

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

Houlihan Lokey (Europe) Limited

Company No. 04285073

(Adopted by written special resolution passed on 25 August 2021)

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## PART 1

### INTERPRETATION AND LIMITATION OF LIABILITY

#### 1. Defined terms

##### 1.1 In these Articles, unless the context requires otherwise:

“Articles” means the company’s articles of association for the time being in force;

“the 2006 Act” means the Companies Act 2006;

“Call” has the meaning given to that term in Article 18.1;

“Call Notice” has the meaning given to that term in Article 18.1;

“Company’s Lien” has the meaning given to that term in Article 16.1;

“Conflict Situation” means any situation or matter (other than one which cannot reasonably be regarded as likely to give rise to a conflict of interest) in which any director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company including (without limitation) any such situation or matter which relates to the exploitation of any property, information or opportunity (irrespective of whether the company could take advantage of the property, information or opportunity);

“HLI” means Houlihan Lokey, Inc, a company incorporated and registered in Delaware, USA with file number 5742505;

“Funds” means any investment fund in respect of which HLI or any subsidiary undertaking thereof acts as investment manager or investment adviser;

“Lien Enforcement Notice” has the meaning given to that term in Article 17.2;

“Model Articles” means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles; and

“Secured Institution” has the meaning given to that term in Article 28.3.1.

##### 1.2 The articles comprise these Articles and, save insofar as they are modified by these Articles, the Model Articles.

##### 1.3 The following Model Articles do not apply Regulation 9(4) (Calling a directors’ meeting); Regulation 14 (Conflicts of interest), Regulation 17 (Methods of appointing directors), Regulation 21 (All shares to be fully paid up), Regulation 24 (Share certificates), Regulation 27(3) (Transmission of shares), Regulations 44(2)(c) and (d) (Poll Votes), and Regulation 52(3)(b) (Indemnity).

##### 1.4 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the 2006 Act as in force on the date when these Articles become binding on the company shall have the same meanings in these Articles.

- 1.5 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time and shall include any orders, regulations or subordinate legislation from time to time made under it and any amendment or re-enactment of it or any such orders, regulations or subordinate legislation for the time being in force.
- 1.7 Any phrase introduced by the terms “including”, “include” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

## PART 2

### DIRECTORS

#### DECISION-MAKING BY DIRECTORS

#### **2. Calling a directors’ meeting**

Any director may by notice to the company either before or after a directors’ meeting waive his right to receive notice of that meeting and any director who either:

- 2.1 is present at the commencement of a meeting whether personally or by his alternate director; or
- 2.2 does not, within seven days following its coming to his attention that a meeting has taken place without prior notice of such meeting having been given to him pursuant to Regulation 9 of the Model Articles, notify the company that he desires the proceedings at such meeting to be regarded as a nullity,

shall be deemed hereafter to have waived his right to receive notice of such meeting pursuant to Regulation 9 of the Model Articles.

#### **3. Quorum for directors’ meetings**

The following words shall be inserted at the end of Regulation 11(2) of the Model Articles, “Provided that not less than two individuals shall constitute a quorum, a person attending a meeting of the board of directors, who is acting as an alternate director for one or more directors shall be counted as one for each of the directors for whom he is so acting, and if he is a director, shall also be counted as a director.”

#### **4. Conflicts of interest**

- 4.1 For the purposes of section 175 of the 2006 Act the directors are permitted, in accordance with section 175(5)(a) of the 2006 Act, to authorise situations in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company.
- 4.2 Without prejudice to the obligation of any director to disclose his interest in accordance with sections 177 and 182 of the 2006 Act a director may vote as a director in regard to any contract, transaction or arrangement in which he is interested, or upon any matter arising thereat, including in respect of a resolution concerning his own appointment, and if he does

so vote his vote shall be counted and he shall be taken into account in calculating a quorum for the relevant board meeting.

- 4.3 For the purposes of sections 175 and 180(4) of the 2006 Act and for all other purposes, it is acknowledged that a director may be or become subject to a Conflict Situation or Conflict Situations as a result of his also being or having been or being party to an agreement or arrangement or understanding or circumstances under which he may become:
- 4.3.1 interested, whether legally or beneficially, in any stock, options to acquire or be issued with stock, or any other interests in any securities issued or to be issued by HLI, any group undertaking of HLI from time to time or any other group undertaking of the company from time to time;
  - 4.3.2 a director, officer or employee of any group undertaking of the company from time to time;
  - 4.3.3 interested, whether legally or beneficially, in securities issued or to be issued by any of the Funds; and/or
  - 4.3.4 a member of any group undertaking of the company from time to time.
- 4.4 A director's duties to the company arising from his holding office as director shall not be breached or infringed as a result of any Conflict Situation envisaged by Article 4.3 having arisen or existing in relation to him and he shall not be held accountable to the company for any benefit he directly or indirectly derives from his involvement with any person or entity referred to in Article 4.3.
- 4.5 Any director the subject of a Conflict Situation envisaged by Article 4.3 shall be entitled to:
- 4.5.1 receive notice (including any relevant board papers) of, attend, count in the quorum towards and vote at board meetings relating in any way to, and deal generally with, matters concerning, connected with or arising from the Conflict Situation concerned; and
  - 4.5.2 keep confidential and not disclose to the company any information which comes into his possession as a result of such Conflict Situation where such information is confidential as regards any third party.

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

In Regulation 15 of the Model Articles, there shall be added at the end of that Regulation the following words "including all appointments of officers and alternate directors made by the directors and of all proceedings of committees appointed in accordance with Regulation 6 of the Model Articles, including the names of persons present at each such meeting".

## **APPOINTMENT AND TERMINATION OF APPOINTMENT OF DIRECTORS**

## **6. Methods of appointing directors**

- 6.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:

- 6.1.1 by ordinary resolution; or
  - 6.1.2 by a decision of the directors; or
  - 6.1.3 in accordance with Article 7.
- 6.2 In any case where, as a result of death or bankruptcy, the company has no members and no directors, the transmittee(s) of the last member to have died or to have a bankruptcy order made against him (as the case may be) shall have the right, by notice in writing, to appoint a person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.
- 6.3 For the purposes of Article 6.2, where two or more members die in circumstances rendering it uncertain who was the last to die, a younger member is deemed to have survived an older member.

**7. Appointment and removal by sole/majority member**

A member or members holding the whole or a majority in nominal value of the issued ordinary share capital for the time being in the company shall have power from time to time and at any time to appoint any person or persons as a director or directors either as an additional director or to fill any vacancy and to remove from office any director howsoever appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the member or members (or their duly authorised attorneys) making the same, or in the case of a member being a body corporate signed by one of its directors or other authorised signatories or in such other manner as the directors may approve on its behalf, and shall take effect upon being communicated to the company in accordance with these Articles or upon being handed or otherwise communicated to the chairman of a meeting of the directors at which a quorum is present or such later date as may be specified in the instrument Regulation 18 of the Model Articles is hereby amended accordingly.

**8. Removal of directors**

There shall be added at the end of Regulation 18(f) of the Model Articles, the following - “provided that such action shall be without prejudice to the terms of and to any rights of the company under any contract between the director and the company”.

**9. Directors’ remuneration**

- 9.1 In Regulation 19(2) of the Model Articles, the words “or as the company may by ordinary resolution” shall be inserted before “determine”.
- 9.2 In Regulations 19(4) and (5) of the Model Articles, the words “or the company by ordinary resolution decides” shall be inserted after the first reference to “directors” in each of those Regulations and the word “decide” shall be deleted.

**10. Directors’ and employees’ gratuities and pensions**

The directors may:

- 10.1 establish and maintain, or procure the establishment and maintenance of, any share option or share incentive or profit sharing schemes or trusts or any non-contributory or contributory pension or superannuation schemes or funds for the benefit of, and may make or give or procure the making or giving of loans, donations, gratuities, pensions, allowances

or emoluments (whether in money or money's worth) to, or to trustees on behalf of, any persons who are or were at any time in the employment or service of the company, or of any company which is a subsidiary of the company, or is allied to or associated with the company or with any such subsidiary, or who are or were at any time directors or officers of the company or of any such other company as aforesaid, and to the wives, husbands, widows, widowers, families and dependants of such persons;

- 10.2 establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the company, or of any such other company as aforesaid, or of any such persons as aforesaid;
- 10.3 make payments for or towards policies of assurance on the lives of any such persons and policies of insurance for the benefit of or in respect of any such persons (including insurance against their negligence or breach of duty to the company) as aforesaid;
- 10.4 pay, subscribe or guarantee money to or for any charitable or benevolent objects, or for any exhibition, or for any political, public, general or useful object; and
- 10.5 do any of the above things either alone or in conjunction with any such other company as aforesaid,

subject always, if the 2006 Act shall so require, to particulars with respect to the proposed payment being disclosed to the members of the company and to the payment being approved by the company, any director shall be entitled to participate in and retain for his own benefit any such loan, donation, gratuity, pension, allowance or emolument.

## **NUMBER OF DIRECTORS**

### **11. Minimum number of directors**

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall be not less than two.

## **ALTERNATE DIRECTORS**

### **12. Appointment and removal of alternate directors**

- 12.1 A director may by written notice signed by him and deposited or received by the company in accordance with Regulation 48 of the Model Articles and Article 39, or in such other manner as the directors may approve, appoint another director or any other person to be and act as his alternate director.
- 12.2 Every alternate director shall be entitled to notice of meetings of the directors or of committees of directors, and to attend and vote as a director at any such meeting at which the director appointing him is entitled to attend and vote but is not personally present and generally at such meeting to exercise all the powers, rights, duties and authorities of the director appointing him. Every alternate director shall also be entitled to sign, or otherwise indicate agreement in writing on behalf of the director appointing him, a resolution in writing of the directors.
- 12.3 An alternate director shall neither be an officer of the company nor entitled to any remuneration from the company for acting as an alternate director.



- 12.4 A director may by written notice signed by him and deposited or received by the company in accordance with Regulation 48 of the Model Articles and Article 39, or in such other manner as the directors may approve, at any time revoke the appointment of an alternate director appointed by him.
- 12.5 If a director shall cease to hold the office of director for any reason, the appointment of his alternate director shall thereupon automatically cease.

#### **SECRETARY**

**13. Appointment and removal of secretary**

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration, and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

#### **PART 3**

#### **SHARES AND DISTRIBUTIONS**

##### **SHARES**

**14. Variation of rights**

The rights attached to any existing shares shall not (unless otherwise expressly provided by the terms of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or subsequent thereto.

**15. Pre-emption rights**

Sections 561 and 562 of the 2006 Act are hereby excluded.

**16. Company's Lien over shares**

- 16.1 Except in respect of any issued shares in the company the subject of any security interest granted in favour of a bank or financial institution, the company shall have a first and paramount lien ("**Company's Lien**") over every share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the company 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 and whether or not a call notice has been sent in respect of it.
- 16.2 The Company's Lien over a share:
- 16.2.1 takes priority over any third party's interest in that share; and
- 16.2.2 extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.
- 16.3 The directors may at any time decide that a share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part.

## **17. Enforcement of the Company's Lien**

17.1 Subject to the provisions of this Article 17, if:

17.1.1 a Lien Enforcement Notice has been given in respect of a share; and

17.1.2 the person to whom the notice was given has failed to comply with it,  
the company may sell that share in such manner as the directors decide.

17.2 A lien enforcement notice (a "Lien Enforcement Notice"):

17.2.1 may only be given in respect of a share which is subject to the Company's Lien, in respect of a sum which is payable and the due date for payment of that sum has passed;

17.2.2 must specify the share concerned;

17.2.3 must require payment of the sum payable within 14 days of the notice;

17.2.4 must be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and

17.2.5 must state the company's intention to sell the share if the notice is not complied with.

17.3 Where shares are sold under this Article 17:

17.3.1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser;

17.3.2 the transferee is not bound to see to the application of the consideration; and

17.3.3 the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

17.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:

17.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and

17.4.2 second, to the person entitled to the shares at the date of the sale, but only after the certificate (where issued) for the shares sold has been surrendered to the company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the shares before the sale for any money payable in respect of the shares after the date of the Lien Enforcement Notice.

17.5 A statutory declaration by a director or, if applicable, the company secretary that the declarant is a director or the company secretary and that a share has been sold to satisfy the Company's Lien on a specified date:

17.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and

17.5.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share.

## **18. Call notices**

18.1 Subject to the Articles and the terms on which shares are allotted, the directors may send a notice (a “Call Notice”) to a member requiring the member to pay the company a specified sum of money (a “Call”) which is payable in respect of shares which that member holds at the date when the directors decide to send the Call Notice.

18.2 A Call Notice:

18.2.1 may not require a member to pay a Call which exceeds the total sum unpaid on that member’s shares (whether as to the share’s nominal value or any amount payable to the company by way of premium):

18.2.2 must state when and how any Call to which it relates it is to be paid; and

18.2.3 may permit or require the Call to be paid by instalments.

18.3 A member must comply with the requirements of a Call Notice, but no member is obliged to pay any call before 14 days have passed since the notice was sent.

18.4 Before the company has received any Call due under a Call Notice the directors may:

18.4.1 revoke it wholly or in part; or

18.4.2 specify a later time for payment than is specified in the notice by a further notice in writing to the member in respect of whose shares the Call is made.

## **19. Liability to pay Calls**

19.1 Liability to pay a Call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.

19.2 Joint holders of a share are jointly and severally liable to pay all Calls in respect of that share.

19.3 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that Call Notices sent to the holders of those shares may require them:

19.3.1 to pay Calls which are not the same; or

19.3.2 to pay Calls at different times.

19.4 The directors may accept from any member the whole or any part of the amount remaining unpaid on any share held by him notwithstanding that no part of that amount has been called up.

**20. When Call Notice need not be issued**

- 20.1 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the company in respect of that share (whether in respect of nominal value or premium):
- 20.1.1 on allotment;
  - 20.1.2 on the occurrence of a particular event; or
  - 20.1.3 on a date fixed by or in accordance with the terms of issue.
- 20.2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a Call Notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

**21. Failure to comply with Call Notice: automatic consequences**

- 21.1 If a person is liable to pay a Call and fails to do so by the call payment date:
- 21.1.1 the directors may issue a notice of intended forfeiture to that person; and
  - 21.1.2 until the Call is paid, that person must pay the company interest on the Call from the call payment date at the relevant rate.
- 21.2 For the purposes of this Article 21:
- 21.2.1 the “call payment date” is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the “call payment date” is that later date;
  - 21.2.2 the “relevant rate” is:
    - (i) the rate fixed by the terms on which the share in respect of which the call is due was allotted;
    - (ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
    - (iii) if no rate is fixed in either of these ways, 5 per cent per annum;
  - 21.2.3 the relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998(a); and
  - 21.2.4 the directors may waive any obligation to pay interest on a Call wholly or in part.

**22. Notice of intended forfeiture**

- 22.1 A notice of intended forfeiture:

- 22.1.1 may be sent in respect of any share in respect of which a Call has not been paid as required by a Call Notice;
- 22.1.2 must be sent to the holder of that share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;
- 22.1.3 must require payment of the Call and any accrued interest by a date which is not less than 14 days after the date of the notice;
- 22.1.4 must state how the payment is to be made; and
- 22.1.5 must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

**23. Directors' power to forfeit shares**

If a notice of intended forfeiture is not complied with before the date by which payment of the Call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

**24. Effect of forfeiture**

- 24.1 Subject to the Articles, the forfeiture of a share extinguishes:
  - 24.1.1 all interests in that share, and all claims and demands against the company in respect of it; and
  - 24.1.2 all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company.
- 24.2 Any share which is forfeited in accordance with the Articles:
  - 24.2.1 is deemed to have been forfeited when the directors decide that it is forfeited;
  - 24.2.2 is deemed to be the property of the company; and
  - 24.2.3 may be sold, re-allotted or otherwise disposed of as the directors think fit.
- 24.3 If a person's shares have been forfeited:
  - 24.3.1 the company must send that person notice that forfeiture has occurred and record it in the register of members;
  - 24.3.2 that person ceases to be a member in respect of those shares;
  - 24.3.3 that person must surrender the certificate (where issued) for the shares forfeited to the company for cancellation;
  - 24.3.4 that person remains liable to the company for all sums payable by that person under the Articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and

24.3.5 the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

24.4 At any time before the company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all Calls and interest due in respect of it and on such other terms as they think fit.

## **25. Procedure following forfeiture**

25.1 If a forfeited share is to be disposed of by being transferred, the company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.

25.2 A statutory declaration by a director or, if applicable, the company secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date:

25.2.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and

25.2.2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

25.3 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.

25.4 If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the company the proceeds of such sale, net of any commission, and excluding any amount which:

25.4.1 was, or would have become, payable; and

25.4.2 had not, when that share was forfeited, been paid by that person in respect of that share,

but no interest is payable to such a person in respect of such proceeds and the company is not required to account for any money earned on them.

## **26. Surrender of shares**

26.1 A member may surrender any share:

26.1.1 in respect of which the directors may issue a notice of intended forfeiture;

26.1.2 which the directors may forfeit; or

26.1.3 which has been forfeited.

26.2 The directors may accept the surrender of any such share.

26.3 The effect of surrender on a share is the same as the effect of forfeiture on that share.

- 26.4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

**27. Share certificates**

- 27.1 For the purposes of sections 769(2)(a) and 776(3)(a) of the 2006 Act, any shares or debenture stock issued by the company shall be issued subject to the condition that the company shall not be required to issue certificates for the shares or debenture stock so allotted.
- 27.2 Except where Article 27.1 applies, the company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- 27.3 Every certificate must specify:
- 27.3.1 in respect of how many shares, of what class, it is issued;
  - 27.3.2 the nominal value of those shares; and
  - 27.3.3 any distinguishing numbers assigned to them.
- 27.4 No certificate may be issued in respect of shares of more than one class.
- 27.5 If more than one person holds a share, only one certificate may be issued in respect of it.
- 27.6 Certificates must:
- 27.6.1 have affixed to them the company's common seal; or
  - 27.6.2 be otherwise executed in accordance with the Companies Acts.

**28. Share transfers**

- 28.1 The following words shall be inserted at the end of Regulation 26(1), "and, unless the share is fully paid, the transferee".
- 28.2 No transfer of any share may be registered without the approval of a member or members holding a majority in nominal value of the issued shares for the time being conferring the right to vote at general meetings of the company, and the directors shall be bound to approve a transfer which has such approval. Regulation 26 of the Model Articles is hereby amended accordingly.
- 28.3 Notwithstanding anything contained in these Articles to the contrary, the directors will (subject always to any legal or regulatory obligation or requirement including but not limited to any restriction placed on the shares in exercise of the powers under section 189 of the Financial Services and Markets Act 2000 or any equivalent provision in any successor legislation) register any transfer of shares and may not suspend the registration of the transfer of any shares if such transfer:
- 28.3.1 is to the bank or institution to which such shares have been charged by way of security, whether as agent for a group of banks or institutions or otherwise, or to any nominee or any transferee of such bank or institution ( a "Secured Institution");

28.3.2 is delivered to the company for registration by a Secured Institution or its nominee in order to perfect its security over such shares; or

28.3.3 is executed by a Secured Institution or its nominee pursuant to a power of sale or other power under such security.

**29. Transmission of shares**

Subject to Article 6 (Methods of appointing directors), transmitters do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares provided always that the directors may at any time give notice requiring any such person to elect either to become or to have another person registered as the holder of the share and if the requirements of the notice are not complied with within 90 days the directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

**DIVIDENDS AND OTHER DISTRIBUTIONS**

**30. Calculation of dividends**

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. 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. Regulation 30(4) of the Model Articles shall be construed accordingly.

**31. Deductions from distributions in respect of sums owed to the company**

31.1 If:

31.1.1 a share is subject to the Company's Lien; and

31.1.2 the directors are entitled to issue a Lien Enforcement Notice in respect of it,

they may, instead of issuing a Lien Enforcement Notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the company in respect of that share to the extent that they are entitled to require payment under a Lien Enforcement Notice.

31.2 Money so deducted must be used to pay any of the sums payable in respect of that share.

31.3 The company must notify the distribution recipient in writing of:

31.3.1 the fact and amount of any such deduction;

31.3.2 any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction; and

31.3.3 how the money deducted has been applied.



**32. Authority to capitalise and appropriation of capitalised sums**

There shall be inserted in Regulation 36(4) of the Model Articles after “may be applied”, the following words, “either in or towards paying up the amounts unpaid on existing shares held by the persons so entitled or”.

**PART 4**

**DECISION-MAKING BY MEMBERS**

**ORGANISATION OF GENERAL MEETINGS**

**33. Adjournment**

In Regulation 41(1) of the Model Articles the following words shall be inserted at the end of that Regulation - “If, at the adjourned meeting such a quorum is not present within half an hour from the time appointed for the meeting, one member present in person or by proxy or (being a corporation) by its duly authorised representative shall be a quorum.”

**VOTING AT GENERAL MEETINGS**

**34. Rights to appoint proxies**

For the avoidance of doubt, any member of the company is entitled to appoint another person (whether a member or not) as his proxy.

**35. Notice of general meetings**

In addition to those persons so entitled under section 310(1)(b) of the 2006 Act, notice of a general meeting of the Company must be sent to every alternate director of the Company.

**36. Voting: general**

There shall be inserted at the end of Regulation 42 of the Model Articles, the following provision – “In any case where the same person is appointed proxy for more than one member he shall on a show of hands have as many votes as the number of members for whom he is proxy. A member present at a meeting by more than one proxy shall be entitled to speak at the meeting through each of the proxies but the proxies together shall be entitled to only one vote on a show of hands. In the event that the proxies do not reach agreement as to how their vote should be exercised on a show of hands, the voting power is treated as not exercised”.

**37. Partly-paid shares**

No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.

**38. Poll votes**

Regulation 44(2)(c) of the Model Articles is deleted and replaced with the following provision - “any member present in person or by proxy or (being a corporation) by its duly authorised representative”. Regulation 44(2)(d) of the Model Articles shall be deleted in its entirety.

## PART 5

### MISCELLANEOUS PROVISIONS

#### COMMUNICATIONS

##### **39. Means of communication to be used**

- 39.1 For the purposes of section 6(b) of Part 3 of Schedule 4 of the 2006 Act (conditions for use of communications in electronic form) and section 6(b) of Part 3 of Schedule 5 of the 2006 Act (agreement to communications in electronic form), documents and information can be sent and supplied by and to the company in electronic form.
- 39.2 For the purposes of Regulation 48(2) of the Model Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may be sent or supplied either in hard copy form by hand, or in electronic form.
- 39.3 For the purposes of Regulation 48(3) of the Model Articles, notices or documents sent to a director or by or to the company:
  - 39.3.1 in hard copy form by hand, shall be deemed received upon delivery at, in the case of a director, the address last provided for such purpose by the relevant director or in the case of the company, its registered office; or
  - 39.3.2 in electronic form, shall be deemed received upon receipt (as evidenced by an appropriate delivery receipt) at the address last provided for such purpose by the relevant director or, as the case may be, the company.

#### DIRECTORS' INDEMNITY AND INSURANCE

##### **40. Indemnity**

- 40.1 In Regulation 52 of the Model Articles, the words:
  - 40.1.1 "shall be indemnified and any other officer or auditor, as the case may be," shall be inserted after the word "director" in the first line of paragraph (1); and
  - 40.1.2 "officer or auditor, as the case may be" shall be inserted after the word "director" in sub-paragraph (1)(a).
- 40.2 Regulation 52(3)(b) of the Model Articles shall be deemed amended such that the words "and references to an "officer" or "auditor" shall, as the case may be, be deemed to be references to any officer or former officer or auditor or former auditor of the company or an associated company" are inserted at the end of such regulation after "associated company".

##### **41. Insurance**

- 41.1 In Regulation 53 of the Model Articles:
  - 41.1.1 the words, "or other officer" shall be inserted in the second line of paragraph (1) after "director"; and

41.1.2 in paragraph (2)(b), there shall be inserted the words:

- (i) “or other officer” after “relevant director”; and
- (ii) “or other officer’s” after “director’s”.

41.2 Regulation 53(2)(a) of the Model Articles shall be deleted in its entirety and replaced with the following, “a ‘relevant director, or other officer’ means, as the case may be, any director or former director, officer or former officer of the company or an associated company”.