

MONEY SHIELD

Money Shield Limited

Articles of Association

(Dated and Adopted on 14 March 2018)

CONTENTS

1	Table A and Model Articles not to apply	3
2	Defined terms	3
3	Liability of shareholders	5
4	Objects and Powers	5
5	Board's responsibilities	7
6	Shareholders' reserve power	9
7	Directors may delegate	9
8	Committees	9
9	Directors to take decisions collectively	10
10	Unanimous decisions	10
11	Calling a directors' meeting	10
12	Participation in directors' meetings	10
13	Quorum for directors' meetings	11
14	Chairing of directors' meetings	11
15	Casting vote	11
16	Conflicts of interest	11
17	Records of decisions to be kept	13
18	Directors' discretion to make further rules	13
19	Appointment and removal of directors	13
20	Termination of director's appointment	13
21	Directors' remuneration	14
22	Directors' expenses	15
23	Nil- or partly-paid shares permitted	15
24	Allotment of shares: exclusion of pre-emption rights	15
25	Powers to issue different classes of share	15
26	Applications for shares	15
27	Company not bound by less than absolute interests	15
28	Share certificates	16
29	Replacement share certificates	16
30	Share transfers	16
31	Transmission of shares	17
32	Exercise of transmitters' rights	17
33	Transmitters bound by prior notices	17
34	Procedure for declaring dividends	18
35	Calculation of dividends	18
36	Payment of dividends and other distributions	18
37	No interest on distributions	19

38	Unclaimed distributions	19
39	Non-cash distributions	20
40	Waiver of distributions	20
41	Authority to capitalise and appropriation of capitalised sums	20
42	Attendance and speaking at general meetings	21
43	Quorum for general meetings	22
44	Chairing general meetings	22
45	Attendance and speaking by directors and non-shareholders	22
46	Adjournment	22
47	Voting: general	23
48	Voting: representatives	23
49	Errors and disputes	23
50	Poll votes	23
51	Content of proxy notices	24
52	Delivery of proxy notices	24
53	Amendments to resolutions	25
54	Means of communication to be used	25
55	Company seals	26
56	Accounts and financial information	27
57	Provision for employees on cessation of business	27
58	Company secretary	27
59	Borrowing powers	27
60	Indemnity	27
61	Insurance	28

Company Number: 1186202

Private company limited by shares

Articles of Association

Of

Money Shield Limited

INTERPRETATION AND LIMITATION OF LIABILITY

1 Table A and Model Articles not to apply

No regulations for the management of a company set out in any schedule to any statute concerning companies or contained in any regulations or instrument made pursuant to a statute shall apply to the Company. References to **the articles** shall be to the following articles of association as amended from time to time.

2 Defined terms

In the articles, unless the context requires otherwise:

articles means the company's articles of association;

agent means any organisation or individual having as its principal object the letting of residential property in the rented property sector;

agent organisation means any organisation having as its principal object the promotion, protection and representation of the interests of agents;

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

board means the board of directors of the company from time to time;

chair has the meaning given in article 14;

chair of the meeting has the meaning given in article 44.1;

CMP The Client Money Protection (CMP) Scheme is a reimbursement scheme run by the company which provides reimbursement to landlords, tenants and other clients should an agent misappropriate their rent, deposit or other client funds.

Companies Acts means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

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

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

electronic form has the meaning given in section 1168 of the Companies Act 2006;

landlord organisation means any organisation having as its principal object the promotion, protection and representation of the interests of landlords;

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

participate, in relation to a directors' meeting, has the meaning given in article 12;

Propertymark means Propertymark Limited, a company registered in England with the registered company number 00897907 and whose address is Arbon House, 6 Tournament Court, Edgehill Drive, Warwick, Warwickshire CV3 6LG;

proxy notice has the meaning given in article 51;

scheme means any scheme established and administered by the company for the provision of CMP and any other scheme established by the company from time to time;

scheme agent means an agent who has registered as a member of or is otherwise subject to the terms of a scheme;

scheme landlord means a landlord which has registered as a member of or is otherwise subject to the terms of a scheme;

shareholder means, at the date of these articles, Propertymark and TDS and every other person who agrees to become a shareholder of a company, and whose name is entered in its register of shareholders, is a shareholder of the company;

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

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

TDS means The Dispute Service Limited a not-for-profit company limited by guarantee registered in England with the registered company number 04851694 and whose address is 1 The Progression Centre, 42 Mark Road, Hemel Hempstead, Herts, HP2 7DW;

tenant means a tenant, lessee, licensee, or occupier of residential premises owned or managed by a scheme landlord or a scheme agent;

tenant organisation means any organisation having as its principal object the promotion, protection and representation of the interests of residential tenants, and/or other tenants, lessees, licensees and occupiers of premises owned or managed by landlords; 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.

3 **Liability of shareholders**

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

4 **Objects and Powers**

4.1 The company's objects are:

4.1.1 to devise and administer a CMP scheme for

- (a) agents of landlords in the rented property sector; and
- (b) private and corporate landlords and their agents or other representatives in the rented property sector; and

4.1.2 generally to assist in and to promote the improvement of management standards in the rented property sector in such ways as the board of directors of the company, acting reasonably, deems appropriate from time to time.

To achieve the above objects only, the company may:

4.1.3 engage and remunerate any appropriate person or body in connection with the objects set out in article 4.1 hereof;

4.1.4 engage or employ (including by secondment) any other persons in any capacity in connection with the company's objects and to pay salaries, fees or remuneration as it sees fit;

4.1.5 co-operate with any person on matters concerning the acquisition, ownership, letting and disposal of property and the settlement of related complaints and disputes;

4.1.6 discharge any of its liabilities and obligations in any way it sees fit;

4.1.7 levy, charge, collect and receive subscriptions, fees and interest and other payments from persons whether shareholders of the company or not, and use them to achieve all or any of its objects or to pay its expenses;

4.1.8 establish, promote or co-operate with any organisations, incorporated or not incorporated, whose objects may seem able to advance any of the company's objects;

4.1.9 acquire and hold all or any part of the share or loan capital or other securities of any other company;

- 4.1.10 become a member of, act as or appoint trustees, agents or delegates for any such organisations;
- 4.1.11 control, manage, supervise or give financial or other help towards the work of any such organisations;
- 4.1.12 set up and maintain any trusts which may help to achieve any of the company's objects;
- 4.1.13 have written and printed or otherwise reproduced and circulated (freely or for payment), periodicals, magazines, books, leaflets or other documents, films or recorded tapes, compact discs, DVDs or any electronic or other media;
- 4.1.14 hold meetings, lectures, seminars and courses either alone, or with or for others;
- 4.1.15 encourage and do research relevant to its objects and disseminate the results;
- 4.1.16 to co-operate and enter into arrangements with any authorities, national, local or otherwise and with other bodies or organisations, including without limitation, trade and professional bodies or associations;
- 4.1.17 issue appeals, hold public meetings and take whatever steps may be needed to raise funds for the company through donations or subscriptions or in any other way;
- 4.1.18 lobby or consult with Government, other public bodies, professional bodies and other private enterprises as relevant in order to maintain or further the company's objects;
- 4.1.19 acquire property by, for example, buying, leasing, exchanging or hiring it; making any necessary alterations to suit the company's objects; and, subject to consents required by law, maintain it for the company's purposes;
- 4.1.20 sell, lease or mortgage any of its property or dispose of it in any other way;
- 4.1.21 draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other negotiable instruments, and to operate bank accounts;
- 4.1.22 borrow, or raise money on any terms and (subject to consents required by law) on any security as it sees fit, as long as the company does not become involved in any permanent trading activities in raising funds for the company's objects;
- 4.1.23 accept any gift of money, property or other assets, whether subject to any special trust or not, for any of the company's objects;
- 4.1.24 invest any of its money not immediately needed for its objects in or on such investments, securities or property as may be thought fit, subject to any conditions and consents imposed or required by law;
- 4.1.25 make any charitable donation, in cash or assets, to advance the company's objects;

- 4.1.26 insure and arrange insurance cover for and to indemnify its officers, servants, voluntary workers, and those of its shareholders from and against all such risks incurred in the course of the performance of their duties, as may be thought fit;
- 4.1.27 pay reasonable amounts or premiums, annually or otherwise for or towards the provision of pensions, health insurance, life insurance and medical expenses insurance for officers or staff who work for the company;
- 4.1.28 pay from company funds the costs, charges and expenses of forming and registering the company;
- 4.1.29 establish local branches (whether autonomous or not); and
- 4.1.30 do anything allowed by law to advance the company's objects.

DIRECTORS' POWERS AND RESPONSIBILITIES

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.

5 Board's responsibilities

The Board is responsible to:

5.1 Strategy

- 5.1.1 define and ensure compliance with the vision, mission and objectives of the company and ensure these are set out in each annual report;
- 5.1.2 establish policies and plans to achieve those objectives;
- 5.1.3 approve each year's budget; annual management charge made by Propertymark and or TDS and accounts prior to publication;
- 5.1.4 establish and oversee a framework of delegation and systems of control;
- 5.1.5 agree policies and make decisions on all matters that create significant risk to the company or which affect material issues of principle;
- 5.1.6 review Codes of Conduct and arrangements for probity;
- 5.1.7 set the quorum for the transaction of the business of the board from time to time but subject to it being not less than two directors;
- 5.1.8 approve any material changes in accounting policies and practices.

5.2 Performance

- 5.2.1 monitor the company's performance in relation to these plans, budget controls and decisions;

- 5.2.2 satisfy itself that the company's affairs are conducted in accordance with generally accepted standards of performance and propriety;
 - 5.2.3 authorise any payment of any fine or regulatory penalty levied on the company;
 - 5.2.4 approve of the disposal of any asset, building or land or interest in land;
 - 5.2.5 appoint bankers, solicitors, internal auditors and external auditors;
 - 5.2.6 approve the write off of any individual or corporate debt in excess of £10,000.
- 5.3 Staffing and directors
- 5.3.1 approve the arrangements for authorising regulatory returns and submissions;
 - 5.3.2 ensure appropriate arrangements are in place for the appraisal of the chair, and other directors;
 - 5.3.3 ensure appropriate arrangements are in place for the remuneration of the chair, and other directors;
 - 5.3.4 oversee the training and development of the directors;
 - 5.3.5 ensure arrangements are in place for the replacement of directors;
 - 5.3.6 appoint the chair (article 14.1.1);
 - 5.3.7 oversee the development, implementation and review of the company's Health and Safety Policies;
 - 5.3.8 monitor implementation of the company's Equal Opportunities and Diversity policy.
- 5.4 Finance, audit and risk
- 5.4.1 discuss issues arising from any interim and final audit, and any matters the external auditors may want to discuss;
 - 5.4.2 review the external auditors' management letters and management's response;
 - 5.4.3 agree and review any internal audit programme, consider major findings of internal audit investigations and monitor the implementation of both external and internal audit recommendations;
 - 5.4.4 keep under constant and at least annual review the effectiveness of internal control systems;
 - 5.4.5 oversee Treasury management, including monitoring the performance of investments;
 - 5.4.6 agree, review and monitor the implementation of policies, strategies and procedures in respect of risk management so as to minimise and take appropriate action in respect of those risks which will adversely affect the

company's ability to meet its business objectives and deliver services successfully;

5.4.7 ensure the company's assets are protected including the maintenance of adequate insurance cover;

5.4.8 ensure arrangements are in place for disaster recovery and business continuity for the company.

6 **Shareholders' reserve power**

6.1 The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.

6.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

7 **Directors may delegate**

7.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:

7.1.1 to such person or committee;

7.1.2 by such means (including by power of attorney);

7.1.3 to such an extent;

7.1.4 in relation to such matters or territories; and

7.1.5 on such terms and conditions,

as they think fit.

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

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

8 **Committees**

8.1 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.

8.2 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

9 Directors to take decisions collectively

The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 10.

10 Unanimous decisions

10.1 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.

10.2 Such a decision may take the form of a resolution in writing, which may consist of several copies each signed by one or more eligible directors or to which the eligible directors have otherwise indicated agreement in writing.

10.3 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.

10.4 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.

11 Calling a directors' meeting

11.1 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.

11.2 Notice of any directors' meeting must indicate:

11.2.1 its proposed date and time;

11.2.2 where it is to take place; and

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

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

11.4 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.

12 Participation in directors' meetings

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

12.1.1 the meeting has been called and takes place in accordance with the articles;
and

12.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

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

12.3 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.

13 **Quorum for directors' meetings**

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

13.2 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 directors (providing one director appointed by each of the shareholders), and unless otherwise fixed it is three directors.

13.3 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:

13.3.1 to appoint further directors; or

13.3.2 to call a general meeting so as to enable the shareholders to appoint further directors.

14 **Chairing of directors' meetings**

14.1.1 The directors may appoint a director to chair their meetings.

14.1.2 The person so appointed for the time being is known as the chair.

14.1.3 The directors may terminate the chair's appointment at any time.

14.1.4 If the chair 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.

15 **Casting vote**

15.1 If the numbers of votes for and against a proposal are equal, the chair or other director chairing the meeting will not have a casting vote.

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

16 **Conflicts of interest**

16.1 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.

16.2 But if article 16.2.1 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.

16.2.1 This article 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.

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

16.3.1 where he or she is an employee, consultant, director, officer or agent of The Dispute Service Limited, PropertyMark or any other body and that organisation is doing or has commissioned research into a scheme, rented housing or anything else relevant to a scheme or the company;

16.3.2 solely by being a scheme landlord or an employee, officer, member, representative or nominee of a scheme landlord or a landlord organisation;

16.3.3 solely by being a scheme agent or an employee, officer, member, representative or nominee of a scheme agent or an agent organisation;

16.3.4 solely by being a tenant or an employee, officer, member, representative or nominee of a tenant organisation;

16.3.5 solely by being an employee, officer, member, representative or nominee of a shareholder of the company;

16.3.6 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;

16.3.7 subscription, or an agreement to subscribe, for securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such securities; and

16.3.8 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.

16.4 For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

16.5 Subject to article 16.6, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be

referred to the chair whose ruling in relation to any director other than the chair is to be final and conclusive.

16.6 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chair, the question is to be decided by a decision of the directors at that meeting, for which purpose the chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

17 **Records of decisions to be kept**

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.

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

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

APPOINTMENT OF DIRECTORS

19 **Appointment and removal of directors**

19.1 Unless otherwise determined by ordinary resolution, the maximum number of directors is seven and the minimum number is four directors.

19.2 Each of Propertymark and TDS shall be entitled to appoint a two directors each by notice in writing to the company, which appointment shall take effect immediately (or on such later date, if any, specified in the notice).

19.3 Notwithstanding any other provision of these articles the holder or holders of a majority in nominal value of the issued ordinary shares in the capital of the company may at any time and from time to time:

19.3.1 appoint any person to be a director; or

19.3.2 remove any director from office,

and every such appointment or removal shall be effected by notice in writing to the company and shall take effect immediately (or on such later date, if any, specified in the notice). Any such notice of appointment or removal may consist of several documents in similar form, each signed by or on behalf of one or more holders.

19.4 In any case where, as a result of bankruptcy, the company has no shareholders and no directors, the trustee in bankruptcy or other transmittee(s) of the last shareholder to have a bankruptcy order made against him has the right, by notice in writing, to appoint a natural person (including himself) who is willing to act and is permitted to do so to be a director.

20 **Termination of director's appointment**

20.1 A director may be removed by:

- 20.1.1 ordinary resolution;
- 20.1.2 a decision of the directors; or
- 20.1.3 in any other way permitted by these articles.

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

- 20.2.1 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;
- 20.2.2 a bankruptcy order is made against that person;
- 20.2.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 20.2.4 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;
- 20.2.5 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;
- 20.2.6 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; and
- 20.2.7 the company passes an ordinary resolution of which special notice has been given in accordance with section 168 of the Companies Act 2006. A director removed in this way may not be reappointed at a general meeting unless recommended by the board.

21 **Directors' remuneration**

21.1 Directors may undertake any services for the company that the directors decide.

21.2 Directors are entitled to such remuneration as the directors determine:

- 21.2.1 for their services to the company as directors, and
- 21.2.2 for any other service which they undertake for the company.

21.3 Subject to the articles, a director's remuneration may:

- 21.3.1 take any form, and
- 21.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

21.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.

21.5 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.

22 **Directors' expenses**

The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:

22.1 meetings of directors or committees of directors;

22.2 general meetings; or

22.3 separate meetings of the holders of any class of share or 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.

23 **Nil- or partly-paid shares permitted**

If the company at any time has nil or partly-paid shares in issue, articles 52 to 62 (inclusive) of the model articles of association for public companies contained in Schedule 3 to the Companies (Model Articles) Regulations 2008, as amended prior to the date of adoption of these articles, shall apply to the company and form part of these articles as if the text of such provisions was set out in full in these articles.

24 **Allotment of shares: exclusion of pre-emption rights**

Sections 561 and 562 of the Companies Act 2006 shall not apply to any allotment of equity securities (as defined in section 560 of the Companies Act 2006) by the company.

25 **Powers to issue different classes of share**

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.

SHAREHOLDERS

26 **Applications for shares**

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.

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

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.

28 Share certificates

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

28.2 Every certificate must specify:

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

28.2.2 the nominal value of those shares;

28.2.3 the amount paid up on the shares to which it relates; and

28.2.4 any distinguishing numbers assigned to them.

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

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

28.5 Certificates must:

28.5.1 have affixed to them the company's common seal, or

28.5.2 be otherwise executed in accordance with the Companies Acts.

29 Replacement share certificates

29.1 If a certificate issued in respect of a shareholder's shares is:

29.1.1 damaged or defaced; or

29.1.2 said to be lost, stolen or destroyed,

that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

29.2 A shareholder exercising the right to be issued with such a replacement certificate:

29.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;

29.2.2 must return the certificate which is to be replaced to the company if it is damaged or defaced; and

29.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

30 Share transfers

30.1 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.

- 30.2 The instrument of transfer of any share taken on formation of the company by a subscriber to the company's memorandum of association need not be executed by or on behalf of the transferee even where the share is not fully paid.
- 30.3 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 30.4 The company may retain any instrument of transfer which is registered.
- 30.5 The transferor remains the holder of a share until the transferee's name is entered in the register of shareholders as holder of it.
- 30.6 The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

31 **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.
- 31.2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:
- 31.2.1 may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person; and
 - 31.2.2 subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 31.3 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.

32 **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.
- 32.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 32.3 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.

33 **Transmittees bound by prior notices**

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

34 **Procedure for declaring dividends**

- 34.1 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 34.2 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.
- 34.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 34.4 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.
- 34.5 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.
- 34.6 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.
- 34.7 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.

35 **Calculation of dividends**

Except as otherwise provided by these articles or the rights attached to shares, all dividends must be:

- 35.1 declared and paid according to the amounts paid up on the shares on which the dividend is paid; and
- 35.2 apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly. For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

36 **Payment of dividends and other distributions**

- 36.1 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:
- 36.1.1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
- 36.1.2 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;

36.1.3 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

36.1.4 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.

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

36.2.1 the holder of the share; or

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

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

37 **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:

37.1 the terms on which the share was issued, or

37.2 the provisions of another agreement between the holder of that share and the company.

38 **Unclaimed distributions**

38.1 All dividends or other sums which are:

38.1.1 payable in respect of shares; and

38.1.2 unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

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

38.3 If:

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

38.3.2 the distribution recipient has not claimed it,

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

39 **Non-cash distributions**

39.1 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).

39.2 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:

39.2.1 fixing the value of any assets;

39.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

39.2.3 vesting any assets in trustees.

40 **Waiver of distributions**

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:

40.1 the share has more than one holder; or

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

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

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

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

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

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

41.2 Capitalised sums must be applied:

41.2.1 on behalf of the persons entitled; and

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

- 41.3 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.
- 41.4 A capitalised sum which was appropriated from profits available for distribution may be applied in or towards:
- 41.4.1 paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct;
 - 41.4.2 paying up any amounts unpaid on existing shares held by the persons entitled.
- 41.5 Subject to the articles the directors may:
- 41.5.1 apply capitalised sums in accordance with articles 41.3 and 41.4 partly in one way and partly in another;
 - 41.5.2 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); and
 - 41.5.3 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.

ORGANISATION OF GENERAL MEETINGS

42 Attendance and speaking at general meetings

- 42.1 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.
- 42.2 A person is able to exercise the right to vote at a general meeting when:
- 42.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - 42.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 42.3 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.
- 42.4 In determining attendance at a general meeting, it is immaterial whether any two or more shareholders attending it are in the same place as each other.
- 42.5 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.

43 **Quorum for general meetings**

No business other than the appointment of the chair of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

44 **Chairing general meetings**

44.1 If the directors have appointed a chair, the chair shall chair general meetings if present and willing to do so.

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

44.2.1 the directors present; or

44.2.2 if no directors are present, the meeting,

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

44.3 The person chairing a meeting in accordance with this article is referred to as the chair of the meeting.

45 **Attendance and speaking by directors and non-shareholders**

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

45.2 The chair of the meeting may permit other persons who are not:

45.2.1 shareholders of the company; or

45.2.2 otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting.

46 **Adjournment**

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

46.2 The chair of the meeting may adjourn a general meeting at which a quorum is present if—

46.2.1 the meeting consents to an adjournment; or

46.2.2 it appears to the chair of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

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

- 46.4 When adjourning a general meeting, the chair of the meeting must:
- 46.4.1 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
 - 46.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 46.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
- 46.5.1 to the same persons to whom notice of the company's general meetings is required to be given; and
 - 46.5.2 containing the same information which such notice is required to contain.
- 46.6 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

47 Voting: general

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

48 Voting: representatives

Any organisation which is a shareholder of the company may authorise any person to act as its representative at any meeting of the company. This person is called a representative. The organisation's committee or other governing body must pass a resolution to appoint a representative, who can then exercise the same powers on behalf of the organisation as if it were an individual shareholder.

49 Errors and disputes

49.1 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.

49.2 Any such objection must be referred to the chair of the meeting whose decision is final.

50 Poll votes

50.1 A poll on a resolution may be demanded:

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

50.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

- 50.2 A poll may be demanded by:
- 50.2.1 the chair of the meeting;
 - 50.2.2 the directors;
 - 50.2.3 two or more persons having the right to vote on the resolution; or
 - 50.2.4 a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.

50.3 A demand for a poll may be withdrawn if:

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

50.4 Polls must be taken immediately and in such manner as the chair of the meeting directs.

51 **Content of proxy notices**

51.1 Proxies may only validly be appointed by a notice in writing (a proxy notice) which—

- 51.1.1 states the name and address of the shareholder appointing the proxy;
- 51.1.2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
- 51.1.3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
- 51.1.4 is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

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

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

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

- 51.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
- 51.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

52 **Delivery of proxy notices**

- 52.1.1 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.

- 52.1.2 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.
- 52.1.3 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.
- 52.1.4 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.

53 **Amendments to resolutions**

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

ADMINISTRATIVE ARRANGEMENTS

54 **Means of communication to be used**

- 54.1 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 the Companies Act 2006 to be sent or supplied by or to the company.
- 54.2 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.

54.3 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.

54.4 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

54.4.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five working days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five working days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

54.4.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

54.4.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

54.4.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

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

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

55 **Company seals**

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

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

55.3 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.

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

55.4.1 any director of the company;

55.4.2 the company secretary (if any); or

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

56 **Accounts and financial information**

56.1.1 The Board shall make sure that accounting records are kept to comply with sections 386 and 388 of the Companies Act 2006.

56.1.2 Accounting records shall be kept at the registered office of the company or, at any other place which the Board thinks fit. The Directors shall always have the right to inspect the accounting records.

56.1.3 The directors shall approve the annual accounts.

57 **Provision for employees on cessation of business**

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

58 **Company secretary**

Notwithstanding section 270 of the Companies Act 2006, the Board shall appoint a company secretary, who, for the avoidance of doubt, may be an employee or director of the company. The board of directors shall decide the payment for, and conditions of, the appointment. The board of directors may remove the company secretary. A director may not be paid an additional salary for acting as company secretary.

59 **Borrowing powers**

Subject to the prior written consent of the shareholders, the board of directors may exercise all the powers of the company to borrow money, mortgage or charge the whole or any part of its undertaking and property and issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the company or any third party.

DIRECTORS' INDEMNITY AND INSURANCE

60 **Indemnity**

60.1 Subject to article 60.2, a relevant director of the company or an associated company may be indemnified out of the company's assets against:

60.1.1 any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company;

60.1.2 any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006); or

60.1.3 any other liability incurred by that director as an officer of the company or an associated company.

60.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

60.3 In this article:

60.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

60.3.2 a relevant director means any director or former director of the company or an associated company.

61 **Insurance**

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

61.2 In this article:

61.2.1 a relevant director means any director or former director of the company or an associated company;

61.2.2 a relevant loss means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund of the company or associated company; and

61.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.