares multiplied by the number of Transfer Shares in question agreed or determined in accordance with the following provisions of this Article 26.

(4) The accountants appointed to establish Fair Value shall act as experts and not as arbitrators, and their certificates (the "Certificates") shall be final and binding on all members.

(5) The Fair Value shall be the open market value of the Transfer Shares as at the date of the Transfer Notice on the following assumptions and bases:

(a) the Transfer Shares shall be valued as on an arm's length sale between a willing seller and a willing buyer;

(b) it shall be assumed, if the Company is then carrying on business as a going concern, that it will continue to do so;

(c) it shall be assumed that the Transfer Shares are capable of being transferred without restriction; and

(d) it shall be assumed that no diminution in value applies to the Transfer Shares by virtue of the fact they represent a minority interest.

If any difficulty shall arise in applying any of the foregoing assumptions or bases, it shall be resolved by each accountant in such manner as he may in his absolute discretion think fit.

(6) The Directors shall procure that each accountant shall have access to the Company's premises and books and accounting records for the purposes of determining the Price.

(7) If the determination of the Price is referred to accountants, the date upon which the Directors receive the second Certificate shall be the "Determination Date". If the Price is determined by agreement with the Directors (in accordance with Article 26 (3)), then the Determination Date shall be the date upon which such agreement is made.

(8) Where the accountants have determined the Fair Value, the Directors shall within seven days of the Determination Date send to the Transferor a copy of both Certificates.

(9) A Transferor shall be entitled (except as otherwise herein provided) to revoke the Transfer Notice on giving notice in writing to the Directors within the period of fourteen days after

receipt by him of the Certificates (“Withdrawal Period”), save for in the case of a Deemed Transfer Notice pursuant to Article 8, which shall be irrevocable.

(10) The costs and expenses of the accountants in determining the Fair Value shall be borne by the Transferor and the Purchasers in such proportions as the Board may determine unless either the Transferor shall revoke the Transfer Notice as permitted by these Articles or none of the Transfer Shares are purchased by the members pursuant to the following provisions of this Article 7, in which event the Transferor shall pay all of such costs and expenses.

(11) Within seven days after the Determination Date, the Transfer Shares shall be offered for purchase at the Price by the Directors in accordance with the following provisions:

(a) the Directors shall by notice in writing (“the Offer”) offer the Transfer Shares to those members who at the date of the Offer are registered as the Holder(s) of Equity Shares (but not to the Transferor or to any member to whom under Article 27 shares may not be transferred); and any of the Transfer Shares not accepted by such members shall, in the case of competition, be sold to the acceptors in proportion (as nearly as may be without involving fractions or selling to any member a greater number of Transfer Shares than the maximum number applied for by him) to the number of shares then registered in their respective names;

(b) the Offer shall specify:

- (i) the number and class of shares offered;
- (ii) the Price;
- (iii) whether the Transfer Notice contains a Total Transfer Condition and, if pursuant to Article 26(2)(e) this extends to other shares of a different class being offered by the Transferor, that such is the case;
- (iv) the period limit for the acceptance of the Offer (“the Offer Period”) which shall be not less than twenty-one and not more than thirty-five days; and
- (v) the manner in which the Offer may be accepted in accordance with Article 26(12).

(12) Acceptance of the Offer shall be by notice in writing by the member to the Directors and must specify the maximum number of shares which that member wishes to accept (which may be for all the Transfer Shares or some smaller number). A valid acceptance of the Offer may not be withdrawn, and a member who validly accepts the Offer shall be obliged to purchase any Transfer Shares allocated to him in accordance with these Articles.

(13) If any of the Transfer Shares shall not be capable of being allocated as aforesaid without involving fractions, then the Directors shall allocate the Transfer Shares in the integer of the



numbers so determined and thereafter they will allocate any remaining shares as the Directors shall think fit.

(14) If by the foregoing procedure the Directors shall not have received acceptances from members in respect of all of the Transfer Shares within the Offer Period, they shall forthwith give notice in writing of that fact to all the Holder(s), and thereupon the Holder(s) of at least three quarters of the issued and paid up shares of the Company (excluding all shares held by the Transferor) shall be entitled within fourteen days of the date of service of that notice to nominate by written notice to the Directors signed by each such Holder, and which may consist of several notices in the like form, (the "Nomination") any person or persons, whether or not a member or members of the Company, who has or have expressed in writing his or their willingness to purchase at the Price all or any of those Transfer Shares in respect of which acceptances have not been received and the Directors and the person or persons so nominated shall be deemed to have made and to have accepted an offer for the said Transfer Shares respectively.

(15) If any such nominated purchaser shall fail to complete any such purchase in accordance with this Article 26, the Holder(s) other than those who did not sign the Nomination shall be liable to complete such purchase in place of that nominated purchaser.

(16) If the Transfer Notice contained a Total Transfer Condition, then no offer of Transfer Shares made by the Directors pursuant to this Article 26 shall be capable of acceptance until there are acceptances in respect of all of the Transfer Shares from the Holder(s) or any of them or any person or persons nominated pursuant to Article 26(14).

(17) If by the foregoing procedure set out in this Article 26 the Directors shall not receive acceptances in respect of all the Transfer Shares in relation to which a Total Transfer Condition applied, they shall forthwith give notice in writing of that fact to the Transferor (a "Release Notice").

(18) Within the period of three months after the date of the Release Notice but not after the said period, the Transferor may sell all, but not some only, of the Transfer Shares to any person named in the Transfer Notice referred to in Article 26(2)(b)(ii), at any price which is not less than the Price (after deducting, where appropriate, an amount equal to any net dividend or other distribution declared, made or paid after the date of the Transfer Notice in respect of the Transfer Shares and which has been or is to be retained by the Transferor). The Directors shall accordingly, but subject to Article 29(5), be obliged to register any transfer of the Transfer Shares lodged for registration within the period of three months after the date of

the Release Notice; provided that the price in respect thereof shall be not less than as aforesaid.

(19) If any Holder or Holders or person or persons nominated pursuant to Article 26(14) (each a "Purchaser") shall in accordance with these articles agree to purchase all of the Transfer Shares, the Directors shall forthwith give notice in writing (a "Purchase Notice") to the Transferor, and the Purchaser and the Transferor shall thereupon become bound upon payment of the Price to the Transferor (whose receipt shall be a good discharge to the Purchaser, the Company and the Directors, none of whom shall be bound to see to the application thereof) to transfer to each Purchaser those Transfer Shares accepted by him.

(20) The Purchase Notice shall state the name and address of each Purchaser, the number of Transfer Shares agreed to be purchased by him and the time and place appointed by the Directors for the completion of the purchase being not less than fourteen days nor more than twenty-eight days after the date of the said notice and not being at a place outside England.

(21) If the Transfer Notice did not contain a Total Transfer Condition, and if by the foregoing procedure set out in this Article 26 the Directors shall have received acceptances in accordance with these Articles in respect of part only of the Transfer Shares, they shall forthwith send to the Transferor notice thereof, and the following provisions shall apply:

(a) the Transferor shall thereupon become bound upon payment of the Price to transfer to each acceptor those Transfer Shares accepted by him (the provisions of Articles 26(21) and 26(22) applying *mutatis mutandis*); and

(b) the Transferor may, subject as hereinafter provided, within a period of three months after the date of the Directors' notice, (referred to in this Article 26(21)) sell to the person named in the Transfer Notice all or any of those Transfer Shares which have not been accepted by any person at any price which is not less than the Price (after deducting, where appropriate, an amount equal to any net dividend or other distribution declared, paid or made after the date of the Transfer Notice in respect of the Transfer Shares and which has been or is to be retained by the Transferor). The Directors shall accordingly, but subject to Article 27, be obliged to register any transfer of the Transfer Shares lodged for registration within the period of three months after the date of the Directors' notice (referred to in this Article 26(21)) provided that the price in respect thereof shall be not less than as aforesaid.

(22) If the Transferor, having become bound to transfer any Transfer Shares pursuant to this Article 26, makes default in transferring them, the Directors may appoint and authorise some person, who shall be deemed to be the attorney of the Transferor for the purpose, to execute

the necessary instrument of transfer in respect of such Transfer Shares and, in the absence of the relevant share certificate, any indemnity in respect thereof requested by the Directors and may deliver it or them on his behalf, and the Company may receive the purchase money and shall thereupon (subject to such instrument being duly stamped) cause the transferee to be registered as the Holder of such Transfer Shares and shall hold the purchase money on behalf of the Transferor. The Company shall not be bound to earn or pay interest on any money so held. The receipt of the Company for such purchase money shall be a good discharge to the transferee, who shall not be bound to see to the application thereof, and, after the name of the transferee has been entered in the register of members in purported exercise of this power, the validity of the proceedings shall not be questioned by any person.

(23) Without prejudice to Article 29, the Directors may require to be satisfied (including without limitation by statutory declaration as referred to in Article 29(5)) that any shares being transferred by the Transferor pursuant to Articles 26(18) or 26(21)(b) are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer and, if not so satisfied, notwithstanding any other provision of these articles, may refuse to register the transfer.

## **27. Deemed transfer provisions**

(1) Upon the happening of any Relevant Event (as such term is defined in Article 27(2)), the member in question shall be deemed to have given a Transfer Notice (a “Deemed Transfer Notice”) in respect of all shares then registered in the name of such member and in respect of all shares which he would otherwise be entitled to have registered in his name. The Deemed Transfer Notice shall be irrevocable and shall supersede any previous transfer notice provided by the member and the provisions of Article 27 shall apply mutatis mutandis save that the Price shall be determined in accordance with Articles 27(6) and 27(7) and references in Article 26 to “the Transferor” shall be treated as referring to his personal representatives or trustees (as the case may be).

(2) The following provisions shall apply for the purposes of determining what is a Relevant Event and determining the timing of a Deemed Transfer Notice:

(a) In relation to a member who is an individual, “Relevant Event” means:

- (i) his death where his shares would not in such circumstances by testamentary writing or operation of law fall to a Family Member, Family Trust or existing Holder;

- (ii) In relation to a member who is an individual or a body corporate “Relevant Event” means any arrangement or composition made by him or it with his or its creditors generally.
- (iii) In relation to a member who is a body corporate “Relevant Event” means:
  - A the appointment of a receiver, manager, administrative receiver or administrator over the whole or any part of its assets or undertaking; or
  - B it entering into liquidation (otherwise than pursuant to a voluntary scheme for the purpose of a bona fide scheme of solvent amalgamation or reconstruction); and/or
  - C it ceasing to be controlled (as defined in section 840 of the Income and Corporation Taxes Act 1988) by the persons who controlled it at the date of adoption of these Articles.
- (iv) In relation to a member who is a Connected Person with the Company, “Relevant Event” means his ceasing to be so Connected (and for this purpose a member shall, inter alia, be deemed to be a Connected Person with the Company if he is a director and/or employee of the Company and/or any subsidiary or subsidiary undertaking thereof).

(3) Following a Relevant Event if any of the Transfer Shares (the “Unsold Shares”) which are offered pursuant to the Deemed Transfer Notice shall not be sold to the Holders (or any of them) or any person nominated pursuant to Article 26(14), then after the expiry of the period during which the Unsold Shares might have been purchased by the Holders or any such other person, the person who has become entitled to the Unsold Shares in consequence of the death or bankruptcy of the member shall be entitled either to transfer the Unsold Shares to any person in the same manner and subject to the same conditions (mutatis mutandis) as any other Transferor under Article 26(18) except that such transfer may be made to any person and if to any beneficiary under the will of a deceased Holder, may be for no consideration.

(4) If a Holder or other person entitled to a share at any time attempt to deal with or dispose of the share or any interest therein otherwise than in accordance with these Articles, he shall be deemed to have given a Transfer Notice in respect of such share immediately before such attempt.

(5) Where a Transfer Notice is deemed to have been given under these Articles and the circumstances are such that the Directors are unaware of the facts giving rise to the same, it shall be deemed to have been received by the Directors on the date at which the Directors have actual knowledge of the facts.

(6) The shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with Article 26 as if they were Transfer Shares in respect of which a Transfer Notice had been given save that:

(a) subject to Article 27(7), the price at which the Transfer Shares shall be transferred (the “Deemed Transfer Price”) shall be the Fair Value;

(b) the provisions of Articles 26( 14) and 26(15) shall not apply to a Deemed Transfer Notice and either the Transferor may retain any Transfer Shares for which a purchaser is not found or, the Transferor may sell all or any of those Transfer Shares to any person (including any holder) at any price per Sale Share which is not less than the Deemed Transfer Price and pending any sale the Transferor shall cease to be entitled to receive notice of or to attend and vote (whether on a show of hands or on a poll) at any general meeting of the Company or to be entitled to receive any further shares issued by way of rights issue (or otherwise) and new shares in the Company may be issued, ranking ahead of or *pari passu* with the Transfer Shares, without the consent of the holder of the Transfer Shares; and

(c) the Transfer Shares shall be sold together with all rights attaching thereto as at the date of the Relevant Event.

## **28. Transfers into Trusts or amongst Family Members or existing Holders**

(1) Notwithstanding any other provision of these Articles, shares may be freely transferred, without the consent of the Board or any other shareholder and without offering such shares to existing shareholders in accordance with the pre-emption rights set out in these Articles:

(a) in the case of a trust that holds shares, to the new trustee on a change of trustees;

(b) in the case of shares held by a trust, to a beneficiary of that trust; and

(c) in the case of shares held by an individual (i) to a Family Member of that individual; or (ii) to a trust the beneficiaries of which are limited to such relatives; or (iii) to a company the directors and shareholders of which include only such relatives; or (iv) to existing shareholders.

## **29. Transfer and transmission of shares**

(1) Notwithstanding any other provision of these Articles, the Directors may decline to register the transfer of a share on which the Company has a lien.

(2) Notwithstanding any other provision of these Articles, the Directors may decline to register a transfer unless:

- (a) it is lodged at the Company's registered office or at such other place as the Directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
  - (b) it is in respect of only one class of shares; and
  - (c) it is in favour of no more than four transferees.
- (3) Notwithstanding any other provision of these Articles, the Directors shall refuse to register a transfer to any infant or bankrupt or to any person of unsound mind.
- (4) The Directors shall refuse to register any transfer of a share unless it is permitted by or is made pursuant to and in accordance with these Articles.
- (5) For the purpose of ensuring that a particular transfer of shares is permitted by or made pursuant to and in accordance with these Articles, the Directors may require the Transferor or the person named as transferee in any transfer lodged for registration to furnish the Company with such information and evidence as the Directors may think necessary or relevant. Failing such information or evidence being furnished to the Directors to their satisfaction within a period of twenty-eight days after a written request therefor addressed to the person or persons concerned, the Directors shall, notwithstanding any other provision of these Articles, be entitled to refuse to register the transfer in question.

### **30. Change of Control**

#### **Come Along**

- (1) If the Holders of at least 76% of the shares for the time being in issue ("the Vendors") propose to sell the legal or beneficial interest in their entire holdings of shares to a person with whom none of them is a Connected Person, and the Vendors procure that an offer is made by the proposed transferee (or any person or persons acting in concert with it) ("Offeror") to the Holder(s) of all other issued Equity Shares to acquire with full title guarantee their entire holdings of Equity Shares (including any Equity Shares pursuant to any options, warrants or other rights to subscribe for Equity Shares which exist at the date the Come Along Notice pursuant to Article 30(2) is given) for the same consideration in all material respects ("Come Along Offer"), then the Vendors shall have the right ("Come Along Right") to require all of the other Holders of Equity Shares ("Called Shareholders") to accept the Come Along Offer in full.

(2) The Come Along Right may be exercised by the Vendors serving written notice to that effect ("Come Along Notice") on the Called Shareholders at the same time as, or within 7 days following, the making of the Come Along Offer.

(3) A Come Along Notice once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) in the event that for any reason the Vendors do not transfer their entire holdings shares to the Offeror or the Offeror's nominee not later than the date specified as the date for completion of the sale and purchase of shares pursuant to acceptance of the Come Along Offer.

(4) If any Called Shareholder fails to accept the Come Along Offer or, having accepted such offer, fails to complete the sale of any of his shares pursuant to the Come Along Offer or otherwise fails to take any action required of him under the terms of the Come Along Offer, the Directors (or any of them) may authorise any person to accept the Come Along Offer on behalf of the Called Shareholder in question or undertake on his behalf any other action required under the terms of the Come Along Offer. In particular (but without limitation) the Directors shall have the same rights as given to them under Articles 26(23) and 29(4).

(5) Upon any person, following the making of a Come Along Offer, becoming a Holder of the Company pursuant to the exercise of a pre-existing option to subscribe for or otherwise acquire shares in the Company ("New Holder"), a Come Along Offer shall be deemed to have been served upon the New Holder forthwith on the same terms as the actual Come Along Offer and the New Holder shall thereupon be bound to sell and transfer all such shares acquired by him to the Offeror or as the Offeror may direct and the provisions of this Article 30 shall apply mutatis mutandis to the New Holder save that completion of the sale of such shares shall take place forthwith upon the Come Along Offer being deemed to have been made to the New Holder.

#### Tag Along

(6) If the effect of any transfer of shares by the Vendors would, if completed, result in the transferee together with persons acting in concert or connected with that transferee obtaining a Controlling Interest, the Vendors shall procure the making, by the proposed transferee of the Vendors' Shares, of a Tag Along Offer to all of the other Holders of shares of the Company. Every Holder or recipient of such offer, on receipt of a Tag Along Offer, shall be bound within 28 days of the date of such offer (which date shall be specified therein) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer). Until such Tag Along Offer has been made and completed the Directors shall not sanction the making and registration of the relevant transfer or transfers. The

provisions of this Article 30. 6 shall not apply to any transfer of shares to any person who was an original party to the Subscription Agreement.

### **Transmission of shares**

31. (1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.

(2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—

(a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and

(b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

(3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

### **Exercise of transmittees' rights**

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

(2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

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

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

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

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **Procedure for declaring dividends**

34. (1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.



(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.

(3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

(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.

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

(6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

(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.

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

35. (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 either in writing or as the directors may otherwise decide;

(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 either in writing or as the directors may otherwise decide;

(c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or

(d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

(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 transmittee.

### **No interest on distributions**

36. 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.

### **Unclaimed distributions**

37. (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.

(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.

(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.

### **Non-cash distributions**

38. (1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

(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—

- (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.

#### **Waiver of distributions**

39. 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**

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

40. (1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—
- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
  - (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.
- (2) Capitalised sums must be applied—
- (a) on behalf of the persons entitled, and
  - (b) in the same proportions as a dividend would have been distributed to them.
- (3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- (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.

(5) Subject to the articles the directors may—

(a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;

(b) 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); and

(c) 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.

## PART 4

### DECISION-MAKING BY SHAREHOLDERS ORGANISATION OF GENERAL MEETINGS

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

41. (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.

(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.

(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.

(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.

(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.

- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (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.
- (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.
- (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

### **Voting: general**

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

### **Errors and disputes**

47. (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.

(2) Any such objection must be referred to the chairman of the meeting, whose decision is final.

### **Poll votes**

48. (1) 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 that resolution is declared.

(2) A poll may be demanded by—

- (a) the chairman of the meeting;
  - (b) the directors;
  - (c) two or more persons having the right to vote on the resolution; or
  - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- (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.
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

### **Content of proxy notices**

49. (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 and any instructions contained in the notice of the general meeting to which they relate.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) Proxy notices may be discretionary or 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.
- (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.

### **Delivery of proxy notices**

50. (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.

(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.

(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.

(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.

### **Amendments to resolutions**

51. (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.

(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.

(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**

**Means of communication to be used**

52. (1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

(2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

(3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

**Company seals**

53. (1) Any common seal may only be used by the authority of the directors.

(2) The directors may decide by what means and in what form any common seal is to be used.

(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.

(4) For the purposes of this article, an authorised person is—

(a) any director of the company;