

"The Companies Act 2006"

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

THE EXETER GOLF & COUNTRY CLUB LIMITED

(adopted by Special Resolution passed on 9 November 2019)

PRELIMINARY

1 In these Articles

'Act' means the Companies Act 2006 (as amended) and any statutory modification or re-enactment thereof for the time being in force.

'Board' means the board of Directors from time to time.

'Club' means the leisure club known as Exeter Golf and Country Club.

'Club Secretary' means such person who is appointed by the Board from time to time with responsibility for the administration of the Company Shareholders and the Members of the Club.

'Director' means a director of the Company from time to time, and includes any person occupying the position of director, by whatever name called.

'Deferred Shares' means deferred shares of £1.00 each in the capital of the Company from time to time.

'Exempt Shareholder' has the meaning in Article 11(k).

'Member' means a member of the Club.

'Model Articles' means the model articles for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (*S/2008/3229*) as amended from time to time prior to the adoption of these Articles. A reference in these Articles to an **Article** is a reference to the relevant numbered article of these Articles and a reference to a **model article** is a reference to the relevant article in the Model Articles.

'Notice of Meeting' means the notice of the general meeting of the Company held on 2 December 1995.

'Ordinary Shares' means ordinary shares of £1.00 each in the capital of the Company from time to time.

'Price' has the meaning in Article 11(m).

'Rules and Bye Laws' means the rules regulating the conduct and management of the Members and the Club as prescribed by the Directors from time to time.

'Share' means, unless the context otherwise requires, the Ordinary Shares and the Deferred Shares.

'Shareholder' means a person who is the holder of an Ordinary Share.

- 2 Subject as hereinafter provided, the Model Articles shall apply to the Company.
- 3 Model articles 18, 24, 25, 30 and 52 shall not apply to the Company, but the Articles hereinafter contained and the remaining model articles, subject to the modifications hereinafter expressed, shall constitute the articles of the Company.
- 4 Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the Shareholders, the Directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company.
- 5 The Company shall have a lien over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share of one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

TRANSFER OF SHARES

- 6 A reference to a "transfer of Shares" or any similar expression shall include a transfer of any interest in any Shares (whether legal, beneficial or otherwise) and any charge, mortgage or other encumbrance granted over any Shares.
- 7 The Directors shall refuse to register any transfer of Shares made in contravention of the provisions of these Articles.
- 8 A transfer of Ordinary Shares may be made between Members of the Club (who are also Shareholders in the Company or a new Member of the Club who is required by the Rules and Bye Laws of the Club to become a Shareholder) without restriction. No Ordinary Share shall be transferred to any person who is not a Member (and such a Shareholder or a new Member who is required to become a Shareholder) and model article 26 shall be construed accordingly. Any Shareholder may at any time (with the consent of the Directors) transfer any Shares to the Company in accordance with the Act and these Articles without restriction.
- 9 If at any time after the adoption of these Articles for any reason whatsoever any Ordinary Share is registered in the name of a person who is not a Member of the Club in contradiction of Article 8 the Directors may give notice in writing to such person requiring him or them (where an Ordinary Share is transferred into the names of two or more persons) to transfer such Ordinary Share to a person who is a Member of the Club or to the Company in accordance in with Article 12.

If an Ordinary Share is registered in the name of a person who is not a Member in the Club, the holder of such Ordinary Share shall not be entitled to receive notice of, attend or vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise, including in respect of any resolution of any class of Shares) at any general meeting of the Company, or to receive or vote in relation to or agree any written resolution of the Company.

This Article 9 shall not apply to an Exempt Shareholder for so long as such Exempt Shareholder remains a Shareholder but for the avoidance of doubt the provisions of this Article 9 shall apply to any transferee or transmittee of any of such Exempt Shareholder's Ordinary Shares.

- 10 If a person required to transfer any Ordinary Shares in accordance with Article 9 refuses or neglects to do so then the Directors or any one of them shall be irrevocably appointed the agent of that person ('**Selling Shareholder**') with full authority and power to execute complete and deliver all documents (including, without limitation, a company buy-back agreement) in his name necessary to give effect to and facilitate the transfer of the Ordinary Shares to any Member of the Club or to the Company against payment of the Price to the Company (for which the Company can give good receipt and which the Company shall hold on trust for the transferor (but shall not be bound to earn or pay interest thereon)).

Upon receipt of the Price from the transferee and when the transfer form or other relevant document has been duly stamped the Company shall enter the name of the transferee in the register of members as the registered holder of the Ordinary Shares, or where the person acquiring the Ordinary Shares is the Company, the Company shall cause those Shares to be cancelled or held in treasury in accordance with the Act.

Any money held on trust by the Company for the Selling Shareholder in respect of the sale or transfer of any Ordinary Shares shall only be released to the Selling Shareholder on production of the relevant share certificates (or an appropriate indemnity for any lost share certificates) for the Shares that have been transferred to the Member of the Club or to the Company (as appropriate). A Company buy-back of the Ordinary Shares shall be effective under the powers contained in these Articles without the need for a separate agreement.

- 11 Other than in the case of a transfer permitted by Article 8 and/or required by Article 9:
- (a) Any Shareholder of the Company (the '**Transferor**') who wishes to transfer all or any of his Ordinary Shares or to dispose of any interest therein ('**Sale Shares**') shall serve on the Club Secretary a notice in writing (a '**Transfer Notice**') of his wish so to do accompanied by the relevant share certificates (if in his possession or control). Every Transfer Notice shall state the number of Sale Shares and the name of the proposed transferee (if any) and shall constitute the Company as the Transferor's agent for the sale of the Sale Shares at the Price applicable at the time of the sale.
 - (b) If the Company shall, within 5 years of being served (or deemed served (whether before or after the date of adoption of these Articles)) with a Transfer Notice or, if later, within 12 months of the date of adoption of these Articles (where the Transfer Notice has been served or deemed served before the date of adoption of these Articles), find from time to time a Shareholder in the Company who is also a Member of the Club, or a new Member of the Club who is required by the Rules and Bye Laws of the Club to become a Shareholder in the Company, willing to purchase all or some of the Sale Shares at the Price then the Company shall give notice of this fact in writing to the Transferor and the Transferor shall be bound, on delivery of the notice from the Company, to transfer such Sale Shares to the purchaser specified by the Company. The purchase shall be completed as soon as reasonably practicable at a place and time to be appointed by the Club Secretary when, against receipt of payment of the Price for each Sale Share and payment of any stamp duties, the purchaser shall be registered as the holder of such Sale Shares in the register of members of the Company.
 - (c) If the Transferor, after having become bound to transfer any Sale Shares to a purchaser, makes default in so doing, the Transferor shall be deemed to have appointed the Directors (or any one of them), as agent on behalf of the Transferor, to complete, execute and deliver in his name all documents (including, without limitation, a company buy-back agreement) necessary to

give effect to the transfer and shall, upon payment of any stamp duties, enter the name of the purchaser in the register of members of the Company as the holder of such of the Sale Shares as shall have been transferred to him. The Company shall receive the purchase money on behalf of the Transferor but shall not be bound to earn or pay interest thereon. The receipt of the Company for the purchase money shall be a good discharge to any purchaser who shall not be bound to see to the application thereof and, after the name of the purchaser has been entered in the register of members of the Company in purported exercise of the aforesaid powers, the validity of the proceedings shall not be questioned by any persons.

- (d) If, by the end of the period specified in Article 11(b) above, the Company shall not have found purchasers for all of the Sale Shares then the Company shall be at liberty and have the power to purchase some or all the Sale Shares at the Price within 6 months of the end of such period subject to compliance with the Act and, where appropriate, with the sanction of Members of the Company. The Transferor shall be bound to transfer some or all of the Sale Shares to the Company if the Company elects to exercise its power under this Sub Article and the provisions of Sub Article 11(c) shall apply in relation to any failure on the part of the Transferor to comply with a transfer of some or all of the Sale Shares under this Article 11(d).
- (e) If the Company declines or is unable to exercise such power to purchase some or all of the Sale Shares within 6 months of becoming entitled to do so then the Company may convert the remaining Sale Shares into deferred shares ('**Deferred Shares**') (on the basis of one Deferred Share for each Ordinary Share) without further resolution, consent or approval of the Transferor or the other Shareholders. The date of conversion into Deferred Shares ('**Deferred Conversion Date**') shall be such date as the Directors resolve and the Directors shall give notice in writing of such conversion to the Transferor, confirming the Deferred Conversion Date.
- (f) From the Deferred Conversion Date, the Company shall be entitled to enter the holder of the Deferred Shares in the register of members of the Company recording them as the holder of the appropriate number of Deferred Shares.
- (g) The rights attaching or relating to the Deferred Shares shall be as follows:
 - I. the Deferred Shares (if any) shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company;
 - II. on a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares) where there is a surplus of assets of the Company remaining after payment of its liabilities, the holders of the Deferred Shares, if any, shall be entitled to a payment of a total of £1.00 between them for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares); and
 - III. the Deferred Shares (if any) shall not confer the right to any further or other participation in the profits or assets of the Company and the holders of Deferred Shares (if any) shall not be entitled to any other dividend, distribution or other return of capital.
- (h) The conversion or re-designation of shares into Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after their

allotment, issue, conversion or re-designation, without obtaining the sanction of such holders (or the other Shareholders) to:

- I. appoint any person to execute any transfer (or any agreement to transfer including, without limitation, a company buy-back agreement) such Deferred Shares to such person(s) as the Company may determine (as nominee or custodian thereof or otherwise);
- II. give, on behalf of such holder, consent to the cancellation of such Deferred Shares; and/or
- III. purchase such Deferred Shares in accordance with the Act and Article 12 (the buy-back of the Deferred Shares being effective under the powers contained in these Articles without the need for a separate agreement),

in any such case for a price being not more than an aggregate sum of one penny for all the Deferred Shares registered in the name of such holders and with the Company having authority, pending such transfer, cancellation and/or purchase, to retain the certificates (if any) in respect thereof.

- (i) No Deferred Share may be transferred without the prior consent of the Directors.
- (j) Following a purchase of Deferred Shares by the Company, the Company may
 - I. hold the Deferred Shares (or any of them) in treasury; or
 - II. cancel the Deferred Shares at any time in accordance with section 729 of the Act.
- (k) Any Shareholder in the Company who ceases to be a Member of the Club (howsoever arising including, without limitation, on death) shall within 1 month of such cessation serve a Transfer Notice in respect of all Ordinary Shares held by him and if no such Transfer Notice has been served within such period then a Transfer Notice shall be deemed to have been served in respect of all Ordinary Shares held by him and the provisions of this Article 11 shall apply to such deemed Transfer Notice. Upon the service or deemed service of such Transfer Notice the registered holder of the Ordinary Shares the subject of the Transfer Notice shall not be entitled to receive notice of or to attend or vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares) at any general meeting or to receive or vote in relation to or agree any written resolution of the Company.
- (l) Nothing in Sub-Article (k) shall require any person who is:
 - I. a Shareholder in the Company as at the date of adoption of these Articles;
 - II. was a Shareholder in the Company on 2 December 1995; and
 - III. has held Ordinary Shares in the Company continuously between 2 December 1995 and the date of adoption of these Articles (irrespective of whether or not they are or have been a Member of the Club),(an '**Exempt Shareholder**') to serve a Transfer Notice (or to have been deemed to have served a Transfer Notice).

For the avoidance of doubt, the provisions of this Sub Article (l) are personal to the Exempt Shareholder and these rights shall not be transferable to any transferee or transferor.

- (m) For the purposes of this Article 11 the expression 'the **Price**' shall mean the lower of:
- I. the average price per Ordinary Share at which Ordinary Shares have been sold in bona fide arm's length sales made by the last 5 Shareholders who have had transfers registered, as notified to and/or determined by the Club Secretary, such determination to be final and binding on all concerned; and
 - II. the price per Ordinary Share as the auditors of the Company, acting as experts and determined in such manner as they in their absolute discretion think fit, shall have last stated in writing to be in their opinion the net asset value of an Ordinary Share, such opinion to be published at the same time or as soon as reasonably practicable after the publication of the audited accounts of the Company for each financial period. The determination of the auditors shall be final and binding on all concerned and the cost of obtaining the certificate shall be borne by the Company.

PURCHASE OF OWN SHARES

- 12 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own Shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:
- (a) £15,000; and
 - (b) the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year.
- 13 On a purchase of Shares in accordance with Chapter 4 of Part 18 of the Act, the Company may:
- (a) hold the Shares (or any of them) in treasury;
 - (b) deal with any of the Shares, at any time, in accordance with section 727; or
 - (c) cancel any of the Shares, at any time, in accordance with section 729 of the Act.

STOCK TRANSFER FORMS

- 14 Each Shareholder shall, upon becoming a Member and a Shareholder or, if later, at the request of the Company, execute a partially complete stock transfer form relating to their Shares in the Company (incomplete only insofar as the number of Shares, the price and the transferee are concerned). Each Shareholder authorises the Company to retain such stock transfer form and appoints and authorises the Directors (or any one of them) to be their agent with full authority to complete, execute and deliver all stock transfer forms (and any other documentation required in connection with the transfer or purchase of the Shares including, without limitation, a company buy-back agreement) on their behalf in order to effect the transfer of their Shares howsoever arising but only in accordance with these Articles.

BORROWING POWERS

- 15 The Directors may exercise all of the powers of the Company to raise or borrow such sum or sums of money as they think fit, and may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company, present and future, including its uncalled or unissued capital, or by the issue, at such price as they may think fit, of bonds or debentures, either charged upon the whole or any part of the property and assets of the Company or not so charged, or in such other way as the Directors may think expedient.

GENERAL MEETINGS

- 16 An annual general meeting shall be held once in a year at such time and place as may be determined by the Board and in accordance with the Act ('**Annual General Meeting**'). In addition to the Annual General Meeting, the Directors may call a general meeting of the Members at any time and such a meeting shall be held in accordance with the Act.
- 17 No business shall be transacted at any meeting unless a quorum is present. Ten persons entitled to vote upon the business to be transacted, each being a Shareholder and a Member or an Exempt Member or a proxy for a Shareholder or a duly authorised representative of a corporation shall be a quorum and model article 38 shall be modified accordingly.

VOTES OF MEMBERS

- 18 At a general meeting a resolution put to the vote shall be decided on a show of hands unless, before or on the declaration of the result of the show of hands, a poll is demanded by the chairman or by at least five Shareholders present in person or by proxy and entitled to vote and holding or representing by proxy not less than 10% of the total voting rights of the Shareholders having the right to vote at the meeting. Unless a poll is demanded as above, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute books shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 19 If a poll is demanded, it shall be taken at such time (either at the meeting at which the poll is demanded or within 30 days of the meeting) and place and in such manner as the chairman directs (including the use of ballot or voting papers or tickets). The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A poll demanded on the election of the chairman or on a question of adjournment shall be taken immediately. The demand for a poll may be withdrawn before the close of the meeting or the taking of the poll, whichever is the earlier, but, if a demand is withdrawn, the chairman of the meeting or other Shareholders entitled to require a poll may himself or themselves demand a poll.
- 20 Where there are joint holders of an Ordinary Share, the joint Shareholders shall be deemed to be split equally (with any fractions accruing to the first named) between the joint Shareholders and the corresponding proportion of the total votes attaching to all the jointly held Ordinary Shares shall be split on the same manner.

DIRECTORS

- 21 The number of Directors shall not be less than six nor more than eight and the quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be three; model article 11 shall be modified accordingly.
- 22 The Directors shall have power at any time and from time to time to appoint any person to be a Director of the Company either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number hereinbefore fixed. Any Director so appointed shall hold office only until the next following annual general meeting, when he shall retire, but shall be eligible for re-election.
- 23 The qualification of every Director shall be the holding in his own right and as sole holder of Ordinary Shares in the capital of the Company to the nominal value of not less than twenty-five pounds. A Director may act before acquiring his qualification, but shall in any case acquire his qualification within one calendar month of being appointed a Director.

PROCEEDINGS OF DIRECTORS

- 24 Any Director or member of a committee of the Directors may participate in a meeting of the Directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.
- 25 The Directors may delegate any of their powers to any committee consisting of one or more Directors and any committee shall have the power, if the Directors direct, to co-opt as a member or members of the committee any person or persons although not being a Director of the company. They may also delegate to any managing director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him.

RETIREMENT OF DIRECTORS

- 26 At every Annual General Meeting, any Director then in office who has been appointed by the Board in accordance with Article 22 and one-third, or, if their number is not divisible by three, the number nearest to one-third, of the other Directors shall retire by rotation under Article 27, but may offer themselves for reappointment by the Shareholders.
- 27 The Directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment. As between persons who were appointed or last reappointed on the same day, those to retire shall (unless they agree otherwise among themselves) be determined by drawing lots.
- 28 If a Director is required by the Articles to retire at an Annual General Meeting the retirement shall take effect on the conclusion of that meeting.
- 29 If the Company, at any Annual General Meeting at which a Director retires in accordance with these Articles, does not fill the office vacated by such Director, the retiring Director, if willing to act, shall be deemed to be re-appointed unless at that meeting the resolution to re-appoint him or her is put to the meeting and lost.

- 30 No person, other than a retiring Director (by rotation or otherwise), shall be appointed or re-appointed a Director at an Annual General Meeting unless he is recommended by the Board or at least seven but not more than 14 clear days before the date appointed for the Annual General Meeting the Company has received notice from a person (other than the person proposed) who is entitled to vote at the Annual General Meeting of their intention to propose a resolution for the appointment or re-appointment of a person, stating the particulars which would, if he were so appointed or re-appointed, be required to be included in the Company's register of directors and a notice executed by the person proposed of his willingness to be appointed or re-appointed, is lodged with the Club Secretary.

DISQUALIFICATION OF DIRECTORS

- 31 The office of a Director shall be vacated if:
- (a) he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director;
 - (b) he becomes bankrupt or insolvent or makes any arrangement on composition with his creditors;
 - (c) he is, or may be, suffering from mental disorder and a registered medical practitioner who is treating that person gives a written opinion to the Company stating that he has become physically or mentally incapable of acting as a Director and may remain so for more than six months;
 - (d) a Court makes an order which wholly or partially prevents that person from personally exercising any powers or rights which that person would otherwise have;
 - (e) he ceases to hold the necessary Ordinary Share qualification or does not obtain the same within one calendar month from the date of his appointment;
 - (f) he gives the Directors one calendar months' notice in writing that he resigns his office; or
 - (g) he shall for more than six consecutive months have been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that his office be vacated.

But any act done in good faith by a Director whose office is vacated as aforesaid shall be valid unless, prior to the doing of such act, written notice shall have been served upon the Directors or an entry shall have been made in the Directors' minute book stating that such Director has ceased to be a Director of the Company.

- 32 A Director may hold any office of profit under the Company (other than that of auditor) in conjunction with the office of Director, and may enter into contracts or arrangements or have dealings with the Company, and shall not be disqualified from office thereby, nor shall he be liable to account to the Company for any profit arising out of any such contract, arrangement, or dealing to which he is a party or in which he is interested by reason of his being at the same time a Director of the Company, provided that such Director discloses to the Board at or before the time when such contract, arrangement, or dealing is determined upon his interest therein, or, if such interest is subsequently acquired, provided that he on the first occasion possible discloses to the Board the fact that he has acquired such interest. Except in respect of any agreement or arrangement to give any indemnity or security to any Director who has undertaken or is about to undertake any liability on behalf of the Company, no Director shall vote as a Director in regard to any contract, arrangement, or dealing in which he is interested or

upon any matter arising thereat, and if he shall so vote his vote shall not be counted, nor shall he be reckoned in estimating a quorum when any such contract arrangement, or dealing is under consideration; model article 14 shall be amended accordingly.

INDEMNITY

- 33 Subject to the provisions of, and so far as may be consistent with, the Act, but without prejudice to any indemnity to which a Director may be otherwise entitled, every Director, secretary or other office of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office.

Without prejudice to the generality of the foregoing, every Director, secretary or other office of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by a Director in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company provided judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted, or in connection with any application under any statute for relief from liability in respect of any such act or omission and in which relief is granted to him by the Court.

MAXIMUM PERMITTED SHAREHOLDINGS

- 34 If any person has, or is determined by the Directors as having, an interest in more than the Relevant Number of Shares (as defined in Sub-Article (a) below) then the Directors shall be entitled to serve written notice on such person and, if different, on the registered holder of the Shares in which such person is interested. Such notice shall set out the requirements referred to in Sub-Article (c) below and call for a Transfer Notice to be served in respect of such Shares in excess of the Relevant Number of Shares (each such Share a '**Relevant Share**'). If a Transfer Notice is not served within such period then a Transfer Notice shall be deemed to have been served within 21 days of such notice or such other period as the Directors shall determine. The provisions of Articles 6 to 11 shall apply to any Transfer Notice served or deemed to be served pursuant to this Article.

- 35 For the purposes of Article 34, the '**Relevant Number of Shares**' shall mean:

- (a) in the case of any person who is an Exempt Shareholder, the greater of 5,000 Shares (10,000 Shares in the case of Shares being held in the joint names of at least two Exempt Shareholders) and the aggregate of such Exempt Shareholder's holding of Shares (whether sole or joint ownership) as at 2 December 1995 and any additional Shares allotted to such Exempt Shareholder pursuant to the bonus issues of Shares referred to in the Notice of Meeting;
- (b) in the case of Shares being held in the joint names of two Shareholders in the Company and Members of the Club and not falling within paragraph 34(a) above, 10,000 Shares; and
- (c) in any other case, 5,000 Shares.

- 36 A registered holder of a Relevant Share shall not in respect of such Relevant Share be entitled to receive notice of or to attend or vote at any general meeting of the Company (whether on a show of hands, on a poll or otherwise and whether in person, by proxy

or otherwise), including in respect of any resolution of any class of Shares) or to receive or vote in relation to or agree any written resolution of the Company.

- 37 Any determination of the Directors under the provisions of Article 36 shall be made in their absolute discretion, without the need to assign reasons therefore, and shall be final and conclusive on all concerned. A person shall have an interest in a Share if he is the registered holder of and/or has a beneficial interest in a Share (including, without limitation, any interest arising under an agreement, conditional or otherwise, to acquire a Share) and in any Share in which any person with whom he is acting pursuant to an agreement or understanding (whether formal or informal) to obtain or consolidate control over 20 per cent. or more of the issued Shares of the Company has an interest provided that no person shall be taken as having an interest in a Share solely by virtue of them being a husband or wife of, or otherwise related to, any other person.

CAPITALISATION OF RESERVES

- 38 The Directors may, with the authority of a special resolution of the Company:
- (a) subject as herein after provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
 - (b) appropriate the sum resolved to be capitalised to the Shareholders in the Company who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any Ordinary Shares held by them respectively, or in paying up in full unissued Ordinary Shares or debentures of the Company of a nominal amount equal to that sum, and allot the Ordinary Shares or debentures credited as fully paid to those Shareholders, or as they may direct but subject to the Articles including, without limitation, Article 8, in accordance with the authorising special resolution or otherwise, in those proportions or partly in one way and partly in the other, but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Ordinary Shares to be allotted to Shareholders, or as they may direct as aforesaid, credited as fully paid;
 - (c) make such provision by the issue of fractional certificates (or by ignoring fractions) or by payment in cash or otherwise as they determine in the case of Ordinary Shares or debentures becoming distributable in fractions;
 - (d) authorise any person to enter on behalf of all the Shareholders in the Company concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any Shares or debentures to which they are entitled upon such capitalisation, any such agreement made under such authority being binding on all such Shareholders; and
 - (e) generally do all acts and things required to give effect to such resolution.

PROFITS NOT TO BE DISTRIBUTED

- 39 No dividend shall be paid or other distribution made other than by way of capitalisation of reserves made to the Shareholders in the Company except in the event of a winding up.

NOTICES

- 40 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;
 - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
 - (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this Article 40, no account shall be taken of any part of a day that is not a business day.

- 41 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act; model article 48 shall be construed accordingly.