

 Certified a true copy of the original

Dated the 15 day of September, 2014

Kerman & Co. LLP

Company number 08808553

Solicitors

200 Strand

London

WC2R 1DJ

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

HORSE HILL DEVELOPMENTS LIMITED

(the "Company")

3 September 2014

THURSDAY



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18/09/2014

#378

COMPANIES HOUSE

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the resolution below is passed as a ordinary resolution

#### ORDINARY RESOLUTION

THAT the draft 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 the resolution

The undersigned, a person entitled to vote on the resolution, hereby irrevocably agrees to the resolution

Executed by a director for and on behalf of  
**ANGUS ENERGY LIMITED**

#### NOTES

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

The undersigned, a person entitled to vote on the resolution on 12 September 2014, hereby irrevocably agrees to the resolution

#### NOTES

- 1 If you agree with the resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods

**By Hand** delivering the signed copy to Donald Strang, Suite 3B, Princes House, 38 Jermyn Street, London, SW1Y 6DN

**Fax** faxing the signed copy to +44 (0)20 7440 0641 marked "For the attention of Donald Strang"

**E-mail** by attaching a scanned copy of the signed document to an e-mail and sending it to Don Strang@cavaye.co.uk. Please enter "Written resolutions" in the e-mail subject box

If you do not agree to the resolution, 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 resolution, you may not revoke your agreement
- 3 Unless, by 30 September 2014, sufficient agreement has been received for the resolution to pass, it will lapse. If you agree to the resolution, 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
- 5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

## Articles of Association

of

### HORSE HILL DEVELOPMENTS LTD

(Adopted by special resolution on 12 September 2014)

#### Part 1

#### INTERPRETATION AND LIMITATION OF LIABILITY

##### 1 Defined terms

1 1 In these articles, unless the context requires otherwise

**appointor** has the meaning given to that term in Article 17 1,

**Articles** means the articles of association set out in this document together with the Model Articles (as modified or excluded by this document) forming part of the articles, and Article shall be construed accordingly,

**Buyer** has the meaning given to that term in Article 39 1,

**Business Day** means a day other than a Saturday, Sunday or public holiday in England when banks in the City of London are open for business,

**call** has the meaning given to that term in Article 25 1,

**call notice** has the meaning given to that term in Article 25 1,

**call payment date** has the meaning given to that term in Article 28 2 1,

**Called Shareholder** has the meaning given to that term in Article 40 1,

**Called Shares** has the meaning given to that term in Article 40 1,

**company's lien** has the meaning given to that term in Article 23,

**Clear Days** means (in relation to the period of a notice) that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect,

**Continuing Shareholder** has the meaning given to that term in Article 39 1,

**Completion Date** has the meaning given to that term in Article 40 5,

**Conflict** has the meaning given to that term in Article 11 2,

**conflicted director** means a director who has, or could have, a Conflict in a situation involving the company and consequently whose vote is not to be counted in any vote to authorise such Conflict and who is not to be counted as participating in the quorum for the meeting (or part of the meeting) at which such matter is to be voted upon,

**corporate representative** has the meaning given to that term in Article 57,

**Deemed Transfer Notice** means a Transfer Notice that is deemed to have been served under any provisions of these Articles,

**Drag Along Notice** has the meaning given to that term in Article 40 2,

**Drag Along Option** has the meaning given to that term in Article 40 1,

**Drag Trigger Shares** has the meaning given to that term in Article 40 1,

**Fair Value** means in relation to shares, as determined in accordance with Article 38,

**Investor Director** means a director appointed in accordance with the Shareholders Agreement,

**lien enforcement notice** has the meaning given to that term in Article 24,

**Model Articles** means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2009/3229) as amended prior to the date of adoption of these articles,

**non-conflicted director** means any director who is not a conflicted director,

**Offer** has the meaning given in Article 39 2,

**Offer Notice** has the meaning given to that term in Article 39 3,

**Offer Shares** has the meaning given to that term in Article 39 3 4,

**partly-paid in relation to a share** means that part of that share's nominal value or any premium at which it was issued has not been paid to the company,

**Proposed Buyer** has the meaning given to that term in Article 40 1,

**Proposed Transfer** has the meaning given to that term in Article 39 1,

**proxy notification address** has the meaning given to that term in Article 56 1,

**relevant officer** has the meaning given to that term in Articles 61 3 2 or 62 2 1, as the case may be,

**relevant loss** has the meaning given to that term in Article 62 2 2,

**relevant rate** has the meaning given to that term in Article 28 2 2,

**Sale Shares** has the meaning given to that term in Article 39 1 2,

**Sale Price** has the meaning give to that term in Article 39 1,

**Seller** has the meaning give to that term in Article 39 1,

**shareholder** means the person whose name is entered in the register of members as the holder of the shares or, in the case of a share in respect of which a share warrant has been issued (and not cancelled), the person in possession of that warrant,

**Shareholders Agreement** means the agreement dated on or around the adoption date of these Articles between the Company and the shareholders (as the same may have been varied, supplemented, adhered to or superseded in accordance with its from time to time),

**Specified Price** has the meaning give to that term in Article 39 2,

**transfer or transferring** has the meaning given to those terms respectively in Article 36 1,

**Transfer Date** has the meaning given to that term in Article 3,

**Transfer Notice** means an irrevocable notice in writing given by any shareholder to the 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,

**United Kingdom** means Great Britain and Northern Ireland, and

**Valuers** the auditors for the time being of the Company or, if they decline the instruction, 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 three Business Days of a shareholder serving details of a suggested expert on the other, 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)

- 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 Companies Act 2006 as in force on the date when these Articles become binding on the company shall have the same meanings in these Articles
- 1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1 4 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time and shall include any orders, regulations or subordinate legislation from time to time made under it and any amendment or re-enactment of it or any such orders, regulations or subordinate legislation for the time being in force
- 1 5 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms
- 1 6 The Model Articles shall apply to the company, except in so far as they are modified or excluded by these Articles
- 1 7 Articles 7,8, 11(2) and (3), 13, 14(1) to (4) inclusive, 17, 19(5), 21, 26(5), 44(4), 45(1), 46(3), 52 and 53 of the Model Articles shall not apply to the company

## **DIRECTORS**

### **DIRECTORS' POWERS AND RESPONSIBILITIES**

#### **2 Directors' general authority**

Article 3 of the Model Articles shall be amended by the insertion of the words "and to the applicable provisions for the time being of the Companies Acts", after the phrase "subject to the articles"

#### **3 Change of Company name**

Without prejudice to the generality of Article 2, the directors may resolve in accordance with Article 5 to change the Company's name

#### **4 Committees**

Where a provision of the articles refers to the exercise of a power, authority or discretion by the directors and that power, authority or discretion has been delegated by the directors to a committee, the provision shall be construed as permitting the exercise of power, authority or discretion by the committee

### **DECISION-MAKING BY DIRECTORS**

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

5 1 The general rule about decision-making by directors is that any decision of the directors must be taken as a majority decision at a meeting or as a directors' written resolution in accordance with Article 6 (Directors' written resolutions) or otherwise as a unanimous decision taken in accordance with Article 7 (Unanimous decisions)

5 2 If

5 2 1 the company only has one director for the time being, and

5 2 2 no provision of the articles requires it to have more than one director,

the general rule does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the articles relating to directors' decision-making

5 3 Subject to the articles, each director participating in a directors' meeting has one vote

#### **6 Directors' written resolutions**

6 1 Any director may propose a directors' written resolution by giving notice in writing of the proposed resolution to each of the other directors (including alternate directors)

6 2 If the company has appointed a company secretary, the company secretary must propose a directors' written resolution if a director so requests by giving notice in writing to each of the other directors (including alternate directors)

6 3 Notice of a proposed directors' written resolution must indicate

6 3 1 the proposed resolution, and

6 3 2 the time by which it is proposed that the directors should adopt it

6 4 A proposed directors' written resolution is adopted when a majority of the non-conflicted directors (or their alternates) have signed one or more copies of it, provided that those directors (or their alternates) would have formed a quorum at a directors' meeting were the resolution to have been proposed at such meeting

6 5 Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the articles

## **7 Unanimous decisions**

7 1 A decision of the directors is taken in accordance with this Article 7 when all non-conflicted directors indicate to each other by any means that they share a common view on a matter

7 2 A decision may not be taken in accordance with this Article 7 2 if the non-conflicted directors would not have formed a quorum at a directors' meeting had the matter been proposed as a resolution at such a meeting

7 3 Once a directors' unanimous decision is taken in accordance with this Article 7 it must be treated as if it had been a decision taken at a directors' meeting in accordance with the Articles

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

8 1 Article 9 of the Model Articles shall be amended by

8 1 1 inserting the words "each of" before the words "the directors",

8 1 2 by inserting the phrase "(including alternate directors), whether or not he is absent from the UK," after the words "the directors",

8 1 3 by inserting the words "subject to article 9 4" at the beginning of article 9(3) of the Model Articles, and

8 1 4 by inserting the words "prior to or up to and including" before the words "not more than seven days" in article 9(4) of the Model Articles

## **9 Chairman's at directors' meetings**

9 1 The post of chairman of the directors will be nominated by the majority of shareholders. If the chairman for the time being is unable to attend any meeting of the board of directors, the shareholders who appointing him shall be entitled to appoint another director to act as chairman at the meeting

9 2 Article 13(1) of the Model Articles shall be amended by the insertion of the words "at a meeting of directors" after the word "proposal"

9 3 Article 13(1) of the Model Articles (as amended by Article 9 2) does not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the articles, the chairman or other director chairing the meeting is a conflicted director for the purposes of that meeting (or that part of that meeting at which the proposal is voted upon)

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

10 1 Subject to Article 10 2, the quorum for the transaction of business at a meeting of directors shall be three. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. If and so long as there is a sole director, he may exercise all the powers and authorities vested in the directors by these articles and accordingly the quorum for the transaction of business in these circumstances shall be one

- 10 2 For the purposes of any meeting (or part of a meeting) held pursuant to Article 11 (Directors' conflicts of interests) to authorise a director's Conflict, if there is only one non-conflicted director in office in addition to the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one non-conflicted director

**11 Directors' conflicts of interests**

- 11 1 For the purposes of this Article 11, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests

- 11 2 The directors may, in accordance with the requirements set out in this Article 11, authorise any matter proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of the Companies Act 2006 to avoid conflicts of interest (such matter being hereinafter referred to as a "**Conflict**")

- 11 3 A director seeking authorisation in respect of a Conflict shall declare to the other directors the nature and extent of his interest in a Conflict as soon as is reasonably practicable. The director shall provide the other directors with such details of the relevant matter as are necessary for the other directors to decide how to address the Conflict, together with such other information as may be requested by the other directors

- 11 4 Any authorisation under this Article 11 will be effective only if

11 4 1 the matter in question shall have been proposed by any director for consideration at a meeting of directors 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,

11 4 2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other conflicted director(s), and

11 4 3 the matter was agreed to without the director and any other conflicted director(s) voting or would have been agreed to if their votes had not been counted

11 4 4 Any authorisation of a Conflict under this Article 11 may (whether at the time of giving the authorisation or subsequently)

11 4 5 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict so authorised,

11 4 6 be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine, or

11 4 7 be terminated or varied by the directors at any time

This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation

- 11 5 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the company and in respect of which he owes a duty of confidentiality to another person the director is under no obligation to

11 5 1 disclose such information to the directors or to any director or other officer or employee of the company, or

11 5 2 use or apply any such information in performing his duties as a director,



where to do so would amount to a breach of that confidence

- 11 6 Where the directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that the director
- 11 6 1 is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict, and/or
- 11 6 2 is not given any documents or other information relating to the Conflict,
- 11 6 3 May or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict
- 11 7 Where the directors authorise a Conflict
- 11 7 1 the director will be obliged to conduct himself in accordance with any terms, limits and/or conditions imposed by the directors in relation to the Conflict,
- 11 7 2 the director will not infringe any duty he owes to the company by virtue of sections 171 to 177 of the Companies Act 2006 provided he acts in accordance with such terms, limits and/or conditions (if any) as the directors impose in respect of its authorisation
- 11 8 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 receives as director or other officer or employee of the Company's subsidiaries or of any other body corporate in which the Company is interested or which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Companies Act 2006
- 11 9 Subject to the applicable provisions for the time being of the Companies Acts and to any terms, limits and/or conditions imposed by the directors in accordance with Article 11 6, and provided that he has disclosed to the directors the nature and extent of any interest of his in accordance with the Companies Acts, a director notwithstanding his office
- 11 9 1 may be a party to, or otherwise interested in, any contract, transaction or arrangement with the company or in which the company is otherwise interested,
- 11 9 2 shall be counted as participating for voting and quorum purposes in any decision in connection with any proposed or existing transaction or arrangement with the company, in which he is in any way directly or indirectly interested,
- 11 9 3 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,
- 11 9 4 may be a director or other officer of, or employed by, or a party to any contract, transaction or arrangement with, or otherwise interested in, any body corporate promoted by the company or in which the company is otherwise interested, and
- 11 9 5 shall not, by reason of his office, be accountable to the company for any benefit which he (or anyone connected with him (as defined in section 252 of the Companies Act 2006) derives from any such office or employment or from any such contract, transaction or arrangement or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit, nor shall the receipt of any such remuneration or benefit constitute a breach of his duty under section 176 of the Companies Act 2006

12     **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 permanent form, so that they may be read with the naked eye

**APPOINTMENT OF DIRECTORS**

13     **Number of directors**

The number of directors shall be no more than four     No shareholding qualification for directors shall be required

14     **Methods of appointing directors**

14 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 by ordinary resolution, or in respect of an Investor Director, in accordance with the Shareholders Agreement

14 2     In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) shall have the right, by notice in writing, to appoint a person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director

14 3     For the purposes of Article 14 3, where two 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

15     **Termination of director's appointment**

Article 18(c) of the Model Articles shall be amended by the addition of the words "and the Company resolves that his office be vacated" at the end of the sub-Article

16     **Directors' expenses**

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

**ALTERNATE DIRECTORS**

17     **Appointment and removal of alternate directors**

17 1     Any director ("**appointor**") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to

17 1 1     exercise that director's powers, and

17 1 2     carry out that director's responsibilities,

in relation to the taking of decisions by the directors in the absence of the alternate's appointor

17 2     Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors

17 3     The notice must

17 3 1     identify the proposed alternate, and

- 17 3 2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice

## **18 Rights and responsibilities of alternate directors**

- 18 1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor

- 18 2 Except as the articles specify otherwise, alternate directors

- 18 2 1 are deemed for all purposes to be directors,

- 18 2 2 are liable for their own acts and omissions,

- 18 2 3 are subject to the same restrictions as their appointors (including those set out in sections 172 to 177 CA 2006 inclusive and Article 11), and

- 18 2 4 are not deemed to be agents of or for their appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a shareholder

- 18 3 A person who is an alternate director but not a director

- 18 3 1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating and provided that no alternate may be counted as more than one director for these purposes),

- 18 3 2 may participate in a unanimous decision of the directors (but only if his appointor does not participate), and

- 18 3 3 may sign a written resolution (but only if it is not signed or to be signed by that person's appointor)

- 18 4 A director who is also an alternate director is entitled, in the absence of any of his appointors, to a separate vote on behalf of that appointor, in addition to his own vote on any decision of the directors but he shall count as only one for the purpose of determining whether a quorum is present

- 18 5 An alternate director is not entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company

## **19 Termination of alternate directorship**

An alternate director's appointment as an alternate for any appointor terminates

- 19 1 when that appointor revokes the appointment by notice to the company in writing specifying when it is to terminate, or

- 19 2 when notification is received by the Company from the alternate that the alternate is resigning as alternate for that appointor and such resignation has taken effect in accordance with its terms, or

- 19 3 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to that appointor, would result in the termination of that appointor's appointment as a director, or

- 19 4 on the death of that appointor, or
- 19 5 when the alternate's appointor's appointment as a director terminates

## **SECRETARY**

### **20 Appointment and removal of secretary**

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

## **Part 3**

## **SHARES AND DISTRIBUTIONS**

### **SHARES**

### **21 Further issues of shares: authority**

- 21 1 The following paragraphs of this Article 21 shall not apply to a private company with only one class of shares

- 21 2 Subject to Article 21 1 and save to the extent authorised by these articles, or authorised from time to time by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company

- 21 3 Subject to the remaining provisions of this Article 21 and to any directions which may be given by the company in general meeting, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Companies Act 2006 to exercise any power of the company to

21 3 1 offer or allot, or

21 3 2 grant rights to subscribe for or to convert any security into, or

21 3 3 otherwise create, deal in, or dispose of,

any shares in the company to any person, at any time and subject to any terms and conditions as the directors think proper

- 21 4 The authority referred to in Article 21 3

21 4 1 shall only apply insofar as the company has not renewed, waived or revoked it by ordinary resolution, and

21 4 2 may only be exercised for a period of five years commencing on the date on which the company is incorporated or these articles are adopted whichever is the later, save that the directors may make an offer or agreement which would, or might, require shares to be allotted after the expiry of such authority (and the directors may allot shares in pursuance of an offer or agreement as if such authority had not expired)

- 21 5 In accordance with section 567(1) of the Companies Act 2006, sections 561 and 562 of the Companies Act 2006 shall not apply to an allotment of equity securities (as defined in section 560(1) of the Companies Act 2006) made by the company

## 22 Variation of class rights

22 1 Whenever the capital of the company is divided into different classes of shares, the special rights attached to any class may only be varied or abrogated, either whilst the company is a going concern or during or in contemplation of a winding up, with the consent of the holders of the issued shares of that class given in accordance with Article 22 2

22 2 The consent of the holders of a class of shares may be given by

22 2 1 a special resolution passed at a separate general meeting of the holders of the issued shares of that class, or

22 2 2 a written resolution in any form signed by or on behalf of the holders of three-quarters in nominal value of the issued shares of that class,

but not otherwise To every such meeting, all the provisions of these articles and the Companies Act 2006 relating to general meetings of the company shall apply (with such amendments as may be necessary to give such provisions efficacy) but so that the necessary quorum shall be two holders of shares of the relevant class present in person or by proxy and holding or representing not less than one third in nominal value of the issued shares of the relevant class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and that any holder of shares of the class, present in person or by proxy or (being a corporation) by a duly authorised representative, may demand a poll If at any adjourned meeting of such holders such a quorum as aforesaid is not present, not less than one holder who is present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum

## 23 Company's lien over shares

The company has a lien ("**company's lien**") over every share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the company, whether payable immediately or at some time in the future and whether or not a call notice has been sent in respect of it

23 1 The company's lien over a share

23 1 1 takes priority over any third party's interest in that share, and

23 1 2 extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share

23 2 The directors may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part

## 24 Enforcement of the company's lien

24 1 Subject to the provisions of this Article 24, if

24 1 1 a lien enforcement notice has been given in respect of a share, and

24 1 2 the person to whom the notice was given has failed to comply with it,

the company may sell that share in accordance with Article 32 5

24 2 A lien enforcement notice

- 24 2 1 may only be given in respect of a share which is subject to the company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
- 24 2 2 must specify the share concerned,
- 24 2 3 must be in writing and require payment of the sum payable within fourteen days of the notice,
- 24 2 4 must be addressed either to the holder of the share or to a transmittee of that holder, and
- 24 2 5 must state the company's intention to sell the share if the notice is not complied with
- 24 3 Where shares are sold under this Article 24
  - 24 3 1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and
  - 24 3 2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale
- 24 4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied
  - 24 4 1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice,
  - 24 4 2 second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the company's lien for any money payable (whether payable immediately or at some time in the future) as existed over the shares before the sale in respect of all shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the lien enforcement notice
- 24 5 A statutory declaration by a director or the company secretary (if any) that the declarant is a director or the company secretary (as the case may be) and that a share has been sold to satisfy the company's lien on a specified date
  - 24 5 1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
  - 24 5 2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share
- 25 **Call notices**
  - 25 1 Subject to the articles and the terms on which shares are allotted, the directors may send a notice ("call notice") to a shareholder requiring the shareholder to pay the company a specified sum of money ("call") which is payable by that member to the Company at the date when the directors decide to send the call notice
  - 25 2 A call notice
    - 25 2 1 must be in writing,

- 25 2 2 may not require a shareholder to pay a call which exceeds the total amount of his indebtedness or liability to the company,
- 25 2 3 must state when and how any call to which it relates it is to be paid, and
- 25 2 4 may permit or require the call to be paid by instalments
- 25 3 A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before fourteen days have passed since the notice was sent
- 25 4 Before the company has received any call due under a call notice the directors may
  - 25 4 1 revoke it wholly or in part, or
  - 25 4 2 specify a later time for payment than is specified in the notice,by a further notice in writing to the shareholder in respect of whose shares the call is made
- 26 **Liability to pay calls**
- 26 1 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid
- 26 2 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share
- 26 3 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them
  - 26 3 1 to pay calls which are not the same, or
  - 26 3 2 to pay calls at different times
- 27 **When call notice need not be issued**
- 27 1 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the company in respect of that share
  - 27 1 1 on allotment,
  - 27 1 2 on the occurrence of a particular event, or
  - 27 1 3 on a date fixed by or in accordance with the terms of issue
- 27 2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture
- 28 **Failure to comply with call notice: automatic consequences**
- 28 1 If a person is liable to pay a call and fails to do so by the call payment date
  - 28 1 1 the directors may issue a notice of intended forfeiture to that person, and
  - 28 1 2 until the call is paid, that person must pay the company interest on the call from the call payment date at the relevant rate
- 28 2 For the purposes of this Article 28

28 2 1 the call payment date is the time when the call notice states that a call is payable, unless the directors give a notice in writing specifying a later date, in which case the call payment date is that later date,

28 2 2 the **relevant rate** is

- (i) the rate fixed by the terms on which the share in respect of which the call is due was allotted,
- (ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors, or
- (iii) if no rate is fixed in either of these ways, five per cent (5%) per annum

28 3 The relevant rate must not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998

28 4 The directors may waive any obligation to pay interest on a call wholly or in part

## 29 **Notice of intended forfeiture**

29 1 A notice of intended forfeiture

29 1 1 must be in writing,

29 1 2 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice,

29 1 3 must be sent to the holder of that share (or, in the case of joint holders of a share in accordance with Article 59 3) or to a transmittee of that holder in accordance with Article 59 4,

29 1 4 must require payment of the call and any accrued interest and all expenses that may have been incurred by the company by reason of such non-payment by a date which is not less than fourteen days after the date of the notice,

29 1 5 must state how the payment is to be made, and

29 1 6 must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited

## 30 **Directors' power to forfeit shares**

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

## 31 **Effect of forfeiture**

31 1 Subject to the articles, the forfeiture of a share extinguishes

31 1 1 all interests in that share, and all claims and demands against the company in respect of it, and

31 1 2 all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company



- 31 2 Any share which is forfeited in accordance with the articles
- 31 2 1 is deemed to have been forfeited when the directors decide that it is forfeited,
- 31 2 2 is deemed to be the property of the company, and
- 31 2 3 may be sold, re-allotted or otherwise disposed of as the directors think fit in accordance with Article 32 5
- 31 3 If a person's shares have been forfeited
- 31 3 1 the company must send that person written notice that forfeiture has occurred and record it in the register of members,
- 31 3 2 that person ceases to be a shareholder in respect of those shares,
- 31 3 3 that person must surrender the certificate for the shares forfeited to the company for cancellation,
- 31 3 4 that person remains liable to the company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture), and
- 31 3 5 the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal
- 31 4 At any time before the company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit
- 32 Procedure following forfeiture**
- 32 1 If a forfeited share is to be disposed of by being transferred, the company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer
- 32 2 A statutory declaration by a director or the company secretary (if any) that the declarant is a director or the company secretary (as the case may be) and that a share has been forfeited on a specified date
- 32 2 1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
- 32 2 2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share
- 32 3 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share
- 32 4 If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the company the proceeds of such sale, net of any commission, and excluding any amount which
- 32 4 1 was, or would have become, payable, and
- 32 4 2 had not, when that share was forfeited, been paid by that person in respect of that share,

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

- 32 5 All shares to be sold in the enforcement of the company's lien or rights of forfeiture shall be offered in accordance with Article 36 (Transfer of Shares-general)

**33 Surrender of shares**

- 33 1 A shareholder may surrender any share

33 1 1 in respect of which the directors may issue a notice of intended forfeiture,

33 1 2 which the directors may forfeit, or

33 1 3 which has been forfeited

- 33 2 The directors may accept the surrender of any such share

33 2 1 The effect of surrender on a share is the same as the effect of forfeiture on that share

33 2 2 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited

**34 Payment of commission on subscription for shares**

- 34 1 The company may pay any person a commission in consideration for that person

34 1 1 subscribing, or agreeing to subscribe, for shares, or

34 1 2 procuring, or agreeing to procure, subscriptions for shares

- 34 2 Any such commission may be paid

34 2 1 in cash, or in fully paid or partly paid shares or other securities or partly in one way and partly in the other, and

34 2 2 in respect of a conditional or an absolute subscription

**35 Share certificates**

- 35 1 Article 24(2)(c) of the Model Articles shall be amended by

35 1 1 the deletion of the word "fully" and the insertion of the words "extent to which" before the word "shares", and

35 1 2 the word "up" at the end of this Article 24(2)(c)

**36 Transfer of shares-general**

- 36 1 In these articles, a reference to the transfer of or transferring shares shall include any transfer, assignment, disposition or proposed or purported transfer, assignment or disposition

36 1 1 of any share or shares of the company, or

36 1 2 of any interest of any kind in any share or shares of the company, or

36 1 3 of any right to receive or subscribe for any share or shares of the company

- 36 2 No share shall be transferred unless the transfer is made in accordance with these Articles or with the prior written consent of all shareholders for the time being
- 36 3 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 lien, charge or other encumbrance
- 36 4 Article 26(1) of the Model Articles shall be amended by the insertion of the words "and (if any of the shares is partly paid) the transferee" at the end of that article
- 36 5 Subject to Article 36 6, 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
- 36 6 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 36 6, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee
- 36 7 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 Business Days of their request, such directors 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
- 36 8 Any transfer of shares by way of a sale that is required to be made under Article 37, Article 39 or Article 40 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee

### **37 Compulsory transfers**

- 37 1 A shareholder is deemed to have served a Deemed Transfer Notice immediately before any of the following events
- 37 1 1 the passing of a resolution for the liquidation of the shareholder other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the shareholder's Group in which a new company assumes (and is capable of assuming) all the obligations of the shareholder, provided that such reconstruction or amalgamation does not result in a transfer of the shareholder's shares in the Company to any person, or
- 37 1 2 the presentation at court by any competent person of a petition for the winding up of the shareholder and which has not been withdrawn or dismissed within fourteen days of such presentation, or
- 37 1 3 a change of control (as control is defined in section 1124 of the Corporation Tax Act 2010) of the shareholder, or

- 37 1 4 the issue at court by any competent person of a notice of intention to appoint an administrator to the shareholder, a notice of appointment of an administrator to the shareholder or an application for an administration order in respect of the shareholder, or
  - 37 1 5 any step is taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the shareholder, or
  - 37 1 6 the shareholder being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986, or
  - 37 1 7 the shareholder entering into a composition or arrangement with its creditors, or
  - 37 1 8 any chargor taking any step to enforcing any charge created over any shares held by the shareholder in the Company (other than by the appointment of a receiver, administrative receiver or manager), or
  - 37 1 9 a process having been instituted that could lead to the shareholder being dissolved and its assets being distributed among the shareholder's creditors, shareholders or other contributors, or
  - 37 1 10 the shareholder ceasing to carry on its business or substantially all of its business, or
  - 37 1 11 the shareholder committing a material or persistent breach of any shareholders' or subscription agreement to which it is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 20 Business Days of the other shareholder requiring such remedy, or
  - 37 1 12 in the case of the events set out in paragraphs 37 1 1, 37 1 2, 37 1 4, or 37 1 5 above, any competent person taking any analogous step in any jurisdiction in which the shareholder carries on business
- 37 2 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that
- 37 2 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, determined by the Valuers in accordance with Article 38, save that if the Seller is deemed to have given a Transfer Notice as a result of Article 37 1 11), 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, and
  - 37 2 2 if the Continuing Shareholder does not accept the offer of shares comprised in the Deemed Transfer Notice within 20 Business Days of receipt of the Valuers' determination of the Fair Value, the Seller does not have the right to sell the Sale Shares to a third party
- 37 3 If the Seller fails to complete a transfer of Sale Shares as required under this Article 37, the Company
- 37 3 1 is irrevocably authorised to appoint any person nominated for the purpose by the Continuing Shareholder as agent to transfer the Sale Shares on the Seller's behalf and to do anything else that the Continuing Shareholder may reasonably require to complete the sale, and
  - 37 3 2 may receive the purchase price in trust for the Seller, giving a receipt that shall discharge the Continuing Shareholder

38      **Valuation**

- 38 1      As soon as practicable after deemed service of a Transfer Notice under Article 37, the shareholders shall appoint the Valuers to determine the Fair Value of the Sale Shares
- 38 2      The Valuers shall be requested to determine the Fair Value within 15 Business Days of their appointment and to notify the shareholders in writing of their determination
- 38 3      The Fair Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions
- 38 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,
- 38 3 2      if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
- 38 3 3      the sale is to be on arms' length terms between a willing seller and a willing buyer,
- 38 3 4      the Sale Shares are sold free of all encumbrances,
- 38 3 5      the sale is taking place on the date the Valuers were requested to determine the Fair Value, and
- 38 3 6      to take account of any other factors that the Valuers reasonably believes should be taken into account
- 38 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
- 38 5      To the extent not provided for by this Article 38, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate
- 38 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)
- 38 7      Each shareholder shall bear its own costs in relation to the reference to the Valuers

39      **Tag along**

- 39 1      A shareholder holding more than 50% of the shares in issue for the time being ("**Seller**") wishing to transfer its shares ("**Sale Shares**") to a bona fide purchaser ("**Buyer**") on arm's length terms (a "**Proposed Transfer**") must give a Transfer Notice to the other shareholders ("**Continuing Shareholders**") giving details of the proposed transfer including
- 39 1 1      the identity of the proposed buyer, and
- 39 1 2      the price (in cash) at which it proposes to sell the Sale Shares ("**Sale Price**")
- 39 2      Before making a Proposed Transfer, the Seller shall procure that the Buyer makes an offer ("**Offer**") to the Continuing Shareholders to purchase all of the shares held by it 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**")

39 3 The Offer shall be made by written notice ("**Offer Notice**"), at least 20 Business Days before the proposed transfer date ("**Transfer Date**") To the extent not described in any accompanying documents, the Offer Notice shall set out

39 3 1 the identity of the Buyer,

39 3 2 the Specified Price and other terms and conditions of payment,

39 3 3 the Transfer Date, and

39 3 4 the number of Shares proposed to be purchased by the Buyer ("**Offer Shares**")

39 4 If the Buyer fails to make the Offer in accordance with Article 39 2 and Article 39 3, the Seller 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

39 5 If the Offer is accepted by the Continuing Shareholders in writing within 10 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

#### 40 **Drag along**

40 1 If the Seller wishes to transfer all (but not some only) of its shares representing more than 50% of the shares in issue for the time being ("**Drag Trigger Shares**") to a bona fide purchaser on arm's length terms ("**Proposed Buyer**"), the Seller may require the other shareholders ("**Called Shareholder**") 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**")

40 2 The Seller may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholder ("**Drag Along Notice**") at any time before the transfer of the shares to the Proposed Buyer The Drag Along Notice shall specify

40 2 1 that the Called Shareholder is required to transfer all of its Called Shares pursuant to this Article 40,

40 2 2 the person to whom the Called Shares are to be transferred,

40 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 share offered by the Proposed Buyer, and

40 2 4 the proposed date of the transfer

40 3 Once issued, a Drag Along Notice shall be irrevocable However, a Drag Along Notice shall lapse if, for any reason, the Seller has not sold the Drag Trigger Shares to the Proposed Buyer within 30 Business Days of serving the Drag Along Notice The Seller may serve further Drag Along Notices following the lapse of any particular Drag Along Notice

40 4 No Drag Along Notice shall require the Called Shareholder to agree to any terms except those specifically set out in this Article 40

40 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 shares unless

40 5 1 the Seller and the Called Shareholder agree otherwise in which case the Completion Date shall be the date agreed in writing by them, or

40 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 15 Business Day after service of the Drag Along Notice

40 6 On or before the Completion Date, the Called Shareholder 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 Shareholder, on behalf of the Proposed Buyer, the amounts due pursuant to Article 40 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 Shareholder in trust for the Called Shareholder without any obligation to pay interest.

40 7 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 Shareholder shall be entitled to the return of the stock transfer form and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholder shall have no further rights or obligations under this Article 40 in respect of its Shares.

40 8 If the Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with Article 40 6) transfer(s) in respect of all of the Called Shares held by it, the Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the 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 40 8.

#### 41 Prohibited Transfers

Notwithstanding any other provision of these articles, no transfer of any Share shall be registered if it is to any minor, undischarged bankrupt, trustee in bankruptcy or person of unsound mind or to any person, in the discretion of a Investor Director, not an appropriate shareholder for a company trading on a securities exchange or in a Investor Director's reasonable opinion unlikely to satisfy the rules or regulations of any regulatory body or securities exchange much may apply to the Company from time to time.

#### 42 Transmission of shares

42 1 Nothing in these articles releases the estate of a deceased shareholder from any liability in respect of a share solely or jointly held by that shareholder.

42 2 Article 27(3) of the Model Articles shall be amended by the insertion of the words "subject to the provisions of Article 14 2", after the initial word "But".

#### 43 Transmittees bound by prior notices

Article 29 of the Model Articles shall be amended by the insertion of the words "or the name of any person nominated under article 27(2)" after the words "transmittee's name".

#### 44 Procedure for disposing of fractions of shares

44 1 This Article applies where

44 1 1 there has been a consolidation or division of shares, and

44 1 2 as a result, shareholders are entitled to fractions of shares

- 44 2 The directors may
- 44 2 1 sell the shares representing the fractions to any person including the company for the best price reasonably obtainable,
  - 44 2 2 authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and
  - 44 2 3 distribute the net proceeds of sale in due proportion among the holders of the shares
- 44 3 The person to whom the shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions
- 44 4 The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **45 Calculation of dividends**

- 45 1 Except as otherwise provided by the articles or the rights attached to shares, all dividends must be
- 45 1 1 declared and paid according to the amounts paid up on the shares on which the dividend is paid, and
  - 45 1 2 apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid
- 45 2 If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly

### **46 Deductions from distributions in respect of sums owed to the company**

- 46 1 If
- 46 1 1 a share is subject to the company's lien, and
  - 46 1 2 the directors are entitled to issue a lien enforcement notice in respect of it,
- they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the company in respect of that share to the extent that they are entitled to require payment under a lien enforcement notice
- 46 2 Money so deducted must be used to pay any of the sums payable in respect of that share
- 46 3 The company must notify the distribution recipient in writing of
- 46 3 1 the fact and amount of any such deduction,
  - 46 3 2 any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction, and
  - 46 3 3 how the money deducted has been applied

## **CAPITALISATION OF PROFITS**



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

Article 36(4) of the Model Articles shall be amended by inserting the phrase "in or towards paying up any amounts unpaid on existing shares held by the persons entitled, or" after the words "may be applied"

**Part 4**

**DECISION-MAKING BY SHAREHOLDERS**

**ORGANISATION OF GENERAL MEETINGS**

**48 Convening general meetings**

The directors may call general meetings and, on the requisition of shareholders pursuant to the provisions of the Companies Act 2006, shall forthwith proceed to convene a general meeting in accordance with the Companies Act 2006. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or the shareholders requisitioning the meeting (or any of them representing more than one half of the total voting rights of them all) may call a general meeting. If the company has only a single shareholder, such shareholder shall be entitled at any time to call a general meeting.

**49 Notice of general meetings**

49 1 General meetings (other than an adjourned meeting) shall be called by at least fourteen Clear Days' notice but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the shareholders having a right to attend and vote, being a majority together holding not less than ninety per cent (90%) in nominal value of the shares at the meeting, giving that right.

49 2 The notice shall specify the time, date and place of the meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed at it.

49 3 Subject to the provisions of these articles and to any restrictions imposed on any shares, the notice shall be given to all shareholders, to all persons entitled to a share in consequence of the death or bankruptcy of a shareholder (if the company has been notified of their entitlement) and to the directors, alternate directors and the auditors for the time being of the company.

49 4 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

**50 Resolutions requiring special notice**

50 1 If the Companies Act 2006 requires special notice to be given of a resolution, then the resolution will not be effective unless notice of the intention to propose it has been given to the company at least twenty-eight Clear Days before the general meeting at which it is to be proposed.

50 2 Where practicable, the company must give the shareholders notice of the resolution in the same manner and at the same time as it gives notice of the general meeting at which it is to be proposed. Where that is not practicable, the company must give the shareholders at least fourteen Clear Days' before the relevant general meeting by advertisement in a newspaper with an appropriate circulation.

50 3 If, after notice to propose such a resolution has been given to the company, a meeting is called for a date twenty-eight days or less after the notice has been given, the notice shall be deemed to have been properly given, even though it was not given within the time required by Article 50 1.

51      **Quorum for general meetings**

No business shall be transacted at any meeting unless a quorum is present. Subject to section 318(2) of the Companies Act 2006, two qualifying persons (as defined in section 318(3) of the Companies Act 2006) entitled to vote upon the business to be transacted shall be a quorum, provided that if the company has only a single shareholder, the quorum shall be one such qualifying person.

52      **Adjournment**

Article 41(1) of the Model Articles shall be amended by inserting the following sentence at the end of the first sentence of that article: "If, at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved".

**VOTING AT GENERAL MEETINGS**

53      **Voting: general**

53 1      Subject to any rights or restrictions attached to any shares, on a show of hands, every shareholder who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative (unless the representative is himself a shareholder, in which case he shall have more than one vote) shall have one vote. A proxy shall not be entitled to vote on a show of hands.

53 2      No shareholder shall vote at any general meeting or at any separate meeting of the holder of any class of shares, either in person or by proxy, in respect of any share held by him unless all monies presently payable by him in respect of that share have been paid.

53 3      In the case of joint holders the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members.

53 4      Unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

54      **Poll votes**

54 1      On a poll every shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote for every share of which he is the holder. On a poll, a shareholder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

54 2      Article 44(2) of the Model Articles shall be amended by the insertion of the following sub-paragraph as article 44(2)(e):

"a person or persons holding shares conferring a right to vote on the resolution on which not less than one tenth of the total sum paid up on all the shares conferring that right."

54 3      Article 44(3) of the Model Articles shall be amended by inserting the following sentence at the end of the Article:

"A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made."

54 4      The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

54 5 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

54 6 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven Clear Days' notice shall be given specifying the time and place at which the poll is to be taken.

## 55 Content of proxy notices

55 1 Subject to the provisions of these articles, a shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a general meeting. A shareholder may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.

55 2 Proxies may only validly be appointed by a notice in writing (proxy notice) which

55 2 1 states the name and address of the shareholder appointing the proxy,

55 2 2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed,

55 2 3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and

55 2 4 is delivered to the company in accordance with the articles and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate and received by the company.

57 2 4 1 subject to Articles 57 2 4 2 and 57 2 4 3, in the case of a general meeting or adjourned meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the right to vote is to be exercised,

57 2 4 2 in the case of a poll taken more than forty-eight hours after it is demanded, after the poll has been demanded and not less than twenty-four hours before the time appointed for the taking of the poll, or

57 2 4 3 where the poll is not taken forthwith but is taken not more than forty-eight hours after it was demanded, at the time at which the poll was demanded or twenty-four hours before the time appointed for the taking of the poll, whichever is the later,

and a proxy notice which is not delivered and received in such manner shall be invalid.

55 3 Article 45(3) of the Model Articles shall be amended by the addition of the following at the end of the article:

"and the proxy is obliged to vote or abstain from voting in accordance with the specified instructions. However, the Company is not obliged to check whether a proxy votes or abstains from voting as he has been instructed and shall incur no liability for failing to do so. Failure by a proxy to vote or abstain from voting as instructed at a meeting shall not invalidate proceedings at that meeting."

**56 Delivery of proxy notices**

56 1 Any notice of a general meeting must specify the address or addresses ("**proxy notification address**") at which the company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form

56 2 Article 46(1) of the Model Articles shall be amended by inserting the words "to a proxy notification address" at the end of that Article

56 3 A notice revoking a proxy appointment only takes effect if it is received by the company

56 3 1 Subject to Articles 56 3 2 and 56 3 3, in the case of a general or adjourned meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the right to vote is to be exercised,

56 3 2 in the case of a poll taken more than forty-eight hours after it was demanded, not less than twenty-four hours before the time appointed for the taking of the poll, or

56 3 3 in the case of a poll not taken forthwith but not more than forty-eight hours after it was demanded, at the time at which it was demanded or twenty-four hours before the time appointed for the taking of the poll, whichever is later,

and a notice which is not delivered and received in such manner shall be invalid

56 4 In calculating the periods referred to in Article 55 (Content of proxy notices) and this Article 56, no account shall be taken of any part of a day that is not a working day

**57 Representation of corporations at meetings**

Subject to the Companies Act 2006, a company which is a shareholder may, by resolution of its directors or other governing body, authorise one or more persons to act as its representative or representatives at a meeting of the company or at a separate meeting of the holders of a class of shares of the company ("**corporate representative**") A director, secretary or other person authorised for the purpose by the directors may require a corporate representative to produce a certified copy of the resolution of authorisation before permitting him to exercise his powers

**WRITTEN RESOLUTIONS**

58 A resolution of the shareholders (or a class of shareholders) may be passed as a written resolution in accordance with chapter 2 of part 13 of the Companies Act 2006

**Part 5**

**MISCELLANEOUS PROVISIONS**

**COMMUNICATIONS**

**59 Means of communication to be used**

59 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient

59 1 1 If properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, forty-eight hours after it was posted,

59 1 2 If properly addressed and delivered by hand, when it was given or left at the appropriate address,

59 1 3 If properly addressed and sent or supplied by electronic means forty-eight hours after the document or information was sent or supplied, and

59 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

For the purposes of this Article 59 1, no account shall be taken of any part of a day that is not a working day

59 2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by of the Companies Act 2006

59 3 In the case of joint holders of a share, all notices or documents shall be given to the joint holder whose name stands first in the register in respect of the joint holding Notice so given shall be sufficient notice to all of the joint holders Where there are joint holders of a share, anything which needs to be agreed or specified in relation to any notice, document or other information to be sent or supplied to them can be agreed or specified by anyone of the joint holders The agreement or specification of the joint holder whose name stands first in the register will be accepted to the exclusion of the agreement or specification of any other joint holder (s) whose name(s) stand later in the register

59 4 The Company may give notice to the transmittee of a member, by sending or delivering it in any manner authorised by these Articles for the giving of notice to a member, addressed to that person by name, or by the title, of representative of the deceased or trustee of the bankrupt or representative by operation of law or by any like description, at the address (if any) within the United Kingdom supplied for the purpose by the person claiming to be so entitled Until such an address has been so supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy or operation of law had not occurred

## **ADMINISTRATIVE ARRANGEMENTS**

### **60 Company seals**

Article 49(3) of the Model Articles shall be amended by the insertion of the words "by either at least two authorised persons or" after the word "signed"

## **DIRECTORS' INDEMNITY AND INSURANCE**

### **61 Indemnity**

61 1 Subject to Article 61 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

61 1 1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer

(i) in the actual or purported execution and/or discharge of his duties, or in relation to them, and

(ii) in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),

including (in each case) 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 (or any associated company's) affairs, and

61 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 61 3 1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

61 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

61 3 In this Article 61

61 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

61 3 2 a **relevant officer** means any director or alternate director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Companies Act 2006) and may, if the shareholders so decide, include any person engaged by the company (or any associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)

## 62 Insurance

62 1 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

62 2 In this Article

62 2 1 a **relevant officer** means any director or alternate director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Companies Act 2006,

62 2 2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that officer'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

62 2 3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate