

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** It contains the resolutions to be voted on at the General Meeting of Caledonian Trust Plc (“Caledonian Trust” or the “Company”) to be held on 11.00 a.m. on 18 November 2024. If you are in any doubt about the action you should take, you are recommended immediately to seek advice from your stockbroker, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) who specialises in advising on the acquisition of shares and other securities.

The directors of Caledonian Trust, whose names appear on page 3 of this Document, accept responsibility, collectively and individually, for the information contained in this Document. To the best of the knowledge of the Directors (who have taken reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

If you have sold or otherwise transferred all of your ordinary shares of 20p each in the capital of the Company (the “**Ordinary Shares**”), please immediately forward this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, this Document should not be distributed, forwarded or transmitted in or into the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares you should retain this Document, and immediately consult the stockbroker, bank or other agent through whom the sale or transfer was effected. This Document does not constitute an offer to sell or issue, nor the solicitation of an offer to buy or subscribe for, shares in any jurisdiction in which such offer or solicitation is unlawful. This Document should be read in conjunction with the Notice of General Meeting as set out at the end of this Document. The whole text of this Document should be read. Notice of a General Meeting of Caledonian Trust to be held at the offices of Caledonian Trust plc, 61a North Castle Street, Edinburgh EH2 3LJ at 11.00 a.m. on 18 November 2024 is set out at the end of this Document.

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## Caledonian Trust Plc

*(Incorporated and registered in England and Wales with company number 01040126)*

### **Proposed voluntary cancellation of admission of the Ordinary Shares to trading on AIM**

#### **Re-Registration as a Private Limited Company**

#### **Adoption of New Articles**

and

#### **Notice of General Meeting**



#### **Nominated Adviser and Broker**

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Allenby Capital Limited (“**Allenby Capital**”) is the nominated adviser and broker to the Company and will not regard any other person as its client and will not be responsible to anyone else for providing the protections afforded to the clients of Allenby Capital or for providing advice in relation to such proposals. Allenby Capital has not authorised the contents of, or any part of, this Document and no liability whatsoever is accepted by Allenby Capital for the accuracy of any information or opinions contained in this Document or for the omission of any information. Allenby Capital as nominated adviser to the Company owes certain responsibilities to the London Stock Exchange which are not owed to the Company, the Directors, Shareholders or any other person.

This Document should be read in its entirety. Your attention is drawn to the letter from the Independent Non-Executive Director of the Company set out in Part I of this Document which includes a recommendation of the Directors that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

#### **FORWARD LOOKING STATEMENTS**

This Document includes “forward-looking statements” which include all statements other than statements of historical facts, including, without limitation, those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by, or that include, the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “expressions of interest”, “would”, “could” or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such

forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this Document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless it is required to do so by applicable law, regulation or the AIM Rules.

Copies of this Document are available free of charge on the Company's website: [www.caledoniantrust.com](http://www.caledoniantrust.com).

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## **DIRECTORS AND ADVISERS**

<b>Directors</b>	I Douglas Lowe (Chairman and Chief Executive) Michael J Baynham (Executive Director) Roderick J Pearson (Non-Executive Director)
<b>Registered office</b>	c/o Womble Bond Dickinson (UK) LLP The Spark Drayman's Way Newcastle Helix Newcastle upon Tyne NE4 5DE
<b>Company Secretary</b>	Michael Baynham
<b>Company website</b>	<a href="http://www.caledoniantrust.com">www.caledoniantrust.com</a>
<b>Nominated adviser and broker</b>	Allenby Capital Limited 5 St. Helen's Place London EC3A 6AB
<b>Registrars</b>	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD

## DEFINITIONS

<b>“AIM”</b>	AIM, the market operated by the London Stock Exchange;
<b>“AIM Rules”</b>	the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange;
<b>“Allenby Capital”</b>	Allenby Capital Limited, the Company’s nominated adviser and broker pursuant to the AIM Rules;
<b>“Business Day”</b>	a day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks are generally open for the transaction of normal banking business in London;
<b>“Cancellation”</b>	the cancellation of admission of the Ordinary Shares to trading on AIM in accordance with Rule 41 of the AIM Rules, subject to passing of the Cancellation Resolution;
<b>“Cancellation Resolution”</b>	Resolution 1 to be proposed at the General Meeting;
<b>“Companies Act”</b>	the Companies Act 2006 (as amended from time to time);
<b>“Company”</b> <b>“Caledonian Trust”</b>	or Caledonian Trust Plc;
<b>“CREST”</b>	the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & International in accordance with the CREST Regulations;
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended);
<b>“Current Articles”</b>	the existing articles of association of the Company adopted on 29 <sup>th</sup> August 1988;
<b>“Directors” or “Board”</b>	the directors of the Company, each a <b>“Director”</b> ;
<b>“Disclosure Guidance and Transparency Rules”</b>	the disclosure rules and transparency rules made by the UK Financial Conduct Authority pursuant to section 73A of FSMA;
<b>“Document”</b>	this document, containing information regarding the Cancellation, the Re-registration, the adoption of the New Articles and the General Meeting;
<b>“Existing Ordinary Shares”</b>	the 11,783,577 existing Ordinary Shares in the capital of the Company as at the date of this Document;
<b>“Euroclear UK &amp; International”</b>	Euroclear UK & International Limited, the operator of CREST;
<b>“Form of Proxy”</b>	the form of proxy for use at the General Meeting available on request from the Company;

<b>“General Meeting” or “GM”</b>	the extraordinary general meeting of Shareholders to be held at 61A North Castle Street, Edinburgh, EH2 3LJ at 11.00 a.m. on 18 November 2024;
<b>“London Exchange”</b>	<b>Stock</b> London Stock Exchange plc;
<b>“New Articles”</b>	the new articles of association of the Company proposed to be adopted pursuant to Resolution 2(b) to be proposed at the General Meeting with the principal differences between the Current Articles and the proposed New Articles summarised in Part II of this Document, a copy of which is attached to this Document and can be viewed at <a href="http://www.caledoniantrust.com">www.caledoniantrust.com</a> ;
<b>“Neville Registrars”</b>	Neville Registrars Limited;
<b>“Notice of General Meeting”</b>	the notice of General Meeting set out at the end of this Document;
<b>“Ordinary Shares”</b>	the ordinary shares of 20p each in the capital of the Company;
<b>“Panel”</b>	the Panel on Takeovers and Mergers;
<b>“Registrars”</b>	Neville Registrars;
<b>“Regulatory Information Service”</b>	has the meaning given to it in the AIM Rules for any of the services approved by the London Stock Exchange for the distribution of AIM announcements;
<b>“Re-registration”</b>	the proposed re-registration of the Company as a private limited company;
<b>“Re-registration Resolution”</b>	Resolution 2(a) to be proposed at the General Meeting;
<b>“Resolutions”</b>	the resolutions set out in the Notice of General Meeting to be proposed at the General Meeting;
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers;
<b>“UK MAR”</b>	Regulation (EU) (No 596/2014) of the European Parliament and of the Council of 16 April 2014 on market abuse to the extent that it forms part of the domestic law of the United Kingdom including by virtue of the European Union (Withdrawal) Act 2018 (as amended from time to time);
<b>“Shareholder(s)”</b>	holder(s) of Ordinary Shares; and
<b>“£”, “pence” or “p”</b>	the lawful currency of the United Kingdom.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Time and/or date
Announcement of proposed Cancellation, Re-registration and adoption of New Articles	25 October 2024
Publication and posting of this Document and the Form of Proxy	25 October 2024
Latest time for receipt of proxy appointments in respect of the General Meeting	11.00 a.m. on 16 November 2024
<b>General Meeting</b>	<b>11.00 a.m. on 18 November 2024</b>
Announcement of result of General Meeting	18 November 2024
Last day of dealings in Ordinary Shares on AIM	25 November 2024
<b>Cancellation</b>	<b>7.00 a.m. on 26 November 2024</b>
Expected re-registration as a private company	by 31 December 2024

*Each of the dates in the above timetable is subject to change at the absolute discretion of the Company. References to time in this Document are to London time. The timetable above assumes that the Resolutions set out in the Notice of General Meeting are passed. Events listed in the above timetable following the General Meeting are conditional on the Resolutions being passed at the General Meeting without amendment. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by announcement through a Regulatory Information Service.*

**PART I**

**LETTER FROM THE INDEPENDENT NON-EXECUTIVE DIRECTOR**

**CALEDONIAN TRUST PLC**

*(Incorporated and registered in England and Wales with registered number 01040126)*

Douglas Lowe (Chairman and Chief Executive)  
Michael Baynham (Executive Director)  
Roderick Pearson (Non-Executive Director)

C/O Womble Bond Dickinson (UK) LLP  
The Spark  
Drayman's Way  
Newcastle Helix  
Newcastle upon Tyne  
NE4 5DE

*To: Shareholders*

25 October 2024

Dear Shareholder

**PROPOSED VOLUNTARY CANCELLATION OF ADMISSION OF THE ORDINARY SHARES  
TO  
TRADING ON AIM**

**RE-REGISTRATION AS A PRIVATE LIMITED COMPANY AND ADOPTION OF NEW  
ARTICLES**

**AND**

**NOTICE OF GENERAL MEETING**

**1. Introduction**

As announced by the Company on 25 October 2024 the Directors, after careful consideration of the Company's listing on AIM, have concluded that there are clear benefits both from a financial and business perspective to cancel the listing.

The Directors consider it is in the best interests of the Company and its Shareholders taken as a whole to cancel the admission of the Ordinary Shares to trading on AIM. As a result, the Company is seeking Shareholders' approval of the Cancellation at the General Meeting, which is being convened for 11.00 a.m. on 18 November 2024 at the Company's office at 61a North Castle Street, Edinburgh EH2 3LJ.

Notice of the General Meeting is set out in Part II of this document. Pursuant to Rule 41 of the AIM Rules, the Company through its nominated adviser, Allenby Capital Limited, has notified the London Stock Exchange of the date of the proposed Cancellation which is expected to become effective at 7.00 a.m. on 26 November 2024 if the Cancellation Resolution is passed at the General Meeting.

The Cancellation is conditional upon the Approval of not less than 75 per cent of the votes cast by Shareholders (whether present in person or by proxy) at the General Meeting.

As at today's date, the Company has received irrevocable undertakings from certain Shareholders representing approximately 85.3 per cent. of the Company's issued share capital to vote in favour

of the Resolutions, comprising the Ordinary Shares held by directors and certain their connected parties.

Shareholders should note that if the Cancellation proceeds, then their ability to realise their Ordinary Shares will be significantly reduced. The Company is making arrangements to assist Shareholders to trade in the Ordinary Shares following Cancellation, if the Cancellation Resolution is passed as set out in paragraph 5 of this Part 1.

**The purpose of this Document is to seek Shareholders' approval of the Resolutions, to provide information on the background and reasons for the Cancellation and the Re-registration and associated adoption of the New Articles, to explain the consequences of the Cancellation and the Re-registration and associated adoption of the New Articles and provides reasons why the Directors unanimously consider the Cancellation to be in the best interests of the Company and its Shareholders as a whole and are recommending that Shareholders vote in favour of the Resolutions.**

The Notice of the General Meeting is set out at the end of this Document.

## 2. Update on current trading and outlook

Following completion of the financial year end on 30 June 2024 the Company provides the following update on its headline results for the previous financial year as well as a further trading and corporate update. It should be noted that these results are unaudited and that the Company does not plan to publish its audited accounts until after the General Meeting has been held and the Cancellation has become effective. These headline results are accurate to the best of the knowledge and belief of the Directors but without having been audited and should therefore be reviewed in that context.

	Year ended 30-Jun-24 £000	Year ended 30-Jun-23 £000
Group turnover from continuing operations	1,005	3,038
Gross profit from continuing operations	355	1,104
(Loss) / profit before taxation from continuing operations	(986)	718
Basic (loss) / earnings per share - continuing operations (p)	(8.37)	6.09
Dividends per share (p)	Nil	Nil
Total borrowings	4,020	4,020
Net assets per share (p)	195.1	203.4

The Group's property investment business reduces slightly with the sale of the public house in Alloa in October 2024, after the year end. In our increasing development business at Brunstane in East Edinburgh, we have completed the construction of the final part of the listed former steading, the Steading Courtyard, comprising five new build stone faced houses over 8,650ft<sup>2</sup>, with the last of the five houses being sold in August 2023 for £0.66m.

St. Margaret's House continues to be fully let to a charity, Edinburgh Palette, which has reconfigured and sub-let all the space to over 200 artists, artisans, entrepreneurs and galleries. The Company has negotiated a small increase of the rent by £50,000 to £186,750 per annum.

At St. Margaret's we have gained and, subsequently, endured the planning permission for a development of 377 student bedrooms and 107 residential flats. Furthermore, we have secured a



non-material variation of the consent to increase the number of studio rooms in the student block to 277 from 73 while reducing the number of cluster bedrooms from 304 to 84. We have recently appointed Scarlett Land and Development Ltd to advise on the sale of St. Margaret's House and we plan to launch a marketing campaign when interest rates have fallen or are likely to fall.

The Group's strategy continues to be the development of its sites whenever market conditions are favourable in the Edinburgh housing market areas and in the geographical extension north and east that is occurring, while maximising the value of its investment portfolio.

Market conditions are now expected to improve and it is expected that, by Spring 2025, long-term mortgage interest rates should have declined sufficiently to allow a sustained recovery in the UK housing market. We are planning developments to become available for sale in 2026. While we hold planning permission on the relevant sites, preparatory work requires at least a 12-month lead time before construction commences. Thus, we have been undertaking such preparatory work on candidate sites, including Brunstane and Wallyford. The next phase of development at Brunstane requires the completion of the access road and the surface water infiltration basin which we have been in discussions with Scottish Water and City of Edinburgh Council for some time.

We continue to review and update our existing consents at Belford Road with improvements within the existing consent, so providing 20 modern high amenity flats in keeping with the high quality and varied style of the location. The improved design incorporates changes necessary for new insulation standards and other environmental improvements, and improves fenestration, the internal layout, and the external and internal finishes. The planning process has been subject to continued delays and this updated design, while originally deemed suitable, was then refined and has been further refined, but is yet to be approved. In order to expedite this non-material variation to the planning consent, we have approached a specialist planning consultant to undertake the necessary further negotiations with the planning department.

Our developments require a stable and active housing market, and with cost inflation having stabilised, we do not depend on further price increases for successful development, as most of these sites were purchased unconditionally for prices near their then existing use value. A major component of the Group's enhancement of value lies in securing planning permission, and in the extent of that permission. For development or trading properties, unlike investment properties, no change is made to the Group's balance sheet even when improved development values have been obtained. Naturally, however, the balance sheet will reflect such enhanced value as the properties are developed or sold.

The strategy of the Group continues to be conservative, but responsive to market conditions, so continuing a philosophy that underpins our change from being primarily an investment property company to expanding our now extensive development programme. This change in strategy allowed us to escape the devastation caused by the 2008 Great Recession from which most sections of the property sector either never fully recovered or had to be recapitalised, and to avoid both the extensive loss in value associated with the Covid-19 pandemic and the damaging secular market changes that have already and will continue seriously to affect the value of the vast majority of the property investment sector.

### **3. Background to and reasons for the proposed Cancellation, Re-Registration and adoption of New Articles**

The Directors have conducted a comprehensive review of the benefits and drawbacks to the Company and its Shareholders in retaining its quotation on AIM and believe that the Cancellation is in the best interests of the Company and its Shareholders as a whole. The Company has concluded that the regulatory, financial and other obligations of maintaining Admission now outweigh the benefits received.

In reaching this conclusion, the Directors have considered the following key factors, amongst others.

- The benefits of a quotation on AIM normally include wider access to capital, lower cost of capital and a higher profile and accompanying publicity. At present the Company experiences no perceptible such benefits and, in the view of the Directors, is unlikely to do so in the near future.
- In contrast the disbenefits of a quotation on AIM are presently being directly experienced. The direct financial costs of maintaining the AIM quotation approach £100,000 per annum and seem likely to continue to rise. This includes regulatory and professional fees, management time and the costs associated with preparing interim accounts and the extra cost of auditing an AIM quoted company.

Given the minimal advantage of an AIM quotation and the considerable disadvantages of an AIM quotation, the Directors recommend the cancellation of the Company's listing on AIM.

#### **4. Process for, and principal effects of, Cancellation**

The Company welcomes all Shareholders who wish to remain shareholders of Caledonian Trust in the event of Cancellation. However, the Directors are aware that certain Shareholders may be unable, or unwilling, to hold Ordinary Shares in a private company in the event that the Cancellation is approved and becomes effective. Such Shareholders may consider selling their Ordinary Shares in the market prior to the Cancellation becoming effective.

Rule 41 of the AIM Rules requires any AIM company that wishes to cancel the admission of its shares to trading on AIM to notify shareholders and to separately inform the London Stock Exchange of its preferred cancellation date at least 20 clear Business Days prior to such date. In accordance with AIM Rule 41, the Directors have notified the London Stock Exchange of the Company's intention, subject to the Cancellation Resolution being passed at the General Meeting, to cancel the Company's admission of its Ordinary Shares to trading on AIM on 18 November 2024. Accordingly, if the Cancellation Resolution is passed at the General Meeting, the Cancellation will become effective at 7.00 a.m. on 26 November 2024.

If the Cancellation becomes effective, Allenby Capital will cease to be the nominated adviser of the Company pursuant to the AIM Rules and the Company will no longer be required to comply with the AIM Rules. However, the Company will remain subject to the Takeover Code, details of which are set out below.

Under the AIM Rules, it is a requirement that the Cancellation must be approved via a special resolution by Shareholders holding not less than 75 per cent. of votes cast by Shareholders (by proxy or in person) at the General Meeting. Accordingly, the Notice of General Meeting set out at the end of this Document contains the Cancellation Resolution.

The principal effects of the Cancellation will include the following:

- as a private company, there will be no formal market mechanism enabling Shareholders to trade in the Ordinary Shares;
- there will be no formal market quote or live pricing for the Ordinary Shares, therefore it may be more difficult to sell Ordinary Shares or for Shareholders to determine the market value of their

investment in the Company, compared to shares of companies admitted to trading on AIM (or any other recognised market or trading exchange);

- it is possible that immediately following the publication of this Circular, the liquidity and marketability of the Ordinary Shares may be significantly reduced and their value adversely affected (however, as set out above, the Directors believe that the liquidity in the Ordinary Shares is currently and has recently been in any event limited);
- the regulatory and financial reporting regime applicable to companies whose shares are admitted to trading on AIM will no longer apply albeit the Company will remain subject to the Takeover Code for a period of time (see below for more details);
- Shareholders will no longer be afforded the protections given by the AIM Rules, such as the requirement to be notified of price sensitive information or certain events and the requirement that the Company seek shareholder approval for certain corporate actions, where applicable, including substantial transactions, reverse takeovers, related party transactions and fundamental changes in the Company's business, including certain types of acquisitions and disposals;
- the levels of disclosure and corporate governance within the Company will not be as stringent as for a company quoted on AIM;
- the Company will no longer be subject to UK MAR regulating inside information and other matters;
- the Company will no longer be required to publicly disclose any change in major shareholdings in the Company under the Disclosure Guidance and Transparency Rules;
- Allenby Capital will cease to be nominated adviser to the Company for the purpose of the AIM Rules;
- whilst the Company's CREST facility will remain in place post the Cancellation and it is anticipated that this will be maintained for at least 12 months, the Company's CREST facility may be cancelled in the future and, although the Ordinary Shares will remain transferable, they may cease to be transferable through CREST (in which case, Shareholders who hold Ordinary Shares in CREST will receive share certificates);
- stamp duty will be due on transfers of shares and agreements to transfer shares unless a relevant exemption or relief applies to a particular transfer; and
- the Cancellation may have personal taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent tax adviser.

**The above considerations are not exhaustive and Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them.**

For the avoidance of doubt, the Company will remain registered with the Registrar of Companies in England & Wales in accordance with, and subject to the Companies Act, notwithstanding the Cancellation, Re-registration and adoption of New Articles.

The Resolutions to be proposed at the General Meeting include the adoption of the New Articles, with effect from the Re-registration. A summary of the principal differences between the Current

Articles and the proposed New Articles is included in this Document. A copy of the New Articles is also attached to this Document and can be viewed at [www.caledoniantrust.com](http://www.caledoniantrust.com).

## **5. Transactions in the Ordinary Shares prior to and post the Proposed Cancellation**

### ***Prior to the Cancellation***

Shareholders should note that they are able to continue trading in the Ordinary Shares on AIM prior to the date of Cancellation. If the requisite majority of Shareholders approve the Cancellation Resolution at the General Meeting, it is anticipated that the last day of dealings in the Ordinary Shares on AIM will be 25 November 2024. The Board is not making any recommendation as to whether or not Shareholders should buy or sell Ordinary Shares.

**If Shareholders wish to buy or sell Ordinary Shares on AIM they must do so prior to the Cancellation becoming effective. As noted above, in the event that Shareholders approve the Cancellation, it is anticipated that the last day of dealings in the Ordinary Shares on AIM will be 25 November 2024 and that the effective date of the Cancellation will be 26 November 2024.**

### ***Following Cancellation***

Following Cancellation, as the Ordinary Shares will no longer be traded on a public market, the Company intends to use reasonable endeavours to facilitate introductions and communication amongst shareholders who wish to sell their Ordinary Shares and those persons who wish to purchase Ordinary Shares. To do this, shareholders or persons wishing to acquire or sell Ordinary Shares will be able to leave an indication with the Company at the following email address ([webmail@caledoniantrust.com](mailto:webmail@caledoniantrust.com)) that they are prepared to buy or sell a specified number of Ordinary Shares at a specified price. In the event that the Company is able to match that order with an offer to sell or buy instruction, the Company will contact both parties to effect the order. In carrying out such activities, the Company will take no responsibility to match up shareholders wishing to sell and purchase Ordinary Shares, and no responsibility in respect of the timeframe in which introductions or communications (if any) are made or as to the price of which any trades might take place.

There will not be a matched bargain facility in place following Cancellation, however following the Cancellation the provision of a matched bargain facility will be kept under review by the Board. In determining whether to offer a matched bargain facility, the Company shall consider Shareholder demand for such a facility as well as the costs to the Company and Shareholders. There can be no guarantee that a matched bargain facility will be put in place following Cancellation.

## **6. Process for the Re-registration**

Following Cancellation, the Directors believe that the requirements and associated costs of the Company maintaining its public company status will be difficult to justify and that the Company will benefit from the more flexible requirements and lower costs associated with private limited company status. It is therefore proposed to re-register the Company as a private limited company. In connection with the Re-registration, it is proposed that New Articles be adopted to reflect the change in the Company's status to a private limited company. The principal effects of the Re-registration and the adoption of the New Articles on the rights and obligations of Shareholders and the Company are summarised in Part II of this Document.

Under the Companies Act 2006, the Re-registration and the adoption of the New Articles must be approved by Shareholders holding not less than 75 per cent. of votes cast by Shareholders at the

General Meeting. Accordingly, the Notice of General Meeting contains the Re-registration Resolution.

Subject to, and conditional upon, the Cancellation and the passing of the Re-Registration Resolution, an application will be made to the Registrar of Companies for the Company to be re-registered as a private limited company. Re-registration will take effect when the Registrar of Companies issues a certificate of incorporation on Re-registration. The Registrar of Companies will issue the certificate of incorporation on Re-registration when it is satisfied that no valid application can be made to cancel the Re-registration Resolution or that any such application to cancel the Re-registration Resolution has been determined and confirmed by the Court.

## **7. The Takeover Code**

The Takeover Code applies to all offers for companies which have their registered offices in the United Kingdom, the Channel Islands or the Isle of Man if any of their equity share capital or other transferable securities carrying voting rights are admitted to trading on a UK regulated market or a UK multilateral trading facility or on any stock exchange in the Channel Islands or the Isle of Man.

The Takeover Code also applies to all offers for companies (both public and private) which have their registered offices in the United Kingdom, the Channel Islands or the Isle of Man and which are considered by the Panel to have their place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man, but in relation to private companies only if one of a number of conditions is met – for example, if the company's shares were admitted to trading on a UK regulated market or a UK multilateral trading facility or on any stock exchange in the Channel Islands or the Isle of Man at any time in the preceding ten years.

If the Cancellation and Re-registration are approved by Shareholders at the General Meeting and become effective, the Company will be re-registered as a private company and its securities will no longer be admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom. In these circumstances, the Takeover Code will only apply to the Company if it is considered by the Panel to have its place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man. This is known as the "residency test". In determining whether the residency test is satisfied, the Panel has regard primarily to whether a majority of a company's directors are resident in these jurisdictions.

On the basis of the current composition and residency of the Directors, the residency test will be satisfied, therefore the Company will be considered by the Panel to have its place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man. Consequently, the Takeover Code will continue to apply to the Company following the Cancellation and the Re-registration.

At present, the Takeover Code would continue to apply to the Company for 10 years following the Cancellation. However, if the amendments to the Takeover Code proposed in PCP 2024/1 are adopted, the Takeover Code would cease to apply to the Company after a period of three years following the implementation of those amendments.

In addition, the Company's place of central management and control could change as a result of, for example, the appointment of additional directors who are not resident in the UK, the Channel Islands or the Isle of Man, in which event the Takeover Code might then cease to apply to the Company.

Brief details of the Panel and the protections afforded by the Takeover Code are set out below.

### *The Takeover Code*

The Takeover Code is issued and administered by the Panel. The Code currently applies to the Company and, accordingly, its shareholders are entitled to the protections afforded by the Takeover Code. The Takeover Code and the Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover, and that shareholders of the same class are afforded equivalent treatment by an offeror. The Takeover Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

### *The General Principles and Rules of the Takeover Code*

The Takeover Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. The General Principles apply to takeovers and all other matters with which the Takeover Code is concerned. They are applied by the Panel in accordance with their spirit to achieve their underlying purpose.

In addition to the General Principles, the Takeover Code contains a series of Rules. Some of the Rules provide more detail on how the General Principles will be applied by the Panel and others govern specific aspects of takeover procedure. Like the General Principles, the Rules are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as their letter. The Panel may derogate or grant a waiver to a person from the application of a Rule in certain circumstances.

### *Continued application on Rule 9 of the Takeover Code and existing concert party*

Under Rule 9 of the Takeover Code, when any person or group of persons acting in concert, individually or collectively, acquire an interest in shares which carry 30 per cent. or more of the voting rights of a company; or are interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company but do not hold shares carrying more than 50 per cent. of the voting rights of a company and such person or any person acting in concert with him acquires an interest in any other shares, which increases the percentage of the shares carrying voting rights in which he is interested, then that person or group of persons is normally required by the Panel to make a general offer in cash to all shareholders of that company at the highest price paid by them for any interest in shares in that company during the previous 12 months.

Rule 9 of the Takeover Code further provides that where any person, together with persons acting in concert with him, holds over 50 per cent. of the voting rights of a company to which the Takeover Code applies and acquires additional shares which carry voting rights, then that person will not generally be required to make a general offer to the other shareholders to acquire the balance of the shares not held by that person or his concert parties.

As previously announced by the Company, most recently on 21 December 2022, Douglas Lowe (Chairman and Chief Executive) is part of a concert party pursuant to the Takeover Code, which includes the interests in the Company's Ordinary Shares of his Close Relatives (as defined in the Takeover Code) and Leafrealm Limited and Sherifffhall Business Park Limited, companies where Douglas Lowe is the controlling shareholder (the "Douglas Lowe Concert Party"), which holds in aggregate over 50% of the voting rights of the Company. The Douglas Lowe Concert Party is interested in a total of 9,324,602 Ordinary Shares which carry 79.1% of the voting rights of the Company. Douglas Lowe or entities controlled by Douglas Lowe may accordingly increase their aggregate interests in shares without incurring any obligation to make an offer under Rule 9.

## **8. Shareholder support**

The Company has received irrevocable undertakings from Shareholders, including the Directors who are shareholders, holding in aggregate 10,046,235 Ordinary Shares (representing approximately 85.3 per cent. of the existing issued ordinary share capital of the Company) to vote in favour of the Resolutions. They have therefore irrevocably undertaken to vote in favour of the Resolutions.

## **9. General Meeting**

The notice convening the General Meeting to be held at 61A North Castle Street, Edinburgh, EH2 3LJ at 11.00 a.m. on 18 November 2024 is set out at the end of this Document.

Resolution 1 to be proposed at the General Meeting is a special resolution to approve the Cancellation.

Conditional on the passing of Resolution 1, Resolution 2 to be proposed at the General Meeting is a special resolution to re-register the Company as a private company and to approve the adoption by the Company of the New Articles.

## **10. Action to be taken by Shareholders**

A Form of Proxy is enclosed for use at the General meeting.

To be valid, a completed Form of Proxy, together with a power of attorney or other designated authority, under which it is signed (or a notarially certified copy thereof), must be deposited at the head office of the Company, 61A North Castle Street, Edinburgh, EH2 3LJ by not later than 11.00 a.m. on 16 November 2024, being 48 hours before the time fixed for the General Meeting or adjourned meeting (as the case may be).

In the case of non-registered Shareholders who receive these materials through their broker or other intermediary, the Shareholder should complete and send a letter of direction in accordance with the instructions provided by their broker or other intermediary.

## **11. Directors' recommendation**

The Directors believe that the Resolutions to be put to the General Meeting are in the best interests of the Company and its Shareholders as a whole and unanimously recommend that you vote in favour of the Resolutions, as they have irrevocably committed to do in respect of their own shareholdings.

If you are in any doubt as to the action you should take, you are recommended to seek your own independent advice.

## **12. Result of General Meeting**

The results of the General Meeting will be announced through a Regulatory Information Service and on the Company's website at [www.caledoniantrust.com](http://www.caledoniantrust.com) as soon as possible after the meeting has been held.

Yours faithfully

Roderick Pearson  
Independent Non-Executive Director

## **PART II**

### **PRINCIPAL EFFECTS OF RE-REGISTRATION AND ADOPTION OF NEW ARTICLES ON SHAREHOLDERS**

#### **1. DISCLOSURE OF INTEREST IN SHARES**

Section 793 of the Companies Act does not apply to private limited companies. Following the Re-registration and the adoption of the New Articles, the disenfranchisement provisions contained in the original articles of association of the Company will no longer apply.

#### **2. ACCOUNTS**

A public company is required to file its accounts within six months following the end of its financial year and then to circulate copies of the accounts to Shareholders. Following the Re-registration, the period for the preparation of accounts is extended to nine months following the end of the financial year. The Company will still be required to circulate accounts to Shareholders (although the period for doing so is extended for private companies).

#### **3. GENERAL MEETINGS AND RESOLUTIONS**

A public company is required to hold an annual general meeting of Shareholders each year, whereas a private company is not. Following the Re-registration and the adoption of the New Articles the Company will hold annual general meetings at such time and place as may be determined by the directors.

In addition, after the Re-registration, resolutions of the Shareholders of the Company may be obtained via written resolutions, rather than via physical meetings. This is done by obtaining the approval in writing to that resolution of the holders of a majority of voting shares then in issue (in the case of ordinary resolutions) and the holders of at least 75 per cent. of the voting shares then in issue (in the case of special resolutions).

#### **4. DIRECTORS**

The Current Articles contain provisions requiring that 1/3 of the non-executive directors of the Company shall retire from office and shall be eligible for reappointment at the third annual general meeting after the general meeting at which he was appointed or last reappointed. These provisions are not included in the New Articles. The New Articles will not require any director appointed by the Board to be re-appointed by the Shareholders at the next annual general meeting following his appointment, as is currently required.

#### **5. ISSUE OF SHARES FOR NON-CASH CONSIDERATION**

As a public company, there are restrictions on the ability of the Company to issue new shares. These restrictions will not apply following the Re-registration and adoption of the New Articles.

#### **6. FINANCIAL ASSISTANCE, REDUCTIONS OF CAPITAL AND PURCHASE OF OWN SHARES OUT OF CAPITAL**

As a public limited company, the Company is currently prohibited from performing actions which constitute financial assistance for the acquisition of its own shares. This limits the ability of the Company to engage in certain transactions. However, following the Re-registration, these restrictions will no longer apply.



In addition, the Company must currently obtain the sanction of the Court for any reduction of capital, which can be a lengthy and expensive process. However, following the Re-registration, the Company will be able to take advantage of more flexible provisions applicable to private companies, which do not require the approval of the Court.

#### **7. COMPANY SECRETARY**

There is no requirement for a company secretary to be appointed, although the Company may appoint one should it wish.

#### **8. REMOVAL OF UNNECESSARY PROVISIONS AND SIMPLIFICATION**

The New Articles will not contain certain of the detailed provisions of the Current Articles which are common for quoted companies, and which will not be necessary for the Company following the Cancellation.

## CALEDONIAN TRUST PLC

*(Incorporated and registered in England and Wales with registered number 01040126)*

### NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of CALEDONIAN TRUST PLC will be held at 61a North Castle Street, Edinburgh EH2 3LJ on 18 November 2024 at 11.00 a.m. to consider and, if thought fit, pass the following resolutions, which will be proposed as special resolutions.

#### SPECIAL RESOLUTIONS

1. THAT, in accordance with Rule 41 of the AIM Rules for Companies, the cancellation of the admission to trading on AIM of the ordinary shares of 20 pence each in the capital of the Company be and is hereby approved and the directors of the Company be authorised to take all actions necessary or desirable to effect such cancellation (the "Cancellation").
2. THAT, subject to and conditional upon the Cancellation becoming effective, and pursuant to section 97 of the Companies Act 2006:
  - (a) The Company be re-registered as a private company with the name "Caledonian Trust Limited"; and
  - (b) The regulations contained in the printed document submitted to the meeting and for the purpose of identification signed by the Chairman be approved and adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company.

c/o Womble Bond Dickinson  
The Spark  
Draymans Way  
Newcastle Helix  
Newcastle upon Tyne  
NE4 5DE

By Order of the Board  
M J BAYNHAM  
Secretary

25 October 2024

#### Notes

A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote in his place. A proxy need not be a member of the Company.

A form of proxy is enclosed for the use of Shareholders. If you do not intend being present at the meeting, please complete the form of proxy, together with a power of attorney or other designated authority, under which it is signed (or a notarially certified copy thereof), and deposit this at the head office of the Company, 61A North Castle Street, Edinburgh, EH2 3LJ by not later than 11.00 a.m. on 16 November 2024, being 48 hours before the time fixed for the General Meeting or adjourned meeting (as the case may be).

**To be entitled to attend and vote at the meeting (and for the purposes of determination by the Company of the number of votes cast) shareholders must be entered on the**

**Company's Register of Members at 6.00 p.m. on 16 November 2024 (or, in the event of any adjournment, at 6.00 p.m. on the date which is two days prior to the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting or adjourned meeting.**

**PROPOSED NEW ARTICLES OF ASSOCIATION**

**THE COMPANIES ACT 2006**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**of**

**CALEDONIAN TRUST LIMITED**

**Incorporated the 27th day of January 1972**

**Registered No. 1040126**

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**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**of**

**CALEDONIAN TRUST LIMITED**

**PART I – PRELIMINARY**

Interpretation

1. The headings hereto shall not affect the construction hereof, and in these Articles unless there be something in the subject or context inconsistent therewith:-

"The Act" means the Companies Act 2006 and every statutory modification or re-enactment thereof for the time being in force.

"These Articles" means these Articles of Association or any other articles of association of the Company from time to time in force.

"The Directors" means the Directors for the time being of the Company.

"The Auditors" means the Auditors for the time being of the Company.

"The Office" means the registered office for the time being of the Company.

"The Register" means the Register of Members to be kept pursuant to Section 113 of the Act.

"Month" means calendar month.

"Dividend" includes bonus.

"Paid-up" includes credited as paid up.

"Secretary" includes an assistant or deputy secretary, and any person appointed by the Directors to perform the duties of the Secretary.

"In writing" and "written" includes printing, lithography and other modes or representing and reproducing words in a visible form.

Words importing the singular number only include the plural number and vice versa.

Words importing the masculine gender only include the feminine gender.

Words importing persons include corporations.

Words and expressions defined in the Act shall, unless the context otherwise requires, have the same meanings in these Articles.

### Exclusion of default or model articles

2. The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles. In the event of a conflict between the Model Articles and a provision of these Articles, these Articles shall prevail.

## **PART II – SHARE CAPITAL**

3. The capital of the Company at the date of adoption of these Articles as the articles of association of the Company is £4,000,000 divided into 20,000,000 Ordinary Shares of 20p each.

### Allotment of Relevant Securities and issue of Warrants

4. Subject to the authority of the Company in General Meeting the Directors shall have unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any Relevant Securities of the Company to such persons, at such times and generally on such terms and conditions as the Directors may determine.
5. 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.

### Trusts not recognised

6. Save as herein otherwise provided or as by the Act otherwise required the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not except as ordered by a Court of competent jurisdiction or by law required be bound to recognise any equitable, contingent, future, partial or other claim to or interest in any share on the part of any other person.

## **CERTIFICATES**

### Share Certificates

7. (1) The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
  - (2) Every certificate must specify –
    - (a) in respect of how many shares, of what class, it is issued;
    - (b) the nominal value of those shares;
    - (c) that the shares are fully paid; and
    - (d) any distinguishing numbers assigned to them.
  - (3) No certificate may be issued in respect of shares of more than one class.
  - (4) If more than one person holds a share, only one certificate may be issued in respect of it.
  - (5) Certificates must –
    - (a) have affixed to them the Company's common seal, or
    - (b) be otherwise executed in accordance with the Companies Acts.

### Replacement share certificates

8. (1) If a certificate issued in respect of a shareholder's shares is –
  - (a) damaged or defaced, or

- (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- (2) A shareholder exercising the right to be issued with a single certificate or separate certificates –
- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
  - (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
  - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

## **TRANSFER OF SHARES**

### Form of transfer

9. The instrument of transfer of any share in the Company shall be in the usual common form or in such other form as shall be approved by the Directors, and shall be signed by or on behalf of the transferor.

### Restraint on transfer

10. The Directors may, in their absolute discretion and without assigning any further reason therefor, refuse to register any share transfer 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.

### Registration of transfer

11. Every instrument of transfer must be left at the Office, or at such other place as the Directors may from time to time determine, to be registered, accompanied by the certificate of the shares comprised therein, and such evidence as the Directors may reasonably require to prove the title of the transferor, and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf the authority of that person so to do and thereupon the Directors, subject to the power vested in them by the last preceding Article, shall register the transferee as the holder.

### Fees on Registration

12. No fee shall be payable for registering any transfer, probate, letters of administration, certificate of marriage or death, power of attorney, or other document relating to or affecting the title to any shares or the right to transfer the same.

### Location of instruments of transfer

13. All instruments of transfer which are registered shall, subject to Article 120(iii), be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in the case of fraud) be returned to the person depositing the same.

## **TRANSMISSION OF SHARES**

### Representatives of interest of deceased Members

14. The executors or administrators of a deceased Member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to shares held by him alone; but in the case of shares held by more than one person, the survivor or survivors only shall be recognised by the Company as being entitled to such shares.



#### Evidence in case of death or bankruptcy

15. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may, upon such evidence being produced as may be required by the Directors, elect in writing either to be registered as a Member (in respect of which registration no fee shall be payable) by giving notice in writing to that effect or, without being so registered, execute a transfer to some other person who shall be registered as a transferee of such share and the execution of such a transfer shall signify his election as aforesaid; but the Directors shall in either case have the like power of declining or refusing to register such transfer as is provided with respect to ordinary transfers. The Directors may at any time give notice requiring any such person to elect as aforesaid and if such notice is not complied with within sixty days the Directors may thereafter withhold payment of all dividends and other moneys payable in respect of such share until compliance therewith.

#### Rights as to dividends and voting

16. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, unless and until he is registered as a Member in respect of the share, be entitled in respect of it to receive notices of or to exercise any rights conferred by membership in relation to meetings of the Company.

### **CONSOLIDATION AND SUB-DIVISION OF SHARES**

#### Consolidation

17. The Company may by Ordinary Resolution consolidate its shares, or any of them, into shares of a larger amount.

#### Sub-division

18. The Company may by Ordinary Resolution sub-divide its shares, or any of them, into shares of a smaller amount, and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preferred or other advantage as regards dividend, capital, voting or otherwise over or shall have such deferred rights or be subject to such restrictions as compared with the other or others as the Company has power to attach to shares upon the allotment thereof.

#### Fractions

19. Subject to any direction by the Company in General Meeting, whenever as the result of any consolidation or sub-division of shares Members of the Company are entitled to any issued shares of the Company in fractions, the Directors may deal with such fractions as they shall determine and in particular may sell the shares to which Members are so entitled in fractions for the best price reasonably obtainable and pay and distribute to and amongst the Members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may nominate some person to execute a transfer of the shares sold on behalf of the Members so entitled to the purchaser thereof and may cause the name of the purchaser to be entered in the Register as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

### **INCREASE OR REDUCTION OF CAPITAL**

#### Increase of Capital

20. The Company may, from time to time, by Ordinary Resolution, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution may prescribe. Subject to such privileges, priorities, or conditions as are or may be attached thereto, all new shares shall be subject to the same provisions in all respects as if they had been part of the original capital.

#### Reduction of Capital and Purchase of own Shares

21. The Company may from time to time by Special Resolution reduce its share capital, any capital redemption reserve fund and any share premium account in any manner authorised by law. The Company may also by Ordinary Resolution cancel any shares not taken or agreed to be taken by any person and diminish the amount of its share capital by the nominal value of the shares so cancelled.

Subject to the provisions of the Act the Company may purchase its own shares (including any redeemable shares).

### **PART III – GENERAL MEETINGS**

#### Annual General Meeting

22. Annual General Meetings shall be held at such time and place as may be determined by the Directors.

#### When a General Meeting to be called

23. The Directors may, whenever they think fit, convene a General Meeting of the Company, and General Meetings shall also be convened on such requisition or in default may be convened by such requisitionists as provided by the Act. Any meeting convened under this Article by requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors.

#### Notice of Meetings

24. An Annual General Meeting and a General Meeting called for the passing of a Special Resolution shall be called by not less than twenty-one days' notice in writing, and all other General Meetings of the Company shall be called by not less than fourteen days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and hour of meeting, and in case of special business the general nature of such business. The notice shall be given to the Members, other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive notice from the Company, to the Directors and to the Auditors. A notice calling an Annual General Meeting shall specify the intention to propose the Resolution as such.

#### Meetings at Short Notice

25. A General Meeting shall, notwithstanding that it is called by shorter notice than that specified in the immediately preceding Article, be deemed to have been duly called if it is so agreed by such Members as are prescribed in that behalf by the Act.

#### Proxies

26. In every notice calling a meeting of the Company or any class of the Members of the Company there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a Member.

#### Omission to send Notice

27. The accidental omission to send a notice to or the non-receipt of any notice by any Member or any Director or the Auditors shall not invalidate the proceedings at any General Meeting.

#### Business of Annual General Meeting

28. The business of an Annual General Meeting shall be to receive and consider the profit and loss account, the balance sheet and reports of the Directors and of the Auditors, and the documents required by law to be annexed to the Balance Sheet, to elect Directors and Officers in the place of those retiring by rotation or otherwise or ceasing to hold office pursuant to Article 54, to declare dividends, to appoint the Auditors (when Special Notice of the Resolution for such appointment is not required by the Act) and to fix, or determine the manner of the fixing of, their remuneration.

#### Special Business

29. All other business transacted at an Annual General Meeting and all business transacted at any General Meeting shall be deemed special.

#### Special Notice

30. Where by any provision contained in the Act special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty-eight days (or such shorter period as the Act permits) before the meeting at which it is moved, and the Company shall give to its Members, subject as in these Articles provided, notice of any such resolution as provided by the Act.

#### Quorum

31. Subject to the provisions of Article 33 in respect of adjourned meetings, for all purposes the quorum for a General Meeting shall be not less than three Members present in person or by proxy and entitled to vote.

#### Quorum to be present

32. No business shall be transacted at any General Meeting unless the quorum requisite shall be present when the meeting proceeds to business. The appointment of a Chairman in accordance with the provisions of these Articles shall not be treated as part of the business of the meeting.

#### Proceeding if quorum not present

33. If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened by or upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to such time (being not less than fourteen days nor more than twenty-eight days thence) and place as the Chairman shall appoint. At any such adjourned meeting the Member or Members present in person or by proxy and entitled to vote shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place. The Company shall give not less than seven clear days' notice of any meeting adjourned for the want of a quorum and the notice shall state that the Member or Members present as aforesaid shall form a quorum.

#### Chairman

34. The Chairman (if any) of the Board of directors shall preside as Chairman at every General Meeting of the Company. If there be no such Chairman, or if at any meeting he be not present within fifteen minutes after the time appointed for holding the meeting, or be unwilling to act, the Directors present shall select one of their number to be Chairman, and that failing, the Members present and entitled to vote shall choose someone of their number to be Chairman.

#### Power to adjourn

35. The Chairman may, with the consent of the meeting (and shall, if so directed by the meeting) adjourn any meeting from time to time or *sine die* and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When notice of adjourned meeting to be given
36. Whenever a meeting is adjourned for twenty-eight days or more or *sine die*, seven clear days' notice in writing at the least specifying the place, the day and hour of the adjourned meeting shall be given to the Members subject as and in the manner herein mentioned, to the Directors and to the Auditors, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Subject to Article 33 and save as aforesaid it shall not be necessary to give any notice of an adjournment.

#### How questions to be decided at meetings

37. At any General Meeting, a resolution put to the vote of the meeting shall be decided by a show of hands unless (before, or upon the declaration of the result of, the show of hands) a poll be duly demanded, in accordance with the provisions of these Articles, and unless a poll be so demanded a declaration by the Chairman that the resolution has been carried, or carried by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

#### Casting vote

38. In the case of an equality of votes the Chairman shall, both on a show of hands and at a poll, have a casting vote in addition to the votes to which he may be entitled as a Member.

#### Who may demand a poll

39. A poll may be demanded upon any question by the Chairman or by not less than five Members present in person or by proxy and entitled to vote or by a Member or Members present in person or by proxy representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting or by a Member or Members holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

#### Poll demanded by proxy

40. A valid instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll, and for the purposes of the immediately preceding Article, a demand by a proxy for a Member or other person entitled to vote shall be deemed to be a demand by that Member or other person.

#### How poll to be taken

41. Subject to the provisions of the next succeeding Article hereof, if a poll is demanded as aforesaid it shall be taken in such manner and at such time and place as the Chairman of the meeting directs, and either at one, or after an interval or adjournment (but not more than thirty days after the date of the meeting or adjourned meeting at which the poll was demanded), and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn. No notice need be given of a poll not taken immediately.

#### In what cases poll taken without adjournment

42. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.

#### Business may proceed notwithstanding demand of a poll

43. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

### **VOTING**

#### Votes of members

44. Subject to any special terms as to voting upon which any shares may have been issued, or may for the time being be held, every Member present in person shall upon a show of hands have one vote and every Member present in person or by proxy shall upon a poll have one vote for every 20p in nominal amount of the shares held by him. A Member who is a patient within the meaning of the Mental Health Act 1983 may vote, whether on a show of hands or on a poll, by his receiver or curator bonis and such receiver or curator bonis may, on a poll, vote by proxy.

#### Joint Owners

45. If two or more persons are jointly entitled to shares for the time being conferring a right to vote, any one of such persons may vote at any meeting, either personally or by proxy, in respect thereof as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting, either personally or by proxy, the Member whose name stands first on the Register as one of the holders of such shares, and no other, shall be entitled to vote in respect of the same.

#### Voting personally or by proxy

46. On a poll votes may be given personally or by proxy and a Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. The instrument appointing a proxy shall be in writing in the usual form, or such other form as shall be approved by the Directors, under the hand of the appointor or his duly constituted attorney; or if such appointor is a corporation, under its Common Seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. A proxy need not be a Member of the Company. A Member may appoint more than one proxy to attend on the same occasion. Deposit of an instrument of proxy shall not preclude a Member from attending and voting in person at the Meeting or any adjournment thereof.

#### As to deposit of proxy

47. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed, or a notarially certified copy thereof, shall be deposited at the Office or at such other place within the United Kingdom as is specified for the purpose in any instrument of proxy sent by the Company in relation to the meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote and in default such instrument shall not be treated as valid.

#### As to validity of proxy

48. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting to which it relates. No instrument of proxy shall be valid after the expiry of twelve months from the date of its execution.

#### When votes by proxy valid though authority revoked

49. A vote given or poll demanded in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or incapacity of the principal or revocation of the instrument of proxy or the authority under which it was executed or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, or incapacity, revocation or transfer shall have been received at the Office or such other place as is specified

for depositing the instrument of proxy before the time for holding the meeting or adjourned meeting or the holding of a poll subsequently thereto at which such vote is given.

## **PART IV – DIRECTORS AND OTHER OFFICERS**

### **DIRECTORS**

#### Number of Directors

50. Unless and until otherwise determined by the Company in General Meeting the number of Directors shall not be less than two. The continuing Directors may act notwithstanding any vacancy in their body, provided that if the number of the Directors be less than the prescribed minimum the remaining Director or Directors shall forthwith appoint an additional Director or additional Directors to make up such minimum or shall convene a General Meeting of the Company for the purpose of making such appointment. If there be no Director or Directors able or willing to act then any two Shareholders may summon a General Meeting for the purpose of appointing Directors. Any additional Director so appointed shall (subject to the provisions of these Articles) hold office only until the dissolution of the Annual General Meeting of the Company next following such appointment unless he is re-elected during such meeting and he shall not retire by rotation at such meeting or be taken into account in determining the rotation of retirement of Directors at such meeting.

#### Remuneration of Directors

51. (1) Directors may undertake any services for the Company that the directors decide.  
(2) Directors are entitled to such remuneration as the directors determine –
- (a) for their services to the Company as directors, and
  - (b) for any other service which they undertake for the Company.
- (3) Subject to the articles, a director's remuneration may –
- (a) take any form, and
  - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- (4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- (5) Unless the directors decide otherwise, directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

#### Travelling and hotel expenses and Special Remuneration

52. The Directors shall be entitled to be repaid all reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors including any expenses incurred in attending Meetings of the Board or of Committees of the Board or General Meetings and if in the opinion of the Directors it is desirable that any of their number should make any special journeys or perform any special services on behalf of the Company or its business, such Director or Directors may be paid such reasonable additional remuneration and expenses therefor as the Directors may from time to time determine.

#### **Qualification:**

##### Directors entitled to attend at General Meetings

53. A Director shall not require a share qualification. A Director shall be entitled to receive notice of and attend and speak at all General Meetings of the Company.

#### Directors to have power to fill casual vacancies

54. Without prejudice to the power of the Company pursuant to these Articles the Directors shall have power at any time to appoint any person either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles. Subject to the provisions of these Articles, any Director so appointed shall hold office only until the dissolution of the Annual General Meeting of the Company next following such appointment unless he is re-elected during such meeting, and he shall not retire by rotation at such meeting or be taken into account in determining the rotation of retirement of Directors at such meeting.

### **MANAGING AND EXECUTIVE DIRECTORS**

#### Appointment

55. The Directors may from time to time appoint one or more of their body to be Managing Director or Joint Managing Directors of the Company or to hold such other Executive Office in relation to the management of the business of the Company as they may decide either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office, and may, from time to time (subject to the provisions of any service contract between him and the Company and without prejudice to any claim for damages he may have for breach of any such service contract), remove or dismiss him or them from such office and appoint another or others in his or their place or places.

#### Remuneration

56. The salary or remuneration of any Managing Director or such Executive Director of the Company shall, subject as provided in any contract, be such as the Directors may from time to time determine, and may either be a fixed sum of money, or may altogether or in part be governed by the business done or profits made, or may include the making of provisions for the payment to him, his widow or other dependants, of a pension on retirement from the office or employment to which he is appointed and for the participation in pension and life assurance benefits, or may be upon such other terms as the Directors determine.

#### Powers

57. The Directors may from time to time entrust to and confer upon a Managing Director or such Executive Director for the time being such of the powers exercisable under these Articles by the Directors, other than power to make calls or forfeit shares, as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they may think expedient; and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

### **POWERS AND DUTIES OF DIRECTORS**

#### Directors to have entire superintendence and control of business of Company

58. The business of the Company shall be managed by the Directors who in addition to the powers and authorities by these Articles or otherwise expressly conferred upon them may exercise all such powers, and do all such acts and things as may be exercised or done by the Company, and as are not by the Act or by these Articles required to be exercised or done by the Company in General Meeting, subject nevertheless to such directions (being not inconsistent with any regulations of these Articles or the provisions of the Act) as may be given by the Company in General Meeting shall invalidate any prior act of the Directors, which would have been valid if

such direction had not been given, and the provisions contained in these Articles as to any specific power of the Directors shall not be deemed to abridge the general powers hereby given.

#### Power to award Pensions

59. The Directors may exercise all the powers of the Company to give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been Directors of or employed by or in the services of the Company or of any company which is a subsidiary company of or allied or associated with the Company or any such subsidiary and to the wives, widows, children and other relatives and dependants of any such persons and may establish, maintain, support, subscribe to and contribute to all kinds of Schemes, Trusts and Funds for the benefit of such persons as are hereinbefore referred to or any of them or any class of them, and so that any Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such fund or scheme or otherwise).

#### Directors Interests

60. A. A Director may hold any other office or place of profit under the Company except that of Auditor in conjunction with the office of Director and may act by himself or through his firm in a professional capacity to the Company, and in any such case on such terms as to remuneration and otherwise as the Directors may arrange. Any such remuneration shall be in addition to any remuneration provided for by any other Article. No Director shall be disqualified by his office from entering into any contract, arrangement, transaction or proposal with the Company either in regard to such other office or place of profit or as vendor, purchaser or otherwise. No contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any Director or person connected with him is in any way interested, whether directly or indirectly, shall be avoided, nor shall any Director who enters into any such contract, arrangement, transaction or proposal or who is so interested be liable to account to the Company for any profit realised by any such contract, arrangement, transaction or proposal by reason of such Director holding that office or of the fiduciary relation thereby established but the nature of his interest shall be disclosed by him in accordance with the provisions of the Act.
- B. Save as herein provided, a Director shall not vote in respect of any contract, arrangement, transaction or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
- C. A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:-
- (i) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
  - (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
  - (iv) any contract, arrangement, transaction or other proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or



shareholder or otherwise howsoever provided that he is not the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of such company (or of a third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);

- (v) any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which either relates to both employees and Directors of the Company or has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes and does not accord to any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates; and
  - (vi) any contract, arrangement, transaction or proposal concerning the adoption, modification or operation of any scheme for enabling employees including full time Executive Directors of the Company and/or any subsidiary to acquire shares of the Company or any arrangement for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits in a similar manner to employees.
- D. A Director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof.
- E. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting under paragraph (C)(iv) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- F. If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Directors concerned have not been fully disclosed.
- G. The Company may by Ordinary Resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.
- H. For the purpose of this Article an interest of a person who is for the purpose of the Act connected with a Director shall be treated as an interest of the Director and in relation to an alternate an interest of his appointor shall be treated as an interest of the alternate.

#### Exercise of voting powers

61. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors or other officers or servants).

#### Directors may join Boards of other companies

62. A Director of the Company may continue or become a Director or other officer, servant or member of any company promoted by the Company or in which it may be interested as a

vendor, shareholder, or otherwise, and no such Director shall be accountable for any remuneration or other benefits derived as director or other officer, servant or member of such company.

#### Overseas Branch Register

63. The Directors may exercise the powers conferred upon the Company by Section 362 of the Act with regard to the keeping of an Overseas Branch Register and the Directors may (subject to the provisions of that Section) make and vary such regulations as they may think fit respecting the keeping of any such register.

#### Information re "close companies"

64. The Directors may at any time require any corporate Member to furnish any information, supported (if the Directors so require) by a statutory declaration, which they may consider necessary for the purpose of determining whether or not such Member is one to which Part 10 of the Corporation Tax Act 2010 (or any statutory modification or re-enactment thereof for the time being in force) applies.

### **BORROWING POWERS**

#### Power to raise money

65. A. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities. The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (as regards subsidiaries so far as by such exercise they can secure) that the aggregate amount at any one time owing by the Group (being the Company and all its subsidiaries), in respect of moneys borrowed exclusive of moneys borrowed by the Company or any of its subsidiaries from any other of such companies, shall not at any time, without the previous sanction of the Company in General Meeting exceed a sum equal to five times the aggregate of:-
- (i) the nominal capital of the Company for the time being issued and paid up; and
  - (ii) the amounts standing to the credit of the consolidated reserves of the Company and its subsidiaries whether distributable or undistributable and including (without limitation) share premium account, capital redemption reserve and profit and loss account; all as shown in a consolidation of the then latest audited Balance Sheets of the Company and each of its subsidiary companies but after:-
    - (a) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital the share premium account and the capital redemption reserve fund of the Company since the date of its latest audited balance sheet;
    - (b) excluding therefrom:- (i) any sums set aside for future taxation, (ii) amounts attributable to outside Shareholders in subsidiaries;
    - (c) deducting therefrom (i) an amount equal to any distribution by the Company out of profits earned prior to the date of its latest audited balance sheet and which have been declared, recommended or made since that date except so far as provided for in such balance sheet, (ii) goodwill and other intangible assets and (iii) any debit balances on profit and loss account.
- B. For the purposes of this Article "moneys borrowed" shall be deemed to include the following except in so far as otherwise taken into account:-
- (a) the nominal amount of any issued share capital and the principal amount of any debentures or borrowed moneys, the beneficial interest whereof is not for the time being

owned by any of the Company and its subsidiaries, or any body whether corporate or unincorporate and the payment or repayment whereof is the subject of a guarantee or indemnity by any of the Company and its subsidiaries;

- (b) the outstanding amount raised by acceptance by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any of the Company and its subsidiaries;
  - (c) the principal amount of any debenture (whether secured or unsecured) of any of the Company and its subsidiaries owned otherwise than by any of the Company and its subsidiaries;
  - (d) the principal amount of any preference share capital of any subsidiary owned otherwise than by any of the Company and its subsidiaries; and
  - (e) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing; but shall be deemed not to include:-
  - (f) borrowings for the purposes of repaying the whole or any part of borrowings by any of the Company and its subsidiaries for the time being outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period; and
  - g) borrowings for the purpose of financing any contract in respect of which any part of the price receivable by any of the Company and its subsidiaries is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade or by any other Governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured.
- C. A Report by the Auditors as to the aggregate amount which may at any one time in accordance with the provisions of paragraph (A) of this Article be owing by the Company and its subsidiaries without such sanction as aforesaid shall be conclusive in favour of the Company and all persons dealing with the Company.
- D. When the aggregate amount of borrowings required to be taken into account for the purposes of this Article on any particular day is being ascertained, any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent either:-
- (a) at the rate of exchange prevailing on that day in London provided that all but not some only of such moneys shall be converted at the rate of exchange prevailing in London six months before such day if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business) or where the repayment of such moneys is expressly covered by a forward purchase contract
  - (b) at the rate of exchange specified therein.
- E. No debt incurred or security given in respect of moneys borrowed in excess of the limit hereby imposed shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or would thereby be exceeded.

#### Mode of Borrowing

66. The Directors may exercise all the powers of the Company to borrow or raise money upon or by the issue or sale of any bonds, debentures, or securities, and upon such terms as to time of repayment, rate of interest, price of issue or sale, payment of premium or bonus upon redemption or repayment or otherwise as they may think proper, including a right for the holders

of bonds, debentures, or securities, to exchange the same for shares in the Company of any class authorised to be issued.

Security for payment of moneys borrowed or raised

67. Subject as aforesaid the Directors may secure or provide for the payment of any moneys to be borrowed or raised by a mortgage of or charge upon all or any part of the undertaking or property of the Company, both present and future, and upon any capital remaining unpaid upon the shares of the Company whether called up or not, or by any other security, and the Directors may confer upon any mortgagees or persons in whom any debenture or security is vested, such rights and powers as they think necessary or expedient; and they may vest any property of the Company in trustees for the purpose of securing any moneys so borrowed or raised, and confer upon the trustees or any receiver to be appointed by them or by any debenture-holder such rights and powers as the Directors may think necessary or expedient in relation to the undertaking or property of the Company or the management or the realisation thereof or the making, receiving, or enforcing of Calls upon the Members in respect of unpaid capital, and otherwise, and may make and issue debentures to trustees for the purpose of further security, and any such trustees may be remunerated.

Security for payment of moneys

68. The Directors may give security for the payment of any moneys payable by the Company in like manner as for the payment of moneys borrowed or raised, but in such case the amount shall for the purposes of the above limitation be reckoned as part of the money borrowed.

Register of Charges to be kept

69. The Directors shall keep a Register of Charges in accordance with the Act and the fee to be paid by any person other than a creditor or Member of the Company for each inspection of the Register of Charges to be kept under the Act shall be the sum of 5p.

**DISQUALIFICATION OF DIRECTORS**

Office of Director to be vacated

70. The office of a Director shall be vacated:-

If he resigns

- (i) If not being a Managing Director or Executive Director holding office as such for a fixed period he delivers to the Board or to the Secretary a notice in writing of his resignation of his office of Director;

Cease to be a Director

- (ii) If he ceases to be a Director by virtue of any provision of the Act or becomes prohibited by law from being a Director;

Becomes bankrupt

- (iii) If he becomes bankrupt, or compounds with his creditors generally;

Suffers mental disorder

- (iv) If an Order is made by any Court of competent jurisdiction on the ground of mental disorder for his detention or for the appointment of a guardian or receiver or other person to exercise powers with respect to his affairs; or

#### Fails to attend meetings

- (v) If not having leave of absence from the Directors he or his alternate (if any) fail to attend the meetings of the Directors for six successive months unless prevented by illness, unavoidable accident or other cause which may seem to the Directors to be sufficient and the Directors resolve that his office be vacated.

### **PROCEEDINGS OF DIRECTORS AND COMMITTEES**

#### Meetings of Directors

- 71. The Directors may meet together for the dispatch of business adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Such proceedings may, to the extent permitted by law, include telephone or televisual proceedings, and references in this Article to "meeting" or "meetings" shall be construed accordingly. Until otherwise determined two Directors shall constitute a quorum. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. One Director may, and the Secretary shall at the request of a Director, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of the Directors to a Director who is not within the United Kingdom.

#### Notice of Board Meetings

- 72. Notice of Board Meetings shall be given to all Directors and shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from the United Kingdom may request the Board that notices of Board Meetings shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose, whether or not out of the United Kingdom.

#### Chairman of Board

- 73. The Directors may elect a Chairman or Joint Chairman and one or more Deputy Chairmen of their meetings (which may also be an Executive Office in relation to the management or the business of the Company) and determine the period for which he is or they are to hold office, but if no such Chairman or Deputy Chairman is elected, or if at any meeting neither the Chairman nor a Deputy Chairman is present at the time appointed for holding the same, the Directors present shall choose someone of their number to be Chairman of such meeting.

#### Board may act if quorum present

- 74. A duly convened meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretions by or under these Articles for the time being vested in or exercisable by the Directors generally.

#### Resolution in writing

- 75. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors shall be as effective for all purposes as a resolution of those Directors passed at a meeting duly convened and held, and may consist of several documents in the like form each signed by one or more of the Directors. Provided that such a resolution need not be signed by an alternate Director if it is signed by the Director who appointed him.

#### Directors may appoint Committees

76. The Directors may delegate any of their powers to Committees consisting of such member or members of their body as they think fit.

#### Committees subject to control of Directors

77. All Committees shall in the exercise of the powers delegated to them and in the transaction of business, conform to any mode of proceedings and regulations which may be prescribed by the Directors, and subject thereto may regulate their proceedings in the same manner as the Directors may do.

#### Minutes of Proceedings

78. The Directors shall cause minutes to be made of the following matters, namely:-
- (i) of all appointments of officers, and Committees made by the Directors, and of their salary or remuneration;
  - (ii) of the names of Directors present at every meeting of the Board or of Committees of Directors, and all business transacted at such meetings; and
  - (iii) of all orders, resolutions and proceedings of all meetings of the Company of the holders of any class of shares in the Company and of the Directors and Committees of Directors.

Any such minute as aforesaid, if purporting to be signed by the Chairman of the meeting at which the proceedings were held, or by the Chairman of the next succeeding meeting shall be receivable as prima facie evidence of the matters stated in such minutes without any further proof.

#### Defective appointment of Directors not to invalidate their acts

79. All acts done by a meeting of the Directors, or of a Committee, or by any person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any person or persons acting as aforesaid, or that they or any of them were or was disqualified from holding office or not entitled to vote, or had in any way vacated their or his office be as valid as if every such person had been duly appointed, and were duly qualified and had continued to be a Director.

### **SECRETARY**

#### Secretary

80. If Directors decide not to take advantage of the exemption in Clause 270(i) of the Act, the Secretary shall be appointed by the Directors.

### **PART V – RESERVES, DIVIDENDS AND MISCELLANEOUS RESERVES**

#### Reserves out of Profits

81. The Directors may before recommending any dividends whether preferential or otherwise carry to reserve out of the profits of the Company such sums as they think proper. All sums standing to reserve may be applied from time to time in the discretion of the Directors for meeting depreciation or contingencies or for special dividends or bonuses or for equalising dividends or for repairing, improving or maintaining any of the property of the Company or for such other purposes as the Directors may think conducive to the objects of the Company or any of them and pending such application may at the like discretion either be employed in the business of the Company or be invested in such investments as the Directors think fit. The Directors may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been

divided as they think fit. Any sum which the Directors may carry to reserve out of the unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide.

## **DIVIDENDS AND OTHER PAYMENTS**

### Declarations of Dividends

82. Subject as hereinafter provided the Company in General Meeting may declare a dividend to be paid to the Members according to their respective rights and interests in the profits, but no larger dividend shall be declared than is recommended by the Directors.

### Dividends not to bear Interest

83. No dividend or other moneys payable by the Company shall bear interest as against the Company.

### Dividends: how payable

84. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of Calls shall be treated for the purpose of this Article as paid up on the share. Subject as aforesaid all dividends shall be 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: but if any share carries any particular rights as to dividends such share shall rank for dividend accordingly.

### Dividends to joint holders

85. In case several persons are registered as joint holders of any share any one of such persons may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

### Interim dividends

86. The Directors may from time to time declare and pay an interim dividend to the Members.

### Dividends payable

87. No dividend or interim dividend shall be payable except in accordance with the provisions of the Act.

### Unclaimed dividends

88. All dividends, interest or other sums payable unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. All dividends unclaimed for a period of twelve years after having been declared shall be forfeited and shall revert to the Company. The payment of any unclaimed dividend, interest or other sum payable by the Company on or in respect of any share into a separate account shall not constitute the Company a trustee thereof.

### To whom dividends belong

89. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same shall be

payable to the person registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights of inter se of transferors and transferees of any such shares in respect of such dividend.

#### Method of payment

90. The Company may pay any dividend interest or other sum payable in cash or by direct debit, bank transfer, cheque, dividend warrant, or money order and may render the same by post to the Members or persons entitled thereto, and in case of joint holders to the Member whose name stands first in the Register, or to such person and address as the holder or joint holders may direct, and the Company shall not be responsible for any loss of any such cheque, warrant, or order. Every such cheque, warrant, or order shall be made payable to the order of the person to whom it is sent, or to such person as the holder or joint holders may in writing direct, and the payment of the cheques, warrant or order shall be a good discharge to the Company.

#### Payment of dividends in specie

91. Any General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of any other company, and the Directors shall give effect to any such direction provided that no such distribution shall be made unless recommended by the Directors. Where any difficulty arises in regard to the distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments may be made to any Members upon the footing of the value so fixed, in order to adjust the rights of all parties, and may vest any such assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the Directors.

### **CAPITALISATION OF PROFITS**

#### Capitalisation of profits, etc.

92. The Directors may with the authority of an Ordinary Resolution of the Company:-
- (i) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company (whether or not the same are available for distribution and including profits standing to any reserve) or, any sum standing to the credit of the Company's share premium account or capital redemption reserve funds;
  - (ii) appropriate the profits or sum resolved to be capitalised to the Members in proportion to the nominal amount of Ordinary Shares (whether or not fully paid) held by them respectively, and apply such profits or sum on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such Members respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such profits or sum, and allot and distribute such shares or debentures credited as fully paid up, to and amongst such Members, or as they may direct, in the proportion aforesaid, or partly in one way and partly in the other: provided that the share premium account and the capital redemption reserve fund and any such profits which are not available for distribution may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to Members credited as fully paid; and provided that in the case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in paying up in full debentures of the Company the amount of the net assets of the Company at that time is not less than the aggregate of the called up share capital of the Company and its undistributable reserves and would not be reduced below that aggregate by the payment thereof as shown in the latest audited accounts of the Company or such other accounts as may be relevant;



- (iii) resolve that any shares allotted under this Article to any Member in respect of a holding by him of any partly paid Ordinary Shares shall, so long as such Ordinary Shares remain partly paid rank for dividends only to the extent that such partly paid Ordinary Shares rank for dividend;
- (iv) make such provisions by the issue of fractional certificates or by payment in cash or otherwise as the Directors think fit for the case of shares or debentures becoming distributable under this Article in fractions;
- (v) authorise any person to enter on behalf of all the Members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled upon such capitalisation (any agreement made under such authority being thereupon effective and binding on all such Members); and
- (vi) generally do all acts and things required to give effect to such resolution as aforesaid.

## **RECORD DATES**

### Record dates

93. Notwithstanding any other provision of these Articles the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before any date on which such dividend, distribution, allotment or issue is paid or made and on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared.

## **ACCOUNTS**

### Inspection of accounts and books and Register of Members

94. The Directors shall from time to time determine whether and to what extent and at what time and places, and under what conditions or regulations the accounting records of the Company, or any of them, shall be open to the inspection of the Members, and no Member shall have any right of inspecting any accounting record or other document of the Company except as conferred by statute or authorised by the Directors or by the Company in General Meeting. The Register shall be open for inspection by any Member or other person entitled to inspect the same, and any person other than a Member inspecting the same shall pay a fee of 5p.

### Copy to be sent to Members

95. A printed copy of every profit and loss account and balance sheet, including all documents required by law to be annexed to the balance sheet which is to be laid before the Company in General Meeting, together with copies of the Directors' and of the Auditors' reports shall not less than twenty-one clear days before the date of the meeting be sent to every Member (whether he is or is not entitled to receive notices of General Meetings of the Company) and every holder of debentures of the Company (whether he is or is not so entitled) and the Auditors and all other persons, being persons so entitled.

## **SEALS**

### Provision for Seals

96. The Directors shall provide a Common Seal for the Company and shall have power from time to time to destroy the same and to substitute a new seal in lieu thereof.

### Safe custody How affixed

97. The Directors shall provide for the safe custody of every seal of the Company. The Common Seal shall never be affixed to any document except by the authority of a resolution of the Directors which authority may be of a general nature and need not apply only to specific documents or transactions. Subject as in this Article provided two Directors or one Director and the Secretary or some other person authorised by a resolution of the Directors shall sign autographically every instrument to which the Common Seal shall be affixed and in favour of any purchaser or person bona fide dealing with the Company, such signatures shall be conclusive evidence of the fact that the Common Seal has been properly affixed. Any certificate for shares, stock or debenture or loan stock (except where the Trust Deed constituting any debenture stock or loan stock provides to the contrary) or representing any other form of security of the Company to which an official seal of the Company is required to be affixed need not be signed by any person.

## **BILLS, NOTES, CHEQUES AND RECEIPTS**

### Signature of negotiable instruments

98. The Directors may draw, make, accept, or endorse, or authorise any other person or persons to draw, make, accept, or endorse any cheques, bills of exchange, promissory notes, other negotiable instruments, provided that every cheque, bill of exchange, promissory note or other negotiable instrument drawn, made or accepted shall be signed by such persons or person as the Directors may appoint for the purpose.

## **NOTICES**

### Service of notice on Members

99. A notice may be served by the Company upon any Member, either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address, or at any other address in the United Kingdom which the Member shall have in writing given to the Company as his address for service.

### When registered address not in the United Kingdom

100. Members whose registered address shall not be in the United Kingdom and who shall not have given to the Company an address for service of notices in the United Kingdom, shall not be entitled to receive any notices whatsoever, but the Directors may, if they think proper, serve any notice upon such Member in manner above mentioned.

### Evidence of service

101. A notice or other document addressed to a Member at his registered address or address for service in the United Kingdom shall, if served by post be deemed to have been served at the latest within twenty-four hours if prepaid as first class and within forty-eight hours if prepaid as second class, after the same shall have been posted, and in proving such service it shall be sufficient to prove that the notice or document was properly addressed and duly posted.

### Notice to joint holders

102. All notices directed to be given to the Members shall with respect to any share to which persons are jointly entitled, be given to whichever of such person is named first in the Register, and notice so given shall be sufficient notice to all the holders of such share.

### Notice in case of death

103. Service of a notice at the registered address or the address for service in the United Kingdom of any person whose name remains registered as the holder or joint holder of any share, shall notwithstanding the death of such person and whether or not the Company have notice of his decease be deemed to be sufficient notice to his executors or administrators, and to the survivor or survivors of the joint holders, and to all other persons entitled to such share.

## **UNTRACED SHAREHOLDERS**

### Untraced Shareholders

104. The Company shall be entitled to sell at the best price reasonably obtainable any share or stock of a Member or any share or stock to which a person is entitled by transmission if and provided that:-

- (i) for a period of twelve years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Member or to the person entitled by transmission to the share or stock at his address on the Register or either the last known address given by the Member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the Member or the person entitled by transmission provided that in any such period of twelve years the Company has paid at least three dividends whether interim or final and no such dividend has been claimed; and
- (ii) the Company has at the expiration of the said period of twelve years by advertisement in both a leading London daily newspaper and in a newspaper circulating in the area in which the address referred to in paragraph (i) of this Article is located given notice of its intention to sell such share or stock; and
- (iii) the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Member or person entitled by transmission; and

To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share or stock and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by the transmission to such share or stock. The Company shall account to the Member or other person entitled to such share or stock for the net proceeds of such sale by carrying all moneys in respect thereof to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such Member or other person. Moneys carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

## **DESTRUCTION OF DOCUMENTS**

### Destruction of documents

105. The Company may destroy:-

- (i) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- (ii) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date such mandate variation cancellation or notification was recorded by the Company;
- (iii) any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration; and

- (iv) any other document on the basis of which any entry in the Register is made at any time after the expiry of six years from the date an entry in the Register was first made in respect of it;

and it shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly sealed and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company Provided always that:-

- (a) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;
- (b) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (a) above are not fulfilled; and
- (c) references to this Article to the destruction of any document include references to its disposal in any manner.

## **INDEMNITY**

### Indemnity

106. Every Director or other Office or Auditor for the time being shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution of his office or otherwise in relation thereto.