



Company number 06430176

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTIONS**

of

**ASHINGTON CENTRAL LIMITED (Company)**

23. 4. 2015 (Circulation Date)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that resolution 1 be passed as an ordinary resolution and resolution 2 be passed as a special resolution (together the **Resolutions**)

**ORDINARY RESOLUTION**

1 THAT subject to the passing of resolution 2 below

- the 100 A ordinary shares of £1 00 each in the capital of the Company held by Mr Sukhpreet Kullar be redesignated as 100 D ordinary shares of £1 00 each having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution 2,
- the three issued ordinary shares of £1 00 each held by Mrs Susan Margaret Dixon in the capital of the Company be and are hereby redesignated as three B ordinary shares of £1 00 each in the capital of the Company having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution 2,
- the three issued ordinary shares of £1 00 each held by Mr Sukhpreet Kullar in the capital of the Company be and are hereby redesignated as three A ordinary shares of £1 00 each in the capital of the Company having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution 2,
- the two issued ordinary shares of £1 00 each held by Dr Andrew David Bell in the capital of the Company be and are hereby redesignated as two C ordinary shares of £1 00 each in the capital of the Company having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution 2,
- the two issued ordinary shares of £1 00 each held by Dr Rakesh Chopra in the capital of the Company be and are hereby redesignated as two C ordinary shares of £1 00 each in the capital of the Company having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution 2,
- the two issued ordinary shares of £1 00 each held by Dr Lindsay John Gilfillan in the capital of the Company be and are hereby redesignated as two C ordinary

shares of £1 00 each in the capital of the Company having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution 2.

### SPECIAL RESOLUTIONS

- 2 THAT the terms which, pursuant to section 28 of the Companies Act 2006, are deemed to form part of the Company's articles of association are deleted and the articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

### AGREEMENT

Please read the notes at the end of this document before signifying your agreement to any of the Resolutions

The undersigned, being persons entitled to vote on the above Resolutions on the Circulation Date, hereby irrevocably agree to those Resolutions as indicated above

Signed by **Susan Margaret Dixon**

Date

Signed by **Sukhpreet Kullar**

Date

Signed by **Andrew David Bell**

Date

Signed by **Rakesh Chopra**

Date

Signed by **Lindsay John Gilfillan**

Date

### NOTES

1 You can choose to agree to all of the Resolutions or none of them but you cannot agree to only some of the resolutions. If you agree to all of the resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following delivery methods

- **Post** returning the signed copy by post to Marie-Louise Bozonet, Square One Law LLP, Anson House, Newcastle upon Tyne, NE2 3AE
- **E-mail** by attaching a scanned copy of the signed document to an e-mail and sending it to marie-louise.bozonet@squareonelaw.com Please enter "Written resolutions Ashington Central Ltd" in the e-mail subject box

If you do not agree with the Resolutions, you do not need to do anything, you will not be deemed to agree if you fail to reply

2 Once you have indicated your agreement to the Resolutions, you may not revoke your agreement

3 Where, by the date which is 28 days from the Circulation Date, insufficient agreement has been received for a resolution to pass, such resolution will lapse. If you agree to all or any of the Resolutions, please ensure that your agreement reaches us before or during this date

4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members

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CRN: 6430176

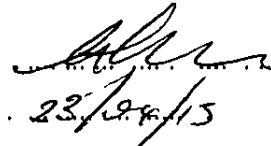
**Ashington Central Limited ("Company")**

**Class consent of A shareholders to redesignation of A ordinary shares**

In accordance with section 630 of the Companies Act 2006 and the articles of association of the Company I, being the holder of 100 A ordinary shares of £1 00 each (being all of the issued A ordinary shares) in the capital of the Company, hereby irrevocably consent to and sanction the passing of the resolution numbered 1 set out in the appended draft written resolutions and every variation, modification or abrogation of the rights, privileges and restrictions attaching to the A ordinary shares of £1 00 each as a class of shares which will be effected thereby.

Signed by **Sukhpreet Kullar**

Date



23/08/15

**Company number 06430176**

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTIONS**

**of**

**ASHINGTON CENTRAL LIMITED (Company)**

**. . . . . 2014 (Circulation Date)**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that resolution 1 be passed as an ordinary resolution and resolution 2 be passed as a special resolution (together the **Resolutions**)

**ORDINARY RESOLUTION**

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shares of £1 00 each in the capital of the Company having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution 2

### **SPECIAL RESOLUTIONS**

- 2 THAT the terms which, pursuant to section 28 of the Companies Act 2006, are deemed to form part of the Company's articles of association are deleted and the articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association

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Please read the notes at the end of this document before signifying your agreement to any of the Resolutions

The undersigned, being persons entitled to vote on the above Resolutions on the Circulation Date, hereby irrevocably agree to those Resolutions as indicated above:

Signed by **Susan Margaret Dixon**

. . . . .

Date

. . . . .

Signed by **Sukhpreet Kullar**

..

Date

. . . . .

Signed by **Andrew David Bell**

. . . . .

Date

. . . . .

Signed by **Rakesh Chopra**

.. ..

Date

..

Signed by **Lindsay John Gilfillan**

.. . . . .

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If you do not agree with the Resolutions, you do not need to do anything, you will not be deemed to agree if you fail to reply.

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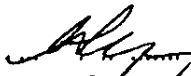
**Ashington Central Limited ("Company")**

**Class consent to redesignation of ordinary shares**

In accordance with section 630 of the Companies Act 2006 and the articles of association of the Company we, being the holders of not less than three quarters in nominal value of the issued ordinary shares of £1 00 each in the capital of the Company, hereby irrevocably consent to and sanction the passing of the resolution 1 set out in the appended draft written resolutions and every variation, modification or abrogation of the rights, privileges and restrictions attaching to the ordinary shares of £1 00 each as a class of shares which will or may be effected thereby


Signed by **Sukhpreet Kullar**

Date

 .....  
23/04/15 .....  
23/4/15


Signed by **Susan Margaret Dixon**

Date

 .....  
23.4.15 .....


Signed by **Rakesh Chopra**

Date

 .....  
23/4/15

Signed by **Andrew David Bell**

Date

 .....  
11/5/15

Signed by **Lindsay John Gilfillan**

Date

L.J. Gilfillan.  
23/4/15 .....



Company number 06430176

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTIONS**

of

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**2014 (Circulation Date)**

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Date

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**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**ASHINGTON CENTRAL LIMITED**

JP

(Adopted by special resolution passed on 23<sup>RD</sup> APRIL 2015 )

## TABLE OF CONTENTS

1	Interpretation .....	1
2	Adoption of the Model Articles .....	5
3	Directors' Meetings .....	6
4.	Unanimous Decisions of Directors .....	6
5	Number of Directors .....	6
6	Calling a Directors' Meeting .....	7
7	Quorum for Directors' Meetings .....	7
8	Chairing of Directors' Meetings .....	8
9	Directors' Interests .....	8
10	Records of Decisions to be Kept .....	10
11	Appointment and Removal of Directors .....	10
12.	Allotment of Shares .....	11
13	Rights Attaching To The A Shares B shares and C Shares .....	11
14	Rights Attaching To The D Shares .....	12
15	Distribution of Assets and Winding Up .....	13
16	Share Rights General .....	13
17	Share Transfers General .....	14
18	General Prohibition on Transfers of D Shares .....	15
19	Pre-emption Rights on the Transfer of A Shares, B Shares and C Shares .....	16
20	Compulsory Transfers .....	18
21	Valuation .....	21
22	Tag Along .....	22
23	Drag Along .....	22
24	Purchase Of Own Shares .....	24
25	Quorum for General Meetings .....	24
26	Chairing General Meetings .....	25
27	Voting .....	25
28	Poll Votes .....	25
29	Proxies .....	25
30	Means of Communication to be Used .....	26
31	Indemnity and Insurance .....	26

## Agreed Terms

### 1. INTERPRETATION

1.1 In these articles, the following words have the following meanings

<b>Act</b>	the Companies Act 2006,
<b>Allocation Notice</b>	has the meaning given in article 19.9,
<b>Applicant</b>	has the meaning given in article 19.9,
<b>Articles</b>	the Company's articles of association for the time being in force,
<b>A Shares</b>	the A ordinary shares of £1.00 each in the Company,
<b>A Shareholder</b>	a holder for the time being of A Shares,
<b>Bad Leaver</b>	a shareholder who becomes a Leaver but such a shareholder shall not be a Bad Leaver if the Board has determined prior to or within 30 Business Days of the Termination Date that they are not a Bad Leaver or if they have become a Leaver as a result of <ul style="list-style-type: none"><li>(a) death,</li><li>(b) permanent disability or permanent incapacity through ill-health,</li><li>(c) retirement at normal retirement age,</li><li>(d) ceasing to be employed by any Group Company as a result of a Group Company ceasing to be a Group Company, or</li><li>(e) dismissal which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal, to be wrongful or unfair,</li></ul>
<b>Board</b>	the board of directors of the Company from time to time,
<b>B Shares</b>	the B ordinary shares of £1.00 each in the Company,
<b>B Shareholder</b>	a holder for the time being of B Shares,
<b>Business Day</b>	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business,
<b>Buyer</b>	has the meaning given in article 22.1,
<b>Called Shareholder</b>	has the meaning given in article 23.1,

<b>Called Shares</b>	has the meaning given in article 23 1,
<b>Conflict</b>	a situation 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,
<b>Consideration</b>	has the meaning given in article 19 9,
<b>Controlling Interest</b>	an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010,
<b>C Shares</b>	the C ordinary shares of £1 00 each in the Company,
<b>C Shareholder</b>	a holder for the time being of C Shares,
<b>Deemed Transfer Notice</b>	a Transfer Notice that is deemed to have been served under any provisions of these articles,
<b>Drag Along Notice</b>	has the meaning given in article 23 2,
<b>Drag Along Option</b>	has the meaning given in article 23 1,
<b>D Shares</b>	the D ordinary shares of £1 00 each in the capital of the Company,
<b>D Shareholder</b>	a holder for the time being of D Shares,
<b>Eligible Director</b>	any Executive Director or Non-Executive Director (as the case may be) who would be entitled to vote on the matter at a meeting of directors,
<b>Executive Director</b>	a director appointed by an A Shareholder or a B Shareholder,
<b>Fair Value</b>	in relation to shares, as determined in accordance with article 21,
<b>Final Excess</b>	has the meaning given in article 19 8,
<b>General Practitioner</b>	means a doctor who is registered as a general practitioner on the register of general practitioners maintained by the General Medical Council (or its successors in title),
<b>Group</b>	in relation to a company, any subsidiary of that company, any company of which it is a subsidiary (its holding company) and any other subsidiaries of any such holding company and Group Company shall be construed accordingly,
<b>Interested Director</b>	has the meaning given in article 9 1,
<b>Leaver</b>	a shareholder who is an employee, consultant to or a director of Ashington Central Limited and who ceases to be an employee of, consultant to or director of and does not continue in any of those roles with the Company or any Group Company,

<b>Majority Sellers</b>	has the meaning given in article 23.1,
<b>Model Articles</b>	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 ( <i>SI 2008/3229</i> ) as amended prior to the date of adoption of these articles and reference to a numbered "Model Article" is a reference to that article of the Model Articles,
<b>Non-Executive Director</b>	means a director appointed by a C Shareholder,
<b>Offer</b>	has the meaning given in article 22.2,
<b>Offer Notice</b>	has the meaning given in article 22 3,
<b>Offer Shares</b>	has the meaning given in article 22 3 4,
<b>Pharmacist</b>	means any person who is a Registered Pharmacist who holds shares in the Company from time to time (including their permitted transferees),
<b>Proposed Buyer</b>	has the meaning given in article 23 1,
<b>Proposed Transfer</b>	has the meaning given in article 22 1,
<b>Registered Pharmacist</b>	a person who is registered as a pharmacist on the register of pharmacists maintained by the General Pharmaceutical Council (or its successors in title),
<b>Remaining Shares</b>	has the meaning given in article 22 2,
<b>Restricted Shares</b>	has the meaning given in article 20 5,
<b>Sellers</b>	has the meaning given in article 22 1,
<b>Share Sale</b>	the sale of (or the grant of a right to acquire or to dispose) on a bona fide arms' length open market basis of the majority or whole of the entire issued share capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons connected with him together acquiring more than 50% of the voting shares in issue for the time being in the Company;
<b>Specified Price</b>	has the meaning given in article 22 2,
<b>Termination Date</b>	<p>(a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;</p> <p>(b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date</p>



on which notice of termination was served,

- (c) where a shareholder dies, the date of his death,
- (d) where a shareholder concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the relevant entity is terminated,
- (e) where the shareholder concerned is a consultant but not an employee, the date on which his contract of engagement with the relevant party is terminated,
- (f) where the shareholder concerned is a partner in a partnership but not an employee, the date on which he or she retires or otherwise ceases to be a partner in the partnership or the date on which the partnership is dissolved, or
- (g) in any other case, the date on which the employment or holding of office is terminated,

**Transfer Date** has the meaning given in article 22 3,

**Transfer Notice** an irrevocable notice in writing given by any shareholder to other shareholders where the first shareholder desires, or is required by these articles, to transfer or offer for transfer (or enter into an agreement to transfer) any shares,

**Transfer Offer Notice** has the meaning given in article 19 5,

**Valuers** an independent firm of accountants jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of the expert within 10 Business Days of a shareholder serving details of a suggested expert on the others, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator);

**Writing or written** the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, for the purposes of article 19 to article 20, article 22 and article 23, "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form

- 1 2 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 Act shall have those meanings in these articles but

excluding any statutory modification of them not in force on the date when these articles become binding on the Company

1 3 Headings in these articles are used for convenience only and shall not affect the construction or interpretation of these articles

1 4 A reference in these articles to an "article" is a reference to the relevant article of these articles unless expressly provided otherwise

1 5 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.

1 6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision

1 7 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms

1 8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them

## **2. ADOPTION OF THE MODEL ARTICLES**

2 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these articles or are inconsistent with these articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation. A copy of the Model Articles is set out in the Schedule to these articles

2 2 Model Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22(2), 26(5), 27 to 29 (inclusive), 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company

2 3 Model Article 18(d) shall be amended by deleting "three months" and replacing it with "six months"

2 4 Model Article 20 shall be amended by the insertion of the words "(including any alternate directors and the secretary" before the words "properly incur"

2 5 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"

2.6 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

## **DIRECTORS**

### **3. DIRECTORS' MEETINGS**

- 3 1 Any decision of the directors must be taken at a meeting of directors in accordance with these articles or must be a decision taken in accordance with article 4
- 3 2 Subject as provided in these articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The parties intend there to be a meeting of directors at least 6 times each year with a period of not more than 8 weeks between any two meetings
- 3 3 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall be decided by a majority of votes
- 3 4 A meeting of directors shall be adjourned to another time or date at the request of at least two directors present at the meeting. No business may be conducted at a meeting after such a request has been made. No more than one such adjournment may be made in respect of a meeting
- 3 5 A committee of the directors must include at least one Executive Director and one Non-Executive Director. The provisions of article 7 shall apply equally to meetings of any committee of the directors as to meetings of the directors

### **4. UNANIMOUS DECISIONS OF DIRECTORS**

- 4 1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter
- 4 2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing
- 4 3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter in accordance with article 7

### **5. NUMBER OF DIRECTORS**

- 5 1 The number of directors shall not be less than two, one of which shall be an Executive Director and one of which shall be a Non-Executive Director. The number of directors shall be subject to a maximum of five unless the Company determines otherwise by ordinary resolution
- 5 2 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision to appoint further directors in accordance with these articles, any shareholders' agreement entered into between the shareholders of the Company to govern their relationship with each other in respect of the Company or to call a general meeting to enable the shareholders to appoint further directors

## **6. CALLING A DIRECTORS' MEETING**

- 6 1 A director may, and at the request of a director or the secretary shall, call a meeting of directors
- 6 2 The parties shall ensure that at least five Business Days' notice of a meeting of directors is given to all directors entitled to receive notice accompanied by
- 6 2 1 an agenda specifying in reasonable detail the matters to be raised at the meeting, and
- 6 2 2 copies of any papers to be discussed at the meeting
- 6 3 A shorter period of notice of a meeting of directors may be given if a majority of the directors, (one of which must be an Executive Director) agree
- 6 4 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors present at the meeting agree in writing

## **7. QUORUM FOR DIRECTORS' MEETINGS**

- 7 1 Subject to article 7 3 and article 7 5, the quorum at any meeting of the directors (including adjourned meetings) shall be three directors, of whom one at least shall be an eligible Executive Director and one at least an eligible Non-Executive Director
- 7 2 No business shall be conducted at any meeting of directors unless a quorum is present at the beginning of the meeting and at the time when there is to be voting on any business
- 7 3 If a quorum is not present within 30 minutes of the time specified for a directors' meeting in the notice of the meeting then it shall be adjourned for 5 Business Days at the same time and place. If at the adjourned meeting a quorum is not present within 30 minutes of the time specified for the directors' meeting in the adjourned notice of the meeting, then those directors present will constitute a quorum
- 7 4 Subject to anything contrary set out in any shareholders' agreement entered into between the shareholders of the Company to govern their relationship with each other in respect of the Company, at any meeting of the directors or on any resolution put to the directors
- 7 4 1 the Executive Directors shall have three votes each, and
- 7 4 2 the Non-Executive Directors shall each have two votes
- 7.5 For the purposes of any meeting (or part of a meeting)
- 7 5 1 held pursuant to article 9 to authorise a Conflict of a director, or
- 7 5 2 at which a director is not permitted to vote on any resolution in accordance with article 9 3 as a result of a Conflict,
- the quorum for such meeting (or part of a meeting) shall be two Eligible Directors (whether they are eligible Executive Directors or eligible Non-Executive Directors)

## 8. CHAIRING OF DIRECTORS' MEETINGS

The directors shall appoint one of their number to chair meetings of the directors. The chairman shall not have a casting vote. If the chairman for the time being is unable to attend any meeting of the board of directors, the shareholder who appointed him shall be entitled to appoint another of its nominated directors to act as chairman at the meeting.

## 9. DIRECTORS' INTERESTS

9.1 The directors may, in accordance with the requirements set out in this article, authorise any Conflict proposed to them by any director which would, if not so authorised, involve a director (the **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest.

9.2 Any authorisation under this article will be effective only if

9.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these articles or in such other manner as the directors may determine,

9.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and

9.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

9.3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently)

9.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,

9.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,

9.3.3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;

9.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,

9.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and

9.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from

reviewing papers prepared by, or for, the directors to the extent they relate to such matters

- 9 4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict
- 9 5 The directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation
- 9 6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds
- 9 7 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act
- 9 8 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under article 9 7
- 9 9 Subject, where applicable, to any terms and conditions imposed by the directors in accordance with article 9 3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company
- 9 9 1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested,
- 9 9 2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested,
- 9 9 3 shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested,
- 9 9 4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,

9 9 5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and

9 9 6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

## **10. RECORDS OF DECISIONS TO BE KEPT**

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the Company to retain a copy of such decisions

## **11. APPOINTMENT AND REMOVAL OF DIRECTORS**

11 1 Subject to article 11 6, each A Shareholder for the time being shall be entitled to be appointed as an Executive Director of the Company, each B Shareholder for the time being shall be entitled to be appointed as an Executive Director of the Company and each C Shareholder for the time being shall be entitled to be appointed as a Non Executive Director of the Company

11 2 Any director appointed pursuant to article 11 1 may at any time be removed from office by the shareholder who appointed him Any appointment or removal of a director pursuant to this article 11 2 shall be in writing and signed by or on behalf of the relevant shareholder and shall be served on the director being appointed or removed and on the Company Any such appointment or removal shall take effect on the date that the resolution was passed or at such later time as shall be specified in such resolution

11 3 The right to appoint and to remove Executive or Non Executive Directors under this article shall be a class right attaching to the A Shares, B Shares and C Shares respectively

11 4 The directors appointed pursuant to this article may only be removed

11 4 1 by the person who appointed them, or

11 4 2 in accordance with Model Article 18,

11 4 3 by law, or

11 4 4 where

11 4 4 1 the director has been convicted of a criminal offence (other than a minor road traffic offence for which a non custodial sentence is imposed);

11 4 4 2 has been involved in conduct or activity which has or is having in the reasonable opinion of the other directors a significant detrimental impact on the reputation of the Company, or

11 4 4 3 he or she ceases to hold their professional qualification as a GP or Pharmacist (as the case may be),

and in each case in 11 4 4 1 to 11 4 4 3 all of the other directors (acting reasonably) have resolved that such director should be removed from office

11 5 Any director who becomes a Leaver shall be removed from office from the relevant Termination Date

11 6 If any Shareholder who is a director is removed from office in accordance with article 11 4 4, the right of the relevant Shareholder to be appointed as a director in accordance with article 11 1 or to appoint a director shall cease unless the holders of all A Shares, B Shares and C Shares (other than the Shareholder whose conduct or the conduct of his or her appointed director is in question) determine otherwise in writing

11.7 If as a consequence of a transfer of A Shares, B Shares or C Shares (as the case may be) a shareholder will no longer hold any A Shares, B Shares or C Shares (as the case may be) in the Company the selling shareholder shall (if that shareholder is also a director) cease to be a director and if that shareholder has appointed a director, anyone so appointed shall cease to be a director and the selling shareholder shall deliver to the Company the resignations of any directors so appointed by the selling party, in each case acknowledging that they have no claims against the Company, to take effect at completion of the sale of the last of their shares.

## **SHARES**

### **12. ALLOTMENT OF SHARES**

12 1 The Directors shall not, save with the prior written consent of all A Shareholders, all B Shareholders and all C Shareholders, exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares

12 2 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company

12.3 Unless the proposed allottee shall first have entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003, no Shares shall be allotted or issued to any current or prospective Employee Shareholder and the Board shall refuse to register any interest in such Shares

### **13. RIGHTS ATTACHING TO THE A SHARES B SHARES AND C SHARES**

13 1 The rights attaching to the A Shares, the B Shares and C Shares, amongst other rights contained herein, shall be as set out in this article 13 1

13 1 1 unless otherwise stated in theses articles, the A Shares, the B Shares and the C Shares shall rank *pari passu* with each other in all respects but shall constitute separate classes of shares,



- 13 1 2 the A Shares, the B Shares, the C Shares and the D Shares shall be entitled to participate in dividend distributions but the directors of the Company will have discretion as to which class or classes of shares in respect of which any dividend is declared and shall have discretion to vary the dividend payable between classes of shares,
  - 13 1 3 each holder of an A Share, each holder of a B Share and each holder of a C Share shall have the right to receive notice of and to attend (either in person or by proxy) and vote at all general meetings of the Company in accordance with article 27,
  - 13 1 4 each holder of A Shares, each holder of B Shares and each holder of C Shares may be appointed as directors of the Company (and remove and replace them) in accordance with article 11,
  - 13 1 5 each holder of A Shares, each holder of B Shares and each holder of C Shares shall be entitled to participate in the distribution of assets on a winding up and distribution of the assets or on a return of capital of the Company in the order of priority set out in article 15
- 13 2 Subject to article 17 2, and unless otherwise agreed in writing by all A Shareholders , all B Shareholders and all C Shareholders (other than the proposed transferor of shares), A Shares and B Shares may only be held by Registered Pharmacists and C Shares may only be held by General Practitioners
- 14. RIGHTS ATTACHING TO THE D SHARES**
- 14 1 The rights attaching to the D Shares, amongst other rights contained herein, shall be as set out in this article 14
- 14 1 1 each D Share shall rank pari passu with each other D Share in all respects,
  - 14 1 2 each D Share shall be entitled to participate in any dividend in accordance with the rights set out in article 13 1 2;
  - 14 1 3 the holders of D Shares shall have no right to receive notice of or to attend (either in person or by proxy) or vote at any general meetings of the Company,
  - 14 1 4 the holders of D Shares shall be entitled to participate in the distribution of assets on a winding up and distribution of assets on a return of capital of the Company in accordance with article 15.
  - 14 1 5 Notwithstanding an other provision of these articles, a D Share cannot be transferred (whether pursuant to a Share Sale or otherwise) for anything more than its nominal value and the directors shall not register any transfer of D Shares if the consideration payable for them (including any deferred consideration) whether in cash or otherwise for such D Shares is more than the nominal value of the D Shares being transferred unless the holders of all A Shares, all B Shares and all C Shares have given their prior written consent (but excluding the consent of any A Shareholder, B Shareholder or C Shareholder who is the transferor of the D Shares in question)

**15. DISTRIBUTION OF ASSETS AND WINDING UP**

15 1 On a return of assets or capital on liquidation, capital reduction or otherwise (but excluding a purchase of own shares by the Company), the assets of the Company remaining after the payment of its liabilities (**Proceeds**) shall be applied (to the extent that the Company is lawfully able to do so) in the following order of priority

15 1 1 first, in paying to the holders of the A Shares, the B Shares and the C Shares in respect of each share held by them, the nominal value of each A Share , B Share and C Share held, if there is a shortfall of Proceeds remaining to satisfy such payments in full, the Proceeds shall be distributed to the holders of the A Shares, B Shares and C Shares in proportion to the percentage that their shareholding represents as a percentage of the total number of A Shares, B Shares and C Shares in issue,

15.1 2 second, in paying to the holders of the D Shares in respect of each share held by them, the nominal value of each D Share held, if there is a shortfall of Proceeds remaining to satisfy such payments in full, the Proceeds shall be distributed to the holders of the D Share in proportion to the percentage that their shareholding represents as a percentage of the total number of D Shares in issue,

15 1 3 third, in paying the balance to the holders of the A Shares, the B Shares and the C Shares pro rata to the percentage that their shares represent as a percentage of the total A Shares, B Shares and C Shares in issue

**16. SHARE RIGHTS: GENERAL**

16 1 On the transfer of any share as permitted by these articles:

16 1 1 a share transferred to a non-shareholder shall remain of the same class as before the transfer,

16 1 2 an A Share transferred to a B Shareholder shall automatically be redesignated on transfer as a B Share,

16 1 3 an A Share transferred to a C Shareholder shall automatically be redesignated on transfer as a C Share,

16 1 4 a B Share transferred to an A Shareholder shall automatically be redesignated on transfer as an A Share,

16 1 5 a B Share transferred to a C Shareholder shall automatically be redesignated on transfer as a C Share,

16 1 6 a C Share transferred to an A Shareholder shall automatically be redesignated on transfer as an A Share,

16 1 7 a C Share transferred to a B Shareholder shall automatically be redesignated on transfer as a B Share, and

16 1 8 a D Share shall remain the same class as before the transfer

- 16 2 If no shares of a class remain in issue following a redesignation under this article, these articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or directors appointed by that class
- 16 3 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one shareholder holding shares of the relevant class present in person or by proxy For the purpose of this article, one shareholder present in person or by proxy may constitute a meeting
- 16 4 Each of the following shall be deemed to constitute a variation of the rights attached to each class of shares
- 16 4 1 any alteration in the Articles,
- 16 4 2 any reduction, subdivision, consolidation, redenomination, or other alteration in the share capital of the Company or any of the rights attaching to any share capital, and
- 16 4 3 any resolution to put the Company into liquidation
- 16 5 The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the Act

## **17. SHARE TRANSFERS: GENERAL**

- 17 1 In these articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share
- 17 2 No share shall be transferred unless the transfer is made in accordance with these articles or with the prior written consent of all A Shareholders, all B Shareholder and all C Shareholders for the time being (other than the shareholder who proposes to sell or transfer their shares) For the avoidance of doubt, there shall be no requirement for a Buyer (as defined in article 22 1) and a Proposed Buyer (as defined in article 23 1) to be either a Registered Pharmacist or a General Practitioner
- 17 3 Subject to article 17 4 and article 17 5, the directors must register any duly stamped transfer made in accordance with these articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these articles
- 17 4 The directors may, as a condition to the registration of any transfer of shares in the Company require the transferee to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) If any such condition is imposed in accordance with this article 17 4, the

transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

- 17 5 To enable the directors to determine whether or not there has been a transfer of shares in the Company in breach of these articles, the directors of any class may from time to time require any shareholder to provide the Company with such information and evidence as they may reasonably require relevant to that purpose. If a shareholder fails to provide information or evidence in respect of any shares registered in its name to the reasonable satisfaction of such directors within 14 days of their request, such directors may, acting reasonably, refuse to register the transfer in question if it has not already been registered until such time as they have received the information requested to their satisfaction and may serve a notice on the shareholder stating that the shareholder shall not in relation to all shares held by that shareholder be entitled to be present or to vote in person or by proxy at any general meeting of the Company or any meeting of the holders of shares of that class, or to vote on a written resolution of the shareholders or to receive dividends on the shares until such evidence or information has been provided to the directors' satisfaction. Such directors may reinstate these rights at any time. If such information or evidence requested under this article 17 5 discloses to the satisfaction of the Board (acting reasonably) that circumstances have arisen whereby a Shareholder may be bound to give or be deemed to have given a Transfer Notice, the Board may in its absolute discretion by notice given in writing to the holder concerned determine that a Transfer Notice be given in respect of the Shares concerned.
- 17 6 An obligation to transfer a Share under these articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such share free from any Encumbrance.
- 17 7 No Shareholder shall sell, transfer or otherwise dispose of, or mortgage, charge, pledge or otherwise create any Encumbrances over his legal or beneficial interest in any of their Shares (or any interest in them) other than as permitted by any shareholders' agreement governing the relationship between the Shareholder or otherwise as permitted by these articles.
- 17 8 Any transfer of shares by way of a sale that is required to be made under article 20, article 22 or article 23 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

## **18. GENERAL PROHIBITION ON TRANSFERS OF D SHARES**

- 18 1 The Board shall not register the transfer of any D Share, or any interest in such D Share, unless the transfer is
- 18 1 1 a Compulsory Transfer in accordance with article 20,
- 18 1 2 effected pursuant to a Share Sale (whether or not pursuant to article 23 (drag along) or article 22 (tag along),
- 18 1 3 effected with the approval in writing of all holders of A Shares, B Shares and C Shares (except that the consent of a holder of A Shares, B Shares or C Shares who is the holder of the D Share which is proposed to be transferred shall not be required)

**19. PRE-EMPTION RIGHTS ON THE TRANSFER OF A SHARES, B SHARES AND C SHARES**

- 19 1 Except where the provisions of articles 17 2, 20, 22 or 23 apply, a shareholder (**Selling Shareholder**) wishing to transfer their A Shares, B Shares or C Shares (**Sale Shares**) must give a notice in writing (**Transfer Notice**) to the Company giving details of the proposed transfer including
- 19 1.1 the number of Sale Shares he or she wishes to transfer,
- 19 1 2 the identity of the proposed buyer if a third party buyer has been identified as a potential purchaser for the Sale Shares, and
- 19 1 3 the price (in cash) at which he or she wishes to sell the Sale Shares which will be deemed to be Fair Value of the Sale Shares calculated in accordance with article 21 if no cash price is agreed between the Selling Shareholder and the Board within 10 Business Days of receipt by the Company of the Transfer Notice (**Transfer Price**)
- 19 2 Once given (or deemed to have been given) under these articles, a Transfer Notice may not be withdrawn
- 19 3 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Selling Shareholder for the sale of the Sale Shares in accordance with the provisions of these articles
- 19 4 As soon as practicable following the determination of the Transfer Price, the Board shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this Article at the Transfer Price Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered
- 19 5 The Board shall give written notice (a **Transfer Offer Notice**) to all members to whom the Sale Shares are to be offered in accordance with these articles (whether first or second level offerees) such notice to state the Transfer Price, contain the other details included in the Transfer Notice and invite the relevant offerees to apply in writing, within 20 Business Days of the date of service of the Transfer Offer Notice (both days inclusive) the number of Sale Shares they wish to buy
- 19 6 The Sale Shares of a particular class specified in column (1) in the table below shall be treated as offered on the same terms -
- 19 6 1 in the first instance to all persons in the category set out in the corresponding line in column (2) in the table below,
- 19 6 2 to the extent not accepted by persons in column (2), to all persons in the category set out in the corresponding line in column (3) in the table below, and
- 19 6 3 in respect of A Shares and B Shares, to the extent not accepted by persons in columns (2) or (3), to the person set out in the corresponding line in column (4) in the table below,
- but no Shares shall be treated as offered to the seller or any other shareholder who is then bound to give, has given or is deemed to have given a Transfer Notice

(1) Class of Sale Shares	(2) First Offer to	(3) Second Offer to	(4) Third Offer to
A Shares	Other holders of A Shares	B Shareholders	the Company
B Shares	Other holders of B Shares	A Shareholders	the Company
C Shares	Other holders of C Shares	the Company	

19 7 After the expiry date of the Transfer Offer Notice, the Board shall, in the priorities and in respect of each class of persons set out in the columns in the table in article 19 6, allocate the Sale Shares in accordance with the applications received save that -

19 7 1 if there are applications from any class of offerees for more than the number of Sale Shares available for that class of offerees, they shall be allocated to those applicants in proportion (as nearly as possible but without allocating to any member more Sale Shares than the maximum number applied for by him) to the number of Shares of the class which entitles them to receive such offer then held by them respectively,

19 7 2 if it is not possible to allocate any of the Sale Shares without involving fractions, they shall be allocated amongst the applicants of each class in such manner as the Board shall think fit

19 8 If after the offer process set out in article 19 6 and 19 7 has been exhausted and there are Sale Shares which are not allocated (**Final Excess**) the Seller may transfer the Final Excess to a third party who must be a Registered Pharmacist (where the Sale Shares are A Shares or B Shares ) or a General Practitioner (where the Sale Shares are C Shares) A Seller may transfer the Final Excess to a person who is not a Registered Pharmacist (where the Sale Shares are A Shares or B Shares) or General Practitioner (where the Sale Shares are C Shares) only with the prior written consent of all other A Shareholders, B Shareholders and C Shareholders (the Selling Shareholder's consent not required) Any transfer pursuant to this article 19 8 must be at a price at least equal to the Transfer Price

19 9 If allocations under article 19 7 have been made in respect of some or all of the Sale Shares, the Board shall give written notice of allocation (an **Allocation Notice**) to the Selling Shareholder and each person to whom Sale Shares have been allocated (each an **Applicant**) The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall be at least five Business Days, but not more than fifteen Business Days, after the date of the Allocation Notice)

19 10 On the date specified for completion in the Allocation Notice, the Selling Shareholder shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares

allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice.

19 11 If the Selling Shareholder fails to comply with article 19 10 the chairman of the Company (or, failing him, one of the other directors, or some other person nominated by a resolution of the Board) may, as agent on behalf of the Selling Shareholder

19.11 1 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants, and

19 11 2 receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration), and

19 11 3 (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them, and

19 11 4 the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Selling Shareholder until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company

19.12 The Selling Shareholder's right to transfer Sale Shares under article 19 8 does not apply if the Board reasonably considers that

19 12 1 the transferee is a person (or a nominee for a person) who is a competitor with (or an associate of a competitor with) the business of the Company or with a subsidiary or associated company of the Company, or

19 12 2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or

19 12 3 the Selling Shareholder has failed or refused to provide promptly information available to the Selling Shareholder and reasonably requested by the Board to enable it to form the opinion mentioned above

19 13 The restrictions imposed by this Article may be waived in whole or in part in relation to any proposed transfer of Sale Shares with the prior written consent of all A Shareholders, all B Shareholders and all C Shareholders of the Company (other than the shareholder who wishes to sell their shares)

## **20. COMPULSORY TRANSFERS**

20 1 Unless all A Shareholders, all B Shareholder and all C Shareholders (other than the shareholder in respect of whom the following events have occurred) determine otherwise within 30 Business Days of the occurrence of any of the following events, a shareholder is deemed to have served a Transfer Notice under article 19 1 immediately before any of the following events

20 1 1 a petition being presented, or an order being made, for the shareholder's bankruptcy, or

- 20 1 2 an application to the court being made under section 253 of the Insolvency Act 1986 where the shareholder intends to make a proposal to his creditors for a voluntary arrangement, or
- 20 1 3 the shareholder making an individual voluntary arrangement with his creditors on agreed terms under section 263A of the Insolvency Act 1986, or
- 20 1 4 the shareholder convening a meeting of his creditors or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally, or
- 20.1 5 the shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986, or
- 20 1 6 any encumbrancer taking possession of, or a receiver being appointed over or in relation to, all or any material part of the shareholder's assets, or
- 20 1 7 the happening in relation to a shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets, or
- 20 1 8 his or her death unless the transfer of a shareholder's shares upon his or her death is governed by an option agreement entered into by the deceased shareholder prior to his or her death and any other shareholders and/or the Company in which case the provisions of the option agreement will prevail, or
- 20 1 9 the shareholder having a disqualification order made against him under the Company Directors Disqualification Act 1986, or
- 20 1 10 the shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding unless the transfer of a shareholder's shares upon his or her mental incapacity is governed by an option agreement entered into by the incapacitated shareholder prior to his or her incapacity and any other shareholders and/or the Company in which case the provisions of the option agreement will prevail, or
- 20 1 11 the shareholder committing a material or persistent breach of any shareholders' agreement to which he is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 15 Business Days of the other shareholders requiring such remedy, or
- 20 1 12 the shareholder becomes a Leaver (other than in circumstances where there is a solvent re-organisation or amalgamation, incorporation or merger of the Company or a solvent re-organisation or amalgamation, incorporation or merger of Lintonville Medical Group with another General Practitioner practice), or
- 20 1 13 where, as a result of an A Shareholder, a B Shareholder or C Shareholder transferring their A Shares, B Shares or C Shares (as the case may be) they would cease to hold any A Shares, B Shares or C Shares (as the case may be), they will be deemed to have issued a Transfer Notice in respect of all D Shares held by them

20 2 In addition to article 20 1, where



- 20 2 1 a shareholder has been convicted of a criminal offence (other than a minor road traffic offence for which a non custodial sentence is imposed);
- 20 2 2 a shareholder has been involved in conduct or activity which has or is having in the reasonable opinion of the Board (excluding the affected shareholder) a significant detrimental impact on the reputation of the Company, or
- 20 2 3 a shareholder ceases to hold their professional qualification as a General Practitioner or Pharmacist (as the case may be),

and in each case, the other A Shareholders, B Shareholder and C Shareholders (acting reasonably) have resolved that such action shall be a compulsory share transfer event a shareholder is deemed to have served a Transfer Notice under article 19 1 upon the Board becoming aware of such events

20 3 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that

- 20 3 1 the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and the price for the Sale Shares shall be the aggregate Fair Value of those shares (other than in respect of a Deemed Transfer Notice given in respect of D Shares in which case the value shall be the amount the aggregate nominal value of all of the D Shares being transferred), determined by the Valuers in accordance with article 21, save that, unless the Board determines that a higher value should be paid, if the Seller is deemed to have given a Transfer Notice as a result of article 20 1 11, article 20 2 1, article 20 2 2 or article 20 1 12 in circumstances where he or she is a Bad Leaver and the Board has not determined that they shall not be a Bad Leaver, the price for the Sale Shares shall be restricted to a maximum of the lower of the aggregate subscription price paid in respect of the Sale Shares, including any share premium, and the aggregate Fair Value of such Sale Shares,
- 20 3 2 if not all of the Sale Shares are allocated in accordance with articles 19 6 the Selling Shareholder does not have the right to sell the Sale Shares to a third party

20 4 If as a result of the occurrence of circumstances listed in article 20 2 1 or 20 2 2 a shareholder loses his or her professional qualification as a General Practitioner or Pharmacist (as the case may be) they will be deemed to have issued a Transfer Notice under article 20 2 1 or 20 2 2 (as the case may be)

20 5 Forthwith upon a Transfer Notice being deemed to be served under article 20 1 the Shares subject to the relevant Deemed Transfer Notice (**Restricted Shares**) shall cease to confer on the holder of them any rights

- 20 5 1 to 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,
- 20.5 2 to receive dividends or other distributions otherwise attaching to those Shares, or
- 20 5 3 to participate in any future issue of Shares

- 20 6 The directors (other than a director who is the holder of the Restricted Shares) may reinstate the rights referred to in article 20 5 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article on completion of a transfer made pursuant to article 20

**21. VALUATION**

- 21 1 As soon as practicable after deemed service of a Transfer Notice under article 20, the shareholders shall appoint the Valuers to determine the Fair Value of the Sale Shares.
- 21 2 The Valuers shall be requested to determine the Fair Value within 30 Business Days of their appointment and to notify the shareholders in writing of their determination
- 21 3 The Fair Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions
- 21 3 1 valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares,
  - 21 3 2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - 21 3 3 the sale is to be on arms' length terms between a willing seller and a willing buyer,
  - 21 3 4 the Sale Shares are sold free of all encumbrances,
  - 21 3 5 the sale is taking place on the date the Valuers were requested to determine the Fair Value;
  - 21 3 6 disregarding any disenfranchisement of rights, and
  - 21 3 7 to take account of any other reasonably relevant factors (including but not limited to any value attributed to the goodwill of the Company's business) and any factors that the Valuers reasonably believe should be taken into account
- 21 4 The shareholders are entitled to make submissions to the Valuers including oral submissions and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require
- 21 5 To the extent not provided for by this article 21, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation
- 21.6 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders (in the absence of manifest error or fraud)

- 21 7 The Valuers' fees and costs properly incurred by them in arriving at their valuation (including any fees and costs of any advisers appointed by the Valuers) shall be borne by the Selling Shareholder and the Company in such other proportions as the Valuers shall direct

## **22. TAG ALONG**

- 22 1 After first going through the procedure set out in article 19, the provisions of article 22 2 to article 22 6 shall apply if the holders of A Shares, B Shares or C Shares in issue for the time being which represent more than 75% of the total A Shares, B Shares and C Shares in issue (**Sellers**) propose to transfer their shares to a bona fide purchaser on arm's length terms (**Proposed Transfer**) and such transfer would, if carried out, result in such person (**Buyer**) acquiring a Controlling Interest in the Company.

- 22 2 Before making a Proposed Transfer, the Sellers shall procure that the Buyer makes an offer (**Offer**) to the holders of the remaining shares in issue for the time being (**Remaining Shares**) to purchase all of the remaining shares for a consideration in cash per share that is at least equal to the price per share offered by the Buyer in the Proposed Transfer (**Specified Price**)

- 22 3 The Offer shall be made by written notice (**Offer Notice**), at least 10 Business Days before the proposed transfer date (**Transfer Date**) To the extent not described in any accompanying documents, the Offer Notice shall set out

22.3 1 the identity of the Buyer,

22 3 2 the Specified Price and other terms and conditions of payment,

22 3 3 the Transfer Date, and

22.3 4 the number of Shares proposed to be purchased by the Buyer (**Offer Shares**)

- 22 4 If the Buyer fails to make the Offer in accordance with article 22 2 and article 22 3, the Sellers shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of shares effected in accordance with the Proposed Transfer

- 22 5 If the Offer is accepted by a holder of Remaining Shares in writing within 5 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such shareholder

- 22 6 The Proposed Transfer is subject to the rights of pre-emption set out in article 19, but the purchase of the Offer Shares shall not be subject to those provisions

## **23. DRAG ALONG**

- 23.1 After first going through the procedure set out in article 19, if shareholders who hold at least 75% of the A Shares, B Shares and C Shares in issue for the time being (**Majority Sellers**) wish to sell their shares to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Majority Sellers may require the holders of the remaining shares (**Called Shareholders**) to sell and transfer all of their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**)

- 23 2 The Majority Sellers may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Majority Seller's shares to the Proposed Buyer. The Drag Along Notice shall specify
- 23 2 1 that each Called Shareholder is required to transfer all of his Called Shares pursuant to this article 23,
- 23 2 2 the person to whom the Called Shares are to be transferred,
- 23 2 3 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per A Share, B Share or C Share (as the case may be) offered by the Proposed Buyer for the shares held by the Majority Sellers, and
- 23 2 4 the proposed date of the transfer
- 23 3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Majority Sellers have not sold their shares to the Proposed Buyer within 90 days of serving the Drag Along Notice. The Majority Sellers may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 23 4 No Drag Along Notice shall require the Called Shareholders to agree to any terms except those specifically set out in this article 23.
- 23 5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Majority Sellers' shares unless
- 23 5 1 the Majority Sellers and the Called Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by them, or
- 23 5 2 that date is less than 5 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the fifth Business Day after service of the Drag Along Notice.
- 23 6 The proposed sale of shares by the Majority Sellers to the Proposed Buyer is subject to the rights of pre-emption set out in article 19, but the sale of the Called Shares by the Called Shareholders shall not be subject to those provisions.
- 23 7 On or before the Completion Date, the Called Shareholders shall execute and deliver a stock transfer form for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 23 2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 23 8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called

Shareholders shall have no further rights or obligations under this article 23 in respect of their Shares

- 23 9 If the Called Shareholders do not, on or before the Completion Date, execute and deliver (in accordance with article 23 7) transfer(s) in respect of all of the Called Shares held by them, the Called Shareholders shall be deemed to have irrevocably appointed any person nominated for the purpose by the Majority Seller to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 23 9
- 23 10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, equity shares, whether or not pursuant to a share option scheme (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such equity shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 23 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such equity shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares. References in this article 23 10 to a person becoming a Shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own equity shares

## **24. PURCHASE OF OWN SHARES**

- 24 1 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) with cash up to any amount in a financial year not exceeding the lower of

24 1 1 £15,000, and

24 1 2 the value of 5% of the Company's share capital

## **DECISION MAKING BY SHAREHOLDERS**

### **25. QUORUM FOR GENERAL MEETINGS**

- 25 1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be three persons present in person or by proxy, of whom one shall be an A Shareholder or a duly authorised representative of such holder, one shall be a B Shareholder or a duly authorised representative of such holder and one shall be a C Shareholder or a duly authorised representative of such holder
- 25 2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on

## **26. CHAIRING GENERAL MEETINGS**

The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, the shareholder who appointed him shall be entitled to appoint another of its nominated directors present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting

## **27. VOTING**

27 1 Subject to anything contrary set out in any shareholders' agreement entered into between the shareholders of the Company to govern their relationship with each other in respect of the Company

27 1 1 for so long as any A Shareholder holds shares in the capital of the Company and any B Shareholder holds shares in the Company, all A Shareholders and all B Shareholders acting together shall be deemed to hold, and have the right to exercise, 50% of the voting rights (whether on a show of hands, a written resolution or on a poll) in respect of the Company notwithstanding the number of such shares held by the A Shareholder and the B Shareholder,

27.1 2 for so long as any C Shareholder holds shares in the capital of the Company, all C Shareholders acting together shall be deemed to hold, and have the right to exercise, 50% of the voting rights (whether on a show of hands, a written resolution or on a poll) in respect of the Company notwithstanding the number of such shares held by the C Shareholders

## **28. POLL VOTES**

28 1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting

28 2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article

## **29. PROXIES**

29 1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate"

29 2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article

## **ADMINISTRATIVE ARRANGEMENTS**

### **30. MEANS OF COMMUNICATION TO BE USED**

30 1 Subject to article 30 3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient

30.1 1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address, or

30 1 2 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9 00 am on the second Business Day after posting, or

30 1 3 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied, or

30 1 4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website, and

30 1 5 if deemed receipt under the previous paragraphs of this article 30.1 would occur outside business hours (meaning 9 00 am to 5 30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9 00 on the day when business next starts in the place of deemed receipt For the purposes of this article, all references to time are to local time in the place of deemed receipt

30 2 To prove service, it is sufficient to prove that

30 2 1 if sent by post , the envelope containing the notice was properly addressed, paid for and posted, or

30 2 2 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient

30 3 Any notice, document or other information served on, or delivered to, an intended recipient under article 19, article 20, article 22 or article 23 (as the case may be) may not be served or delivered in electronic form), or by means of a website.

30 4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act

### **31. INDEMNITY AND INSURANCE**

31 1 Subject to article 31 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

31 1 1 each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer the actual or purported execution and/or discharge of his duties, or in relation to them including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection

with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs, and

31 1 2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 31 1 1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure

31 2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law

31 3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss

31 4 In this article

31 4 1 a "relevant officer " means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor, and

31 4 2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company



## SCHEDULE 1

Regulation 2

# MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

## INDEX TO THE ARTICLES

### PART 1

#### INTERPRETATION AND LIMITATION OF LIABILITY

- 1 Defined terms
- 2 Liability of members

### PART 2

#### DIRECTORS

#### DIRECTORS' POWERS AND RESPONSIBILITIES

- 3 Directors' general authority
- 4 Shareholders' reserve power
- 5 Directors may delegate
- 6 Committees

#### DECISION-MAKING BY DIRECTORS

- 7 Directors to take decisions collectively
- 8 Unanimous decisions
- 9 Calling a directors' meeting
- 10 Participation in directors' meetings
- 11 Quorum for directors' meetings
- 12 Chairing of directors' meetings
- 13 Casting vote
- 14 Conflicts of interest
- 15 Records of decisions to be kept
- 16 Directors' discretion to make further rules

#### APPOINTMENT OF DIRECTORS

- 17 Methods of appointing directors
- 18 Termination of director's appointment
- 19 Directors' remuneration
- 20 Directors' expenses

### PART 3

#### SHARES AND DISTRIBUTIONS

#### SHARES

- 21 All shares to be fully paid up
- 22 Powers to issue different classes of share
- 23 Company not bound by less than absolute interests
- 24 Share certificates
- 25 Replacement share certificates

- 26 Share transfers
- 27 Transmission of shares
- 28 Exercise of transmitters' rights
- 29 Transmitters bound by prior notices

#### **DIVIDENDS AND OTHER DISTRIBUTIONS**

- 30. Procedure for declaring dividends
- 31 Payment of dividends and other distributions
- 32 No interest on distributions
- 33 Unclaimed distributions
- 34 Non-cash distributions
- 35 Waiver of distributions

#### **CAPITALISATION OF PROFITS**

- 36 Authority to capitalise and appropriation of capitalised sums

### **PART 4**

#### **DECISION-MAKING BY SHAREHOLDERS**

##### **ORGANISATION OF GENERAL MEETINGS**

- 37 Attendance and speaking at general meetings
- 38 Quorum for general meetings
- 39 Chairing general meetings
- 40 Attendance and speaking by directors and non-shareholders
- 41. Adjournment

##### **VOTING AT GENERAL MEETINGS**

- 42 Voting general
- 43 Errors and disputes
- 44 Poll votes
- 45 Content of proxy notices
- 46 Delivery of proxy notices
- 47 Amendments to resolutions

### **PART 5**

#### **ADMINISTRATIVE ARRANGEMENTS**

- 48 Means of communication to be used
- 49 Company seals
- 50 No right to inspect accounts and other records
- 51 Provision for employees on cessation of business

##### **DIRECTORS' INDEMNITY AND INSURANCE**

- 52 Indemnity
- 53 Insurance

## PART 1

### INTERPRETATION AND LIMITATION OF LIABILITY

#### **Defined terms**

**1. In the articles, unless the context requires otherwise—**

“articles” means the company’s articles of association,

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

“chairman” has the meaning given in article 12,

“chairman of the meeting” has the meaning given in article 39,

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

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

“distribution recipient” has the meaning given in article 31,

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

“electronic form” has the meaning given in section 1168 of the Companies Act 2006,

“fully paid” in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company,

“hard copy form” has the meaning given in section 1168 of the Companies Act 2006,

“holder” in relation to shares means the person whose name is entered in the register of

members as the holder of the shares,

“instrument” means a document in hard copy form,

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

“paid” means paid or credited as paid,

“participate”, in relation to a directors’ meeting, has the meaning given in article 10,

“proxy notice” has the meaning given in article 45,

“shareholder” means a person who is the holder of a share,

“shares” means shares in the company,

“special resolution” has the meaning given in section 283 of the Companies Act 2006,

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006,

“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a

shareholder or otherwise by operation of law, and

“writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company

### **Liability of members**

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

## **PART 2**

### **DIRECTORS**

#### **DIRECTORS’ POWERS AND RESPONSIBILITIES**

##### **Directors’ general authority**

3. Subject to the articles, the directors are responsible for the management of the company’s business, for which purpose they may exercise all the powers of the company

##### **Shareholders’ reserve power**

- 4.—(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action  
(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution

##### **Directors may delegate**

- 5.—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—
  - (a) to such person or committee,
  - (b) by such means (including by power of attorney),

- (c) to such an extent,
  - (d) in relation to such matters or territories; and
  - (e) on such terms and conditions;
- as they think fit
- (2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated
- (3) The directors may revoke any delegation in whole or part, or alter its terms and conditions

### **Committees**

- 6.—(1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors
- ~~(2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them~~

## **DECISION-MAKING BY DIRECTORS**

### **Directors to take decisions collectively**

- 7.—(1) ~~The general rule about decision making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8~~
- (2) If—
- (a) ~~the company only has one director, and~~
  - (b) ~~no provision of the articles requires it to have more than one director,~~
- ~~the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making~~

### **Unanimous decisions**

- 8.—(1) ~~A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter~~
- ~~(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing~~
- ~~(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting~~
- ~~(4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting~~

### **Calling a directors' meeting**

- 9.—(1) ~~Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice~~

- (2) Notice of any directors' meeting must indicate—
- (a) its proposed date and time,
  - (b) where it is to take place; and
  - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting
- (3) Notice of a directors' meeting must be given to each director, but need not be in writing
- (4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it

### **Participation in directors' meetings**

- 10.**—(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—
- (a) the meeting has been called and takes place in accordance with the articles, and
  - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting
- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other
- (3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is

### **Quorum for directors' meetings**

- 11.**—(1) ~~At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.~~
- (2) ~~The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.~~
- (3) ~~If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—~~
- ~~(a) to appoint further directors, or~~
  - ~~(b) to call a general meeting so as to enable the shareholders to appoint further directors.~~

### **Chairing of directors' meetings**

- 12.**—(1) ~~The directors may appoint a director to chair their meetings.~~
- (2) ~~The person so appointed for the time being is known as the chairman.~~
- (3) ~~The directors may terminate the chairman's appointment at any time.~~
- (4) ~~If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.~~

## **Casting vote**

~~13.—(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote-~~

~~(2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes-~~

## **Conflicts of interest**

~~14.—(1) If a proposed decision of the directors is concerned with an actual or proposed~~

~~transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes-~~

~~(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes-~~

~~(3) This paragraph applies when—~~

~~(a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;~~

~~(b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or~~

~~(c) the director's conflict of interest arises from a permitted cause-~~

~~(4) For the purposes of this article, the following are permitted causes—~~

~~(a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;~~

~~(b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and~~

~~(c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors-~~

~~(5) For the purposes of this article, references to proposed decisions and decision-making~~

~~processes include any directors' meeting or part of a directors' meeting-~~

~~(6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive-~~

~~(7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes-~~

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

**15.** The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors

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

~~**16.** Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors-~~

## **APPOINTMENT OF DIRECTORS**

### **Methods of appointing directors**

~~**17.**—(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—~~

~~(a) by ordinary resolution, or~~

~~(b) by a decision of the directors-~~

~~(2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director-~~

~~(3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances~~

~~rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder-~~

### **Termination of director's appointment**

**18.** A person ceases to be a director as soon as—

(a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law,

(b) a bankruptcy order is made against that person,

(c) a composition is made with that person's creditors generally in satisfaction of that

person's debts,

(d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than six ~~three~~ months,

(e) *[paragraph omitted pursuant to The Mental Health (Discrimination) Act 2013]*

(f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms

### **Directors' remuneration**



- 19.—**(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

#### **Directors' expenses**

- 20.** The company may pay any reasonable expenses which the directors (including any alternate directors and the secretary) properly incur in connection with their attendance at—
- (a) meetings of directors or committees of directors,
  - (b) general meetings, or
  - (c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company

## **PART 3**

### **SHARES AND DISTRIBUTIONS**

#### **SHARES**

#### **All shares to be fully paid up**

- 21.—**(1) 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
- (2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum

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

- 22.—**(1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution

~~(2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares~~

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

23. Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it

### **Share certificates**

24.—(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**

25.—(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 such a replacement certificate—

- (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 evidence and indemnity as the directors decide

### **Share transfers**

26.—(1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor

- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share
- (3) The company may retain any instrument of transfer which is registered
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it
- ~~(5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent~~

### **Transmission of shares**

- ~~27.—(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share—~~
- ~~(2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—~~
    - ~~(a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and~~
    - ~~(b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had—~~
  - ~~(3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares—~~

### **Exercise of transmittees' rights**

- ~~28.—(1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish—~~
- ~~(2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it—~~
  - ~~(3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred—~~
- Transmittees bound by prior notices**

~~29. If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members—~~

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **Procedure for declaring dividends**

- 30.—(1)** The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends

- (2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- (3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- (4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- (5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- (6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- (7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

#### **Payment of dividends and other distributions**

**31.**—(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—

- (a) transfer to a bank or building society account specified by the distribution recipient ~~either in writing or as the directors may otherwise decide~~,
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient ~~either in writing or as the directors may otherwise decide~~,
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified ~~either in writing or as the directors may otherwise decide~~, or
- (d) any other means of payment as the directors agree with the distribution recipient ~~either in writing or by such other means as the directors decide~~.

(2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

- (a) the holder of the share, or
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members, or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

#### **No interest on distributions**

**32.** The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

- (a) the terms on which the share was issued, or

- (b) the provisions of another agreement between the holder of that share and the company

### **Unclaimed distributions**

33.—(1) All dividends or other sums which are—

- (a) payable in respect of shares, and
- (b) unclaimed after having been declared or become payable, may be invested or otherwise made use of by the directors for the benefit of the company until claimed

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

(3) If—

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
- (b) the distribution recipient has not claimed it,

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

### **Non-cash distributions**

34.—(1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company)

(2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—

- (a) fixing the value of any assets,
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and
- (c) vesting any assets in trustees

### **Waiver of distributions**

35. Distribution recipients may waive their entitlement to a dividend or other distribution

payable in respect of a share by giving the company notice in writing to that effect, but if—

- (a) the share has more than one holder, or
- (b) more than one person is entitled to the share, whether by reason of the death or

bankruptcy of one or more joint holders, or otherwise,

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

## **CAPITALISATION OF PROFITS**

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

**36.—**(1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve, and
  - (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.
- (2) Capitalised sums must be applied—
- (a) on behalf of the persons entitled, and
  - (b) in the same proportions as a dividend would have been distributed to them
- (3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct
- (4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- (5) Subject to the articles the directors may—
- (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another,
  - (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments), and
  - (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## **PART 4**

### **DECISION-MAKING BY SHAREHOLDERS**

#### **ORGANISATION OF GENERAL MEETINGS**

### **Attendance and speaking at general meetings**

**37.—**(1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting

- (2) A person is able to exercise the right to vote at a general meeting when—
- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - (b) that person's vote can be taken into account in determining whether or not such

resolutions are passed at the same time as the votes of all the other persons attending the meeting

- (3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it
- (4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them

### **Quorum for general meetings**

~~38. No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.~~

### **Chairing general meetings**

- ~~39.—(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so—~~
- ~~(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—~~
- ~~(a) the directors present, or~~
  - ~~(b) (if no directors are present), the meeting,~~
- ~~must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting—~~
- ~~(3) The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”~~

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

- 40.—(1) Directors may attend and speak at general meetings, whether or not they are shareholders
- (2) The chairman of the meeting may permit other persons who are not—
- (a) shareholders of the company, or
  - (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,
- to attend and speak at a general meeting

### **Adjournment**

- 41.—(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it
- (2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—
- (a) the meeting consents to an adjournment, or

- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting
- (4) When adjourning a general meeting, the chairman of the meeting must—
  - (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
  - (a) to the same persons to whom notice of the company's general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

## VOTING AT GENERAL MEETINGS

### Voting: general

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

### ~~Errors and disputes~~

~~43.—(1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.~~  
~~(2) Any such objection must be referred to the chairman of the meeting, whose decision is final.~~

### Poll votes

44.—(1) A poll on a resolution may be demanded—

- (a) in advance of the general meeting where it is to be put to the vote, or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared

~~(2) A poll may be demanded by—

- (a) the chairman of the meeting,
- (b) the directors,
- (c) two or more persons having the right to vote on the resolution, or~~



- ~~(d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution~~
- (3) A demand for a poll may be withdrawn if—
- (a) the poll has not yet been taken, and
  - (b) the chairman of the meeting consents to the withdrawal
- A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs

### **Content of proxy notices**

45.—(1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—

- (a) states the name and address of the shareholder appointing the proxy,
  - (b) identifies the person appointed to be that shareholder’s proxy and the general meeting in relation to which that person is appointed,
  - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and
  - (d) ~~is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate~~  
is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate
- and a proxy notice which is not delivered in such manner shall be invalid
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions
- (4) Unless a proxy notice indicates otherwise, it must be treated as—
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
  - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself

### **Delivery of proxy notices**

- 46.—(1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person
- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates

(4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf

### **Amendments to resolutions**

**47.—**(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

(a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and

(b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution

(2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—

(a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

(b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution

(3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution

## **PART 5**

### **ADMINISTRATIVE ARRANGEMENTS**

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

**48.—**(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company

(2) Subject to the articles, any notice or document to be sent or supplied to a director in

connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being

(3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours

#### **Company seals**

~~**49.—**(1) Any common seal may only be used by the authority of the directors~~

~~(2) The directors may decide by what means and in what form any common seal is to be used~~

~~(3) Unless otherwise decided by the directors, if the company has a common seal and it is~~

affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature—

(4) For the purposes of this article, an authorised person is—

- (a) any director of the company;
- (b) the company secretary (if any); or
- (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied—

#### **No right to inspect accounts and other records**

50. Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder—

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

51. The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary—

### **DIRECTORS' INDEMNITY AND INSURANCE**

#### **Indemnity**

52. (1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—

- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company;
- (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006);
- (c) any other liability incurred by that director as an officer of the company or an associated company—

(2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law—

(3) In this article—

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- (b) a "relevant director" means any director or former director of the company or an associated company—

#### **Insurance**

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

(2) In this article—

(a) a "relevant director" means any director or former director of the company or an associated company;

(b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and

(c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate