

THE COMPANIES ACT 2006
A PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

Of
LME CLEAR LIMITED

(Amended by Special Resolution passed on
21 June 2023)

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Company number
07611628

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*(amended by special
resolution passed on
21 June 2023)*

PRELIMINARY

1. Model articles do not apply

None of the articles in the model articles for a private company limited by shares set out in Schedule 1 to The Companies (Model Articles) Regulations 2008 shall apply to the Company.

INTERPRETATION

2. Defined terms

(a) In the Articles, unless the context requires otherwise:

Articles means the Company's articles of association, as from time to time amended;

associated has the meaning given in Article 64;

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 14;

clearing member means a person defined as a "Member" under the clearing rules and procedures of the Company;

Companies Act means the Companies Act 2006 including any statutory modification or re-enactment of it for the time being in force;

Company means LME Clear Limited (registered number 07611628);

company secretary means the company secretary of the Company;

Conflict has the meaning given in Article 17(a);

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 39;

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;

Eligible Director means a Director who is entitled to vote on the relevant matter at a Directors' meeting but excluding any Director whose vote is not to be counted in respect of the relevant matter;

EMIR means the European Regulation on OTC Derivatives, Central Counterparties and Trade Repositories: the European Market Infrastructure Regulation (EU No 648/2012) (including such regulatory standards as adopted by the European Commission in accordance with EMIR from time to time), as amended from time to time;

“EUWA” means the European Union (Withdrawal) Act 2018 as amended from time to time;

Executive Director means a Director who is a holder of an executive office within the Company;

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;

Group means the Company, any other body corporate which is its holding company or subsidiary and any other body corporate which is a subsidiary of that holding company;

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

HKEx means Hong Kong Exchanges and Clearing Limited (incorporated in Hong Kong under company number 681388);

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

holding company has the meaning given in section 1159 of the Companies Act;

Independent Non-executive Director means a director who is determined by the Board to be independent in accordance with Article 22(d);

instrument means a document in hard copy form;

Interested Director has the meaning given in Article 17(a);

LME means the recognised investment exchange and regulated market operated by The London Metal Exchange (company number 2128666);

member has the meaning given in section 112 of the Companies Act;

Nomination Committee means the nomination committee of the board of Directors from time to time;

Non-executive Director means a Director who is not a holder of an executive office within the Company;

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

paid means paid or credited as paid;

participate, in relation to a Directors' meeting, has the meaning given in Article 12;

proxy notice has the meaning given in Article 54;

shareholder means a person who is the holder of a Share;

Shares means the shares in the capital of the Company for the time being in issue;

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

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

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

“UK EMIR” means EMIR as it forms part of the domestic law of the United Kingdom by virtue of the EUWA and as subsequently amended, extended or re-enacted from time to time; 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.

- (b) Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Act as in force on the date when these Articles become binding on the Company.
- (c) Unless the contrary intention appears, words importing the singular number include the plural number and vice versa, words importing one gender include all genders and words importing persons include bodies corporate and unincorporated associations.
- (d) Headings to the Articles are inserted for convenience only and shall not affect construction.

LIMITED LIABILITY

3. Liability of members

The liability of the Company's members is limited to the amount, if any, unpaid on the Shares held by them.

DIRECTORS

DIRECTORS' GENERAL POWERS, DUTIES AND RESPONSIBILITIES

4. Directors' general powers

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. Shareholders' reserve power

- (a) The shareholders may, by special resolution, direct the Directors to take, or refrain from taking, specified action.
- (b) No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

6. Directors' duties

- (a) The purpose of the Company:
- (i) may, if and to the extent that the Directors consider it appropriate; and
 - (ii) shall, if directed by the holders of the majority of the Shares by notice in writing to the Company,
- include promoting the success of the Group as a whole or of any one or more members of the Group, subject to the Company's regulatory obligations.
- (b) In the exercise of his duties, a Director shall not be restricted by any duty of confidentiality to the Company from providing information regarding the Company to a holding company of the Company. A Director shall not provide confidential information regarding a clearing member or a clearing member's client to a holding company of the Company for any commercial purposes unless the Director has prior written consent from the relevant clearing member or clearing member's client.

7. Directors may delegate

- (a) Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles:
- (i) to such person or committee;
 - (ii) by such means (including by power of attorney);
 - (iii) to such an extent;
 - (iv) in relation to such matters or territories; and
 - (v) on such terms and conditions,
- as they think fit.
- (b) If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- (c) The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

8. Committees

- (a) The Directors shall have the power to establish committees. The composition, activities and authorities of committees to which the Directors delegate any of their powers shall be governed by the terms of reference in respect of each committee (and any changes thereto) approved by the Directors and in force from time to time and the powers delegated to such committees shall be determined by the Directors.
- (b) Unless the approved terms of reference state otherwise, 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.
- (c) The Directors may make rules of procedure and/or terms of reference 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

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

- (a) 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.
- (b) 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.
- (c) 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

- (a) Subject to the provisions of these Articles, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. At any time any Director may, and the company secretary (if any) on the requisition of a Director shall, summon a Directors' meeting by giving notice of the meeting to each Director. Any Director may waive notice of any meeting and any such waiver may be retroactive.
- (b) Notice of any Directors' meeting must indicate:
 - (i) its proposed date and time;
 - (ii) where it is to take place; and
 - (iii) 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.
- (c) Notice of a directors' meeting must be given to each director, but need not be in writing.

12. Participation in Directors' meetings

- (a) Subject to the Articles, Directors **participate** in a Directors' meeting, or part of a Directors' meeting, when:
 - (i) the meeting has been called and takes place in accordance with the Articles; and
 - (ii) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- (b) In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.
- (c) 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. In the absence of such a decision, the meeting is deemed to take place at the location from where the chairman participates.
- (d) The chairman shall invite the representatives of the clients of clearing members of the Company who, at the relevant time, are appointed to the board risk committee (or any similar

successor or replacement committee) (the "**Relevant Representatives**") to Directors' meetings on matters relevant to articles 38 and 39 of UK EMIR. Any invitation to attend such a meeting shall be subject to the following terms:

- (i) the Relevant Representative shall be entitled to address the Directors' meeting, subject to the chairman determining otherwise in their absolute discretion;
- (ii) no client representative shall have the right to vote at a Directors' meeting;
- (iii) the chairman shall, in their absolute discretion, determine the terms of the Relevant Representatives' participation including requiring the Relevant Representatives to enter into such confidentiality undertakings as the chairman may require; and
- (iv) any failure on behalf of the chairman or the Company to notify the Relevant Representatives of a meeting to which this Article applied shall not invalidate any business conducted at that meeting.

13. Quorum for Directors' meetings and vacancies

- (a) At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (b) The quorum for Directors' meetings may be fixed from time to time by a decision of the Directors, but subject to paragraph (c) of this Article, it must never be less than three Eligible Directors (which shall include at least a majority of Non-executive Directors), and unless otherwise fixed it is three Eligible Directors (which shall include at least two Non-executive Directors).
- (c) For the purpose of any Directors' meeting (or part of a meeting) held in accordance with Article 17 to authorise a Director's conflict of interest, if there are fewer than three Eligible Directors in office or in the event there are insufficient Eligible Directors who are Non-executive Directors to satisfy the quorum requirements on Article 13(b), the quorum is that number of Eligible Directors.
- (d) The continuing directors may act notwithstanding any vacancy in their body causing their number to be reduced below the number fixed in Article 22(a), but if the total number of Directors for the time being in office is less than the quorum required, the Director or Directors in office must not take any decision other than a decision:
 - (i) to appoint further Directors; or
 - (ii) to call a general meeting so as to enable the shareholders to appoint further Directors.

14. Chairing of Directors' meetings

- (a) The Directors may appoint any eligible Non-executive Director as chairman of the Directors (and that person so appointed for the time being will be known as the **chairman**) and can remove him from that office at any time.
- (b) If the chairman is at a Directors' meeting, they will chair it.
- (c) If it is known to the Directors that the chairman is not attending a Directors' meeting or 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 may appoint one of themselves to chair it.

15. Casting vote

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

DIRECTORS' INTERESTS

16. Directors' interests in relation to transactions or arrangements with the Company

- (a) The relevant provisions of the Companies Act (including without limitation sections 177 and 182 of the Companies Act) shall apply in relation to declarations of interests in proposed and existing transactions or arrangements with the Company.
- (b) For the purposes of this Article:
 - (i) a Director shall be deemed to have disclosed the nature and extent of an interest which consists of him being a director, officer or employee of any member of the Company's Group; and
 - (ii) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any contract in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such contract of the nature and extent so specified.

17. Directors' conflicts of interest

- (a) The Directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching their duty under the Companies Act to avoid conflicts of interest (**Conflict**).
- (b) A Director seeking authorisation in respect of a Conflict shall declare to the Directors the nature and extent of their interest in a Conflict as soon as is reasonably practicable. The Director shall provide the Directors with such details of the matter as are necessary for the other Directors to decide how to address the Conflict together with such additional information as may be requested by the Directors.
- (c) Any authorisation under this Article will be effective only if:
 - (i) to the extent permitted by the Companies Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles;
 - (ii) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director and any other interested Director; and
 - (iii) the matter is agreed to without the Interested Director voting or would be agreed to if the Interested Director's and any other interested Director's vote is not counted.
- (d) Any authorisation of a Conflict under this Article must be recorded in writing (but the authority shall be effective whether or not the terms are so recorded) and may (whether at the time of giving the authorisation or subsequently):

- (i) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - (ii) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
 - (iii) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
 - (iv) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
 - (v) provide that, where the Interested Director obtains, or has obtained (through their involvement in the Conflict and otherwise than through their position as a Director) information that is confidential to a third party, they will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - (vi) permit the Interested Director to absent themselves from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- (d) Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct themselves in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- (f) The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- (g) A Director is not required, by reason of being a Director, to account to the Company for any remuneration, profit or other benefit which they derive from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the shareholders in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

18. Directors' interests generally and voting

- (a) Subject to the Companies Act and to Articles 16 and 17, a Director notwithstanding their office:
- (i) may be a party to, or otherwise interested or participate in, any transaction or arrangement with the Company or in which the Company is otherwise interested, including any such pensions, other benefits, transactions or arrangements as are referred to in Article 26;
 - (ii) may act by themselves or their firm in a professional capacity for the Company (except as auditor) and they or their firm shall be entitled to remuneration as if they were not a Director; and
 - (iii) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested.
- (b) Subject to Articles 16 and 17 and to any contrary direction from the holders of a majority of the Shares, a Director shall be entitled to vote on any decision concerning any matter in which he has, directly or indirectly, an interest or a duty.

- (c) Subject to the Companies Act, the Company may, by ordinary resolution or by notice in writing given to the Company by the holders of a majority of the Shares, suspend or relax the provisions of this Article to any extent or ratify any contract, transaction or arrangement not duly authorised by reason of a contravention of this Article.
- (d) Where proposals are under consideration concerning the appointment of two or more Directors to offices or employments with the Company, the proposals may be divided and considered in relation to each Director separately and (provided they are not otherwise precluded from voting) each of the Directors concerned shall be entitled to vote (and to form part of the quorum) in respect of each proposal except that concerning their own appointment.
- (e) Subject to paragraph (f) of this Article, 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 and 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.
- (f) 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 and quorum purposes.

19. Records of decisions to be kept

- (a) The Directors must ensure that the Company keeps a record, in writing, of each of the following:
 - (i) each unanimous or majority decision taken by the Directors;
 - (ii) each shareholders' resolution passed otherwise than at a general meeting of the Company;
 - (iii) minutes of all proceedings of general meetings of the Company; and
 - (iv) details provided to the Company in accordance with section 357 (decisions of sole member) of the Companies Act,

in each case for at least 10 years from the date of the decision, resolution or meeting (as appropriate).

- (b) Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in a form that enables the directors to retain a written copy of such decisions.
- (c) Minutes of all meetings of the Directors and the committees shall be made available to the Bank of England and the auditors of the Company. Minutes of all meetings of the Directors and the committees can be shared with the Company's holding company subject to the confidentiality provisions in Article 7(b) concerning a clearing member or a clearing member's client.

20. 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

21. Methods of appointing Directors

- (a) Any person who is willing to act as a Director, and is permitted by law and these Articles to do so, may be appointed to be a Director:

- (i) by ordinary resolution;
 - (ii) by a decision of the Directors; or
 - (iii) by a notice of their appointment given in accordance with Article 22(b).
- (b) No person shall be eligible to be appointed as a Non-executive Director unless:
- (i) in the case of any prospective Non-executive Director who is appointed in accordance with Article 22(b)(i), the Nomination Committee have recommended the appointment of such person to the board of Directors;
 - (ii) in the case of any prospective Non-executive Director who is appointed in accordance with Article 22(c), the Nomination Committee have recommended the appointment of such person to the board of Directors.

22. Composition of the Board

- (a) Subject to Article 13(d), there shall be ten Directors on the board of Directors.
- (b) The holders of the majority of the Shares shall be entitled by notice in writing to the Company to appoint:
 - (i) six Directors who will be either Executive or Non-executive Directors one of whom it shall be entitled to appoint as chief executive of the Company, and to remove any such appointees at any time.

In each case the removal shall take effect immediately upon deposit of the notice with the Company or such later date (if any) specified in such notice.
- (c) Subject to Article 21(b), the Board shall be entitled to appoint four Directors of the Company who will be Independent Non-executive Directors and to remove such appointees at any time.
- (d) It shall be the responsibility of the Board to satisfy itself and determine whether an individual is suitable to be appointed as an Independent Non-executive Director.

23. Termination of Director's appointment

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 or is prohibited from being a Director by law;
- (b) in the case of any Director (including, without limitation, in the case of the Chief Executive) appointed in accordance with Article 22(b)(i) who is an employee of the Company or another member of the HKEX Group, that Director's contract of employment is terminated or such Director otherwise ceases to be an employee of the Company or another member of the HKEX Group, in each case for any reason;
- (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) that person is, or may be, suffering from mental disorder and either:
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under mental health legislation for the time being in force in any part of the United

Kingdom; or

- (ii) 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; or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for their detention or which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (e) that person has for more than six consecutive months been absent without permission of the Directors from Directors' meetings held during that period and the Directors make a decision to vacate that person's office;
 - (f) notification is received from the Bank of England that such Director should cease to be a Director;
 - (g) in the opinion of the Directors that person's continued appointment as a Director would threaten the Company's regulatory authorisation under UK EMIR;
 - (h) 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.

24. Appointment and termination of appointments of Directors

- (a) In addition to any power to remove directors conferred by legislation, the Company can pass a special resolution to remove a Director from office and the Company can (subject to these Articles) appoint a person to replace a director who has been removed by way of an ordinary resolution.
- (b) The holders of the majority of the shares may at any time remove any person as a Director by notice in writing given by the holders and signed on their behalf (such removal to take effect when it is lodged at the Office or produced at any Directors' meeting)

25. Directors' services and remuneration

- (a) Directors may undertake any services for the Company that the Directors decide and the Company may enter into a contract of service with any Director on such terms as the Directors think fit.
- (b) Subject to paragraph (e) of this Article, Directors are entitled to such remuneration as the Directors determine:
 - (i) for their services to the Company as Directors; and
 - (ii) for any other service which they undertake for the Company.
- (c) Subject to the Articles, a Director's remuneration may take any form.
- (e) Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.
- (f) Directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company, any group company or any other body corporate in which the company is interested and the receipt of such benefit shall not disqualify any person from being a director of the company.
- (f) The remuneration of the Non-executive Directors shall not be linked to the business performance

of the Company or the Group.

26. Directors' expenses

The Company may pay any reasonable expenses which the Directors and the company secretary (if any) 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.

SECRETARY

27. Secretary

The Directors may decide from time to time whether the Company should have a company secretary and, if they so decide, the company secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any company secretary so appointed may at any time be removed from office by the Directors.

SHARES AND DISTRIBUTIONS – SHARES

28. All Shares to be fully paid up

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.

29. Powers to allot Shares

- (a) In accordance with section 550 of the Companies Act, the Directors may exercise any power of the Company to allot Shares or to grant rights to subscribe for or convert any security into Shares with such rights and restrictions as they may determine.
- (b) Subject to the Articles, but without prejudice to paragraph (a) or to the rights attached to any existing Share, the Company may issue further classes of Shares with such rights or restrictions as may be determined by ordinary resolution.
- (c) 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.
- (d) In the event that rights and restrictions attaching to Shares are determined by ordinary resolution or by the Directors pursuant to this Article, those rights and restrictions shall apply, in particular in place of any rights or restrictions that would otherwise apply by virtue of the Companies Act in the absence of any provisions in the articles of a company, as if those rights and restrictions were set out in the Articles.

30. 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.

31. Share certificates

- (a) The Company must issue each shareholder, free of charge, with one or more certificates in respect of the Shares which that shareholder holds.
- (b) Every certificate must specify:
 - (i) in respect of how many Shares, of what class, it is issued;
 - (ii) the nominal value of those Shares;
 - (iii) that the Shares are fully paid; and
 - (iv) any distinguishing numbers assigned to them.
- (c) No certificate may be issued in respect of Shares of more than one class.
- (d) If more than one person holds a Share, only one certificate may be issued in respect of it.
- (e) Certificates must:
 - (i) have affixed to them the Company's common or official seal and in the case of an official seal, unless otherwise determined by the Directors, the certificate does not need to be signed; or
 - (ii) be otherwise executed in accordance with the Companies Act.

32. Replacement share certificates

- (a) If a certificate issued in respect of a shareholder's Shares is:
 - (i) damaged or defaced; or
 - (ii) said to be lost, stolen or destroyed,

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

- (b) A shareholder exercising the right to be issued with such a replacement certificate:
 - (i) may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - (ii) must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
 - (iii) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

33. Share transfers

- (a) 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.
- (b) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share.

- (c) The Company may retain any instrument of transfer which is registered.
- (d) The transferor remains the holder of a Share until the transferee's name is entered in the register of members as holder of it.

34. Right to refuse registration

- (a) The Directors may refuse to register the transfer of a Share unless:
 - (i) it is lodged (duly stamped if required) at the registered office of the Company or at such 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 (and if the instrument of transfer is executed by some other person on the transferor's behalf, the authority of that person);
 - (ii) it is in respect of one class of Shares only; and
 - (iii) it is in favour of not more than four transferees.

35. Transmission of Shares

- (a) If title to a Share passes to a transferee, the Company may only recognise the transferee as having any title to that Share.
- (b) A transferee who produces such evidence of entitlement to Shares as the Directors may properly require:
 - (i) may, subject to the Articles, choose either to become the holder of those Shares or to have them transferred to another person; and
 - (ii) subject to the Articles, and pending any transfer of the Shares to another person, has the same rights as the holder had.
- (c) But transferees 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.

36. Exercise of transferees' rights

- (a) Transferees who wish to become the holders of Shares to which they have become entitled must notify the Company in writing of that wish.
- (b) If the transferee wishes to have a Share transferred to another person, the transferee must execute an instrument of transfer in respect of it.
- (c) 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 transferee has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.

37. Transferees bound by prior notices

If a notice is given to a shareholder in respect of Shares and a transferee (or a transferee nominated by such transferee pursuant to Article 36) is entitled to those Shares, the transferee (or transferee) is bound by the notice if it was given to the shareholder before the transferee's (or transferee's) name has been entered in the register of members.

DIVIDENDS AND OTHER DISTRIBUTIONS

38. Procedure for declaring dividends

- (a) The Company may by ordinary resolution declare dividends, and the Directors may decide to pay interim dividends.
- (b) 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.
- (c) Unless the shareholders' resolution to declare or Directors' decision to pay a dividend, or the terms on which Shares are issued, specifies 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.
- (d) If the Company's share capital is divided into different classes, no interim dividend may be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.
- (e) 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.
- (f) 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.

39. Payment of dividends and other distributions

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:

- (i) Transfer to a bank or building society account specified by the distribution recipient either in writing or as the Directors may otherwise decide;
 - (ii) 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;
 - (iii) 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
 - (iv) 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.
- (b) In the Articles, the **distribution recipient** means, in respect of a Share in respect of which a dividend or other sum is payable:
- (i) the holder of the Share; or
 - (ii) if the Share has two or more joint holders, whichever of them is named first in the register of members; or
 - (iii) if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

40. 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:

- (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.

41. Unclaimed distributions

- (a) All dividends or other sums which are:
 - (i) payable in respect of Shares; and
 - (ii) 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.
- (b) The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.
- (c) If:
 - (i) twelve years have passed from the date on which a dividend or other sum became due for payment; and
 - (ii) 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.

42. Non-cash distributions

- (a) 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).
- (b) 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:
 - (i) fixing the value of any assets;
 - (ii) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
 - (iii) vesting any assets in trustees.

43. Waiver of distributions

- (a) 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:
 - (i) the Share has more than one holder; or
 - (ii) 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

44. Authority to capitalise and appropriation of capitalised sums

- (a) Subject to the Articles, the Directors may, if they are so authorised by an ordinary resolution:
 - (i) 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
 - (ii) 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.
- (b) Capitalised sums must be applied:
 - (i) on behalf of the persons entitled; and
 - (ii) in the same proportions as a dividend would have been distributed to them.
- (c) 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.
- (d) 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.
- (e) Subject to the Articles the Directors may:
 - (i) apply capitalised sums in accordance with paragraphs (c) and (d) partly in one way and partly in another;
 - (ii) 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
 - (iii) 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.

DECISION-MAKING BY SHAREHOLDERS – ORGANISATION OF GENERAL MEETINGS

45. Notice of general meeting

- (a) A general meeting must be called by notice of at least 14 days unless Article 45(b) applies.
- (b) A general meeting may be called on shorter notice than that otherwise required by Article 45(a) if shorter notice is agreed by a majority in number of the members having a right to attend and vote at the meeting being a majority who hold not less than 90% in nominal value of the Shares giving a right to attend and vote at the meeting.
- (c) A shareholder present either in person or by proxy, at any general meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which the meeting was convened.
- (d) Every notice convening a general meeting of the Company must comply with the provisions of:
 - (a) Section 311 of the Companies Act as to the provision of information regarding the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting; and
 - (b) Section 325(1) of the Companies Act as to the giving of information to shareholders regarding their right to appoint proxies.
- (e) Every notice of, or other communication relating to, any general meeting which any shareholder is entitled to receive must be sent to each of the Directors and to the auditors (if any) for the time being of the Company.

46. Attendance and speaking at general meetings

- (a) 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.
- (b) A person is able to exercise the right to vote at a general meeting when:
 - (i) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - (ii) 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.
- (c) 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.
- (d) 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.
- (e) 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.

47. Quorum for general meetings

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

determined in accordance with section 318 of the Companies Act.

48. Chairing general meetings

- (a) If the Directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- (b) If the Directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:
 - (i) the Directors present; or
 - (ii) (if no Directors are present), the meeting,

must appoint a Director or shareholder (including a proxy or a corporate representative) to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

- (c) The person chairing a meeting in accordance with this Article is referred to as the **chairman of the meeting**.

49. Attendance and speaking by Directors and non-shareholders

- (a) Directors may attend and speak at general meetings, whether or not they are shareholders.
- (b) The chairman of the meeting may permit other persons who are not:
 - (i) shareholders of the Company; or
 - (ii) otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

50. Adjournment

- (a) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it. If, at the adjourned general meeting, a quorum is not present within half an hour from the time appointed therefor or, alternatively a quorum ceases to be present, the adjourned meeting shall be dissolved.
- (b) The chairman of the meeting may adjourn a general meeting at which a quorum is present if:
 - (i) the meeting consents to an adjournment; or
 - (ii) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (c) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (d) When adjourning a general meeting, the chairman of the meeting must:
 - (i) 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
 - (ii) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

- (e) 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):
 - (i) to the same persons to whom notice of the Company's general meetings is required to be given; and
 - (ii) containing the same information which such notice is required to contain. Otherwise it will not be necessary to give any such notice.
- (f) 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

51. 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.

52. Errors and disputes

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

53. Poll votes

- (a) A poll on a resolution may be demanded:
 - (i) in advance of the general meeting where it is to be put to the vote; or
 - (ii) 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.
- (b) A poll may be demanded by:
 - (i) the chairman of the meeting;
 - (ii) the Directors;
 - (iii) two or more persons having the right to vote on the resolution; or
 - (iv) 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.
- (c) A demand for a poll may be withdrawn if:
 - (i) the poll has not yet been taken; and
 - (ii) the chairman of the meeting consents to the withdrawal.
- (d) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

54. Content of proxy notices

- (a) Proxies may only validly be appointed by a notice in writing (a **proxy notice**) which:
 - (i) states the name and address of the shareholder appointing the proxy;
 - (ii) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
 - (iii) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and
 - (iv) is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate.
- (b) The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (c) 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.
- (d) Unless a proxy notice indicates otherwise, it must be treated as:
 - (i) 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
 - (ii) 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.

55. Delivery of proxy notices etc.

- (a) 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.
- (b) 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.
- (c) 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.
- (d) 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.

56. Amendments to resolutions

- (a) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
 - (i) 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

- (ii) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (b) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
 - (i) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
 - (ii) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- (c) 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.

57. Written resolutions

- (a) Subject to paragraph (b), a written resolution of the shareholders passed in accordance with Part 13 of the Companies Act is as valid and effectual as a resolution passed at a general meeting of the Company.
- (b) The following may not be passed as a written resolution and may only be passed at a general meeting:
 - (i) a resolution under section 168 of the Companies Act for the removal of a Director before the expiration of his period of office; and
 - (ii) a resolution under section 510 of the Companies Act for the removal of an auditor before the expiration of his period of office.

ADMINISTRATIVE ARRANGEMENTS

58. Means of communication to be used

- (a) Subject to the provisions of the Companies Act, a document or information may be sent or supplied by the Company to a person by being made available on a website.
- (b) 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 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.
- (c) 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.
- (d) 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.

59. When a communication from the Company is deemed received

- (a) Any document or information, if sent by first class post, shall be deemed to have been received on the day following that on which the envelope containing it is put into the post, or, if sent by second class post, shall be deemed to have been received on the second day following that

on which the envelope containing it is put into the post and in proving that a document or information has been received it shall be sufficient to prove that the letter, envelope or wrapper containing the document or information was properly addressed, prepaid and put into the post.

- (b) Any document or information not sent by post but left at a registered address or address at which a document or information may be received shall be deemed to have been received on the day it was so left.
- (c) Any document or information, if sent or supplied by electronic means, shall be deemed to have been received on the day on which the document or information was sent or supplied by or on behalf of the Company.
- (d) If the Company receives a delivery failure notification following a communication by electronic means in accordance with paragraph (c) of this Article, the Company shall send or supply the document or information in hard copy or electronic form (but not by electronic means) to the shareholder either personally or by post addressed to the shareholder at his registered address or by leaving it at that address. This shall not affect when the document or information was deemed to be received in accordance with paragraph (c).
- (e) Where a document or information is sent or supplied by means of a website, it shall be deemed to have been received:
 - (i) when the material was first made available on the website; or
 - (ii) if later, when the recipient was deemed to have received notice of the fact that the material was available on the website.
- (f) Every person who becomes entitled to a Share shall be bound by every notice in respect of that Share which before their name is entered in the register of members was given to the person from whom they derive their title to the Share.

60. Notices in writing given to the Company by majority shareholders

Any notice in writing given to the Company by the holders of a majority of the Shares shall take effect when it is lodged at the registered office or produced to any Directors' meeting.

61. Company seals

- (a) Any common seal may only be used by the authority of the Directors or of a committee of the Directors.
- (b) The Directors may decide by what means and in what form any common seal is to be used.
- (c) 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:
 - (i) one authorised person in the presence of a witness who attests the signature; or
 - (ii) two authorised persons.
- (d) For the purposes of these Articles, an authorised person is:
 - (i) any Director;
 - (ii) the company secretary (if any); or
 - (iii) any person authorised by the Directors for the purpose of signing documents to which

the common seal is applied.

- (e) The Company may exercise the powers conferred by the Companies Act with regard to having official seals and those powers shall be vested in the Directors and each committee of the Directors.
- (f) Subject to the Companies Act and any other provisions of these Articles, any instrument to which an official seal is affixed shall be signed by such persons, if any, and affixed in such manner as the Directors may from time to time determine.
- (g) Any document signed in accordance with section 44(2) of the Companies Act and expressed, in whatever words, to be executed by the Company shall have the same effect as if executed under the common seal of the Company, provided that no such document shall be so signed without the authority of the Directors or of a committee of the Directors.

62. 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 (other than a director or former director or shadow director of 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.

WINDING UP

63. Winding up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, divide among the shareholders *in specie* the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the shareholders as they with the like sanction determines, but no shareholder shall be compelled to accept any assets upon which there is liability.

DIRECTORS' INDEMNITY AND INSURANCE

64. Indemnity

- (a) Subject to paragraph (e), a relevant director of the Company or of an associated company may be indemnified out of the Company's assets against:
 - (i) 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;
 - (ii) 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);
 - (iii) any other liability incurred by that director as an officer of the Company or an associated company.
- (b) The Company may fund the expenditure of a relevant director of the Company or of any associated company for the purposes permitted under the Companies Act and may do anything to enable such relevant director to avoid incurring such expenditure as provided in the

Companies Act.

- (c) No relevant director of the Company or of any associated company shall be accountable to the Company or the shareholders for any benefit provided pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director.
- (d) The powers given by this Article shall not limit any general powers of the Company to grant indemnities, purchase and maintain insurance or provide funds (whether by way of loan or otherwise) to any person in connection with any legal or regulatory proceedings or applications for relief.
- (e) This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Act or by any other provision of law.
- (f) In this Article and in Article 65:
 - (i) companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
 - (ii) a **relevant director** means any director or former director of the Company or of an associated company.

65. Insurance

- (a) 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.
- (b) In this Article, 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 or employees' share scheme of the Company or associated company.