

Company No 02691453

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

DUFFIELDS (SOUTH WEST) LIMITED

(Passed on 28 October 2019)

The following resolutions were duly passed pursuant to Chapter 2 of Part 13 of the Companies Act 2006 on 28 October 2019 by members of the Company representing the required majority of total voting rights of eligible members in the case of the first as an ordinary resolution and in the case of the second as a special resolution:

ORDINARY RESOLUTION

- 1 **THAT**, in accordance with paragraph 47(3)(b) of Part 3 of Schedule 4 to The Companies Act 2006 (Commencement No. 5, Transitional Provisions and Savings) Order 2007 (SI 2007/3495), for the purposes of section 175 Companies Act 2006, the directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of duty of a director under that section to avoid a situation in which he has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Company.

SPECIAL RESOLUTIONS

- 2 **THAT:**
- 2.1 the articles of association of the Company be amended by deleting all the provisions of the Company's memorandum of association which, by virtue of section 28 Companies Act 2006, are treated as provisions of the Company's articles of association; and
- 2.2 new articles of association in the form annexed to this written resolution are approved and adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

*P. Chooe*  
Director



No. 02691453

THE COMPANIES ACT 2006

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

DUFFIELDS (SOUTH WEST) LIMITED

(Adopted by special resolution passed on  
*28 October* 2019)

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MILLS & REEVE

## INTRODUCTION

### 1 Definitions and interpretation

1.1 In these articles, unless the context requires otherwise:

**"alternate"** or **"alternate director"** has the meaning given in article 16;

**"appointor"** has the meaning given in article 16;

**"articles"** means the company's articles of association for the time being in force;

**"associated company"** means any subsidiary or holding company of the company or any other subsidiary of the company's holding company;

**"business day"** means any day (other than a Saturday, Sunday or public holiday in England) on which clearing banks in the City of London are ordinarily open for the transaction of normal banking business;

**"CA 2006"** means the Companies Act 2006;

**"call"** has the meaning given in article 24.1;

**"call notice"** has the meaning given in article 24.1;

**"company's lien"** has the meaning given in article 22.1;

**"Conflict"** has the meaning given in article 9.2;

**"eligible director"** means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);

**"group company"** means a subsidiary undertaking or parent undertaking of the company, or a subsidiary undertaking of any parent undertaking of the company;

**"lien enforcement notice"** has the meaning given in article 23.2;

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

**"Parent Company"** means Duffields Mills Limited registered in England and Wales with number 00732968;

**"qualifying person"** has the meaning in article 37.3; and

**"relevant officer"** means any 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) CA 2006), but excluding in each case any person engaged by the company (or 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.

1.2 Save as otherwise specifically provided in these articles, words and expressions which have particular meanings in the Model Articles 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 CA 2006 have the same meanings in these articles.

- 1.3 Headings in these articles are 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, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
  - 1.5.1 any subordinate legislation from time to time made under it; and
  - 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 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.
- 1.7 A reference in these articles to a “**subsidiary**”, “**holding company**”, “**undertaking**”, “**subsidiary undertaking**” or “**parent undertaking**” shall be construed in accordance with section 1159 and section 1162 of CA 2006 and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), by way of security or in connection with the taking of security, or (b) its nominee.
- 1.8 Any words importing the singular include the plural and vice versa and words importing any gender include the other genders.
- 1.9 The Model Articles apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these articles.
- 1.10 Articles 7, 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2) and (3), 19, 21, 27, 28, 29, 31, 44(2), 49, 52 and 53 of the Model Articles do not apply to the company.

## **2 Liability of members and change of name**

- 2.1 The liability of the members is limited to the amount, if any, unpaid on the shares held by them.
- 2.2 Subject to the CA 2006, the directors may by resolution change the name of the company.

### **DIRECTORS**

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

- 3.1 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 4.
- 3.2 If.
  - 3.2.1 the company only has one director for the time being; and

3.2.2 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.

#### **4 Unanimous decisions**

- 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 such a meeting.

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

- 5.1 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.

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

- 6.1 Subject to articles 3.2 and 6.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors.
- 6.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 9 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.
- 6.3 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:
  - 6.3.1 to appoint further directors; or
  - 6.3.2 to call a general meeting so as to enable the shareholders to appoint further directors.

#### **7 Casting vote**

- 7.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting has a casting vote.
- 7.2 Article 7.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the articles, the chairman or other director is not an eligible director for the purposes of that meeting (or part of a meeting).

#### **8 Transactions or other arrangements with the company**

- 8.1 Subject to the provisions of CA 2006 and provided he has declared the nature and extent of any interest of his (unless the circumstances in any of sections 177(5) and 177(6) or sections 182(5) and 182(6) CA 2006 apply, in which case no disclosure is required), a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company, notwithstanding his office:

- 8.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
- 8.1.2 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;
- 8.1.3 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 promoted by the company or in which the company is otherwise (directly or indirectly) interested;
- 8.1.4 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 CA 2006)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate which he is permitted to hold or enter into by virtue of articles 8.1.1, 8.1.2 or 8.1.3 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 CA 2006; and
- 8.1.5 shall subject to article 9.2, be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) and shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision on any matter referred to in articles 8.1.1 to 8.1.3 (inclusive) or on any resolution which in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever and if he shall vote on any such resolution his vote shall be counted.

8.2 For the purposes of this article 8, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

## **9 Directors' conflicts of interest**

9.1 A director shall be authorised for the purposes of section 175 CA 2006 to act or continue to act as a director of the company notwithstanding that at the time of his appointment or subsequently he also holds office as a director or other officer of, or is employed by, or is otherwise interested in (including by the holding of shares), any other group company and no further authorisation under article 9.2 shall be necessary in respect of any such interest.

9.2 For the purposes of section 175 CA 2006, the directors may authorise any matter proposed to them in accordance with these articles which would, if not so authorised, involve a breach of duty by a director under that section, including, without limitation, any matter which relates to a situation in which a director has, or can have, an interest which conflicts, or possibly may conflict, with the interests of the company (a "**Conflict**"). Any such authorisation will be effective only if:

- 9.2.1 any requirement as to quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and
- 9.2.2 the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

The directors may (whether at the time of the giving of the authorisation or subsequently) make any such authorisation subject to any limits or conditions they may expressly impose but such authorisation is otherwise given to the fullest extent permitted. The directors may vary or terminate any such authorisation at any time, but this will not affect anything done by the director in question prior to such variation or termination, in accordance with the terms of such authorisation.

*For the purposes of these articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.*

- 9.3 A director shall be under no duty to the company with respect to any information which he obtains or has obtained otherwise than as a director of the company and in respect of which he owes a duty of confidentiality to another person. However, to the extent that his relationship with that other person gives rise to a Conflict, this article applies only if the existence of that relationship has been authorised pursuant to article 9.1 or approved by the directors pursuant to article 9.2. In particular, the director shall not be in breach of the general duties he owes to the company by virtue of sections 171 to 177 CA 2006 (inclusive) because he fails:

9.3.1 to disclose any such information to the board or to any director or other officer or employee of the company; and/or

9.3.2 to use or apply any such information in performing his duties as a director of the company.

- 9.4 Where the existence of a director's relationship with another person has been authorised pursuant to article 9.1 or approved by the board pursuant to article 9.2 and his relationship with that person gives rise to a Conflict, the director shall not be in breach of the general duties he owes to the company by virtue of sections 171 to 177 CA 2006 (inclusive) because he:

9.4.1 absents himself from meetings of the board at which any matter relating to the Conflict will or may be discussed or from the discussion of any such matter at a meeting or otherwise; and/or

9.4.2 makes arrangements not to receive documents and information relating to any matter which gives rise to the Conflict sent or supplied by the company and/or for such documents and information to be received and read by a professional adviser,

for so long as he reasonably believes such Conflict subsists.

- 9.5 The provisions of articles 9.3 and 9.4 are without prejudice to any equitable principle or rule of law which may excuse the director from:

9.5.1 disclosing information, in circumstances where disclosure would otherwise be required under these articles; or

9.5.2 attending meetings or discussions or receiving documents and information as referred to in article 9.4, in circumstances where such attendance or receipt of such documents and information would otherwise be required under these articles.

- 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 in accordance with article 9.1 or 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.

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

- 10.1 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.

## **11 Number of directors**

- 11.1 Unless otherwise determined by notice given by the Parent Company, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than one. A sole director shall have all the powers, duties and discretions conferred on or vested in the directors by these articles.

## **12 Methods of appointing directors**

- 12.1 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.

12.1.1 by notice given by the Parent Company pursuant to article 43; or

12.1.2 by ordinary resolution; or

12.1.3 by a decision of the directors.

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

- 13.1 Article 18 of the Model Articles is amended by:

13.1.1 the insertion of the words "as director" after the words "resigning from office," in paragraph (f); and

13.1.2 the insertion of the words "a notice in writing is served upon the director and the company signed by the Parent Company removing that person from office as director." as a new paragraph (g) at the end of that article.

## **14 Directors' remuneration**

- 14.1 Directors may undertake any services for the company that the Parent Company decides.

- 14.2 Directors are entitled to such remuneration as the Parent Company determines:

14.2.1 for their services to the company as directors; and

14.2.2 for any other service which they undertake for the company.

- 14.3 Subject to the articles, a director's remuneration may:

14.3.1 take any form; and



14.3.2 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.

14.4 Unless the Parent Company decides otherwise, directors' remuneration accrues from day to day.

## **15 Directors' expenses**

15.1 Article 20 of the Model Articles is amended by the insertion of the words "(including alternate directors) and the company secretary" before the words "properly incur".

## **16 Appointment and removal of alternate directors**

16.1 Any director ("**appointor**") may appoint as an alternate any other director, or any other person approved by notice in writing by the Parent Company, to:

16.1.1 exercise that director's powers; and

16.1.2 carry out that director's responsibilities

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

16.2 Any appointment or removal of an alternate must be effected by notice in writing to the company (marked for the attention of the chairman or company secretary (if any)) signed by the appointor, or in any other manner approved by the directors.

16.3 The notice must:

16.3.1 identify the proposed alternate; and

16.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.

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

17.1 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.

17.2 Except as the articles specify otherwise, alternate directors:

17.2.1 are deemed for all purposes to be directors;

17.2.2 are liable for their own acts and omissions;

17.2.3 are subject to the same restrictions as their appointors; and

17.2.4 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 member.

17.3 A person who is an alternate director but not, in the absence of such appointment, a director:

- 17.3.1 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);
  - 17.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
  - 17.3.3 shall not be counted as more than one director for the purposes of articles 17.3.1 and 17.3.2.
- 17.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.
- 17.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but 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.

## **18 Termination of alternate directorship**

- 18.1 An alternate director's appointment as an alternate terminates:
- 18.1.1 when the alternate's appointor revokes the appointment by notice to the company in writing (marked for the attention of the chairman or company secretary (if any)) specifying when it is to terminate;
  - 18.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
  - 18.1.3 on the death of the alternate's appointor;
  - 18.1.4 when the alternate's appointor's appointment as a director terminates; or
  - 18.1.5 when the Parent Company revokes the appointment by notice to the alternate, the alternate's appointor and the company in writing.

## **19 Secretary**

- 19.1 Subject to the prior approval in writing by the Parent Company, 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 to appoint a replacement, in each case by a decision of the directors.

## **SHARES AND DISTRIBUTIONS**

## **20 Directors' authority to allot shares**

- 20.1 Save to the extent authorised by these articles, or authorised from time to time by the Parent Company, 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.

- 17.3.1 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);
  - 17.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
  - 17.3.3 shall not be counted as more than one director for the purposes of articles 17.3.1 and 17.3.2.
- 17.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.
- 17.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but 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.

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  - 18.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
  - 18.1.3 on the death of the alternate's appointor;
  - 18.1.4 when the alternate's appointor's appointment as a director terminates; or
  - 18.1.5 when the Parent Company revokes the appointment by notice to the alternate, the alternate's appointor and the company in writing.

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- 19.1 Subject to the prior approval in writing by the Parent Company, 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 to appoint a replacement, in each case by a decision of the directors.

## **SHARES AND DISTRIBUTIONS**

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## **21 Exclusion of statutory pre-emption rights**

- 21.1 Pursuant to section 567 CA 2006, the provisions of section 561 CA 2006 (existing shareholders' right of pre-emption) and section 562 CA 2006 (communication of pre-emption offers to shareholders) shall not apply to an allotment of equity securities (as defined in section 560 CA 2006) made by the company.

## **22 Company's lien over shares**

- 22.1 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.
- 22.2 The company's lien over a share:
- 22.2.1 takes priority over any third party's interest in that share; and
  - 22.2.2 extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.
- 22.3 The directors may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part.

## **23 Enforcement of the company's lien**

- 23.1 Subject to the provisions of this article, if:
- 23.1.1 a lien enforcement notice has been given in respect of a share; and
  - 23.1.2 the person to whom the notice was given has failed to comply with it
- the company may sell that share in such manner as the directors decide.
- 23.2 A lien enforcement notice:
- 23.2.1 may only be given in respect of a share which is subject to the company's lien and in respect of a sum payable to the company for which the due date for payment has passed;
  - 23.2.2 must specify the share concerned;
  - 23.2.3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
  - 23.2.4 must be addressed to either the holder of the share or to a transmittee of that holder;
  - 23.2.5 must state the company's intention to sell the share if the notice is not complied with; and
  - 23.2.6 may only be given with the prior written consent of the Parent Company.

23.3 Where shares are sold under this article 23:

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

23.3.2 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.

23.4 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:

23.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and

23.4.2 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 over the shares before the sale for any money payable (whether payable immediately or at some time in the future) as existed upon 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 or his estate) after the date of the lien enforcement notice.

23.5 A statutory declaration by a director or the company secretary (if any) that the declarant is a director or the company secretary and that a share has been sold to satisfy the company's lien on a specified date:

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

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

## **24 Call notices**

24.1 Subject to the articles and to the terms on which shares are allotted, the directors may, with the prior written consent of the Parent Company, send a notice ("**call notice**") to a shareholder requiring the shareholder to pay the company a specified sum of money ("**call**") which is payable in respect of shares in the company held by that shareholder at the date when the directors decide to send the call notice.

24.2 A call notice:

24.2.1 may not require a shareholder to pay a call which exceeds the total sum unpaid on that shareholder's shares (whether in respect of nominal value or premium);

24.2.2 must state when and how any call to which it relates is to be paid; and

24.2.3 may permit or require the call to be made in instalments.

24.3 A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 clear days (that is, excluding the date on which the notice is

given and the date on which that 14 day period expires) have passed since the notice was sent.

24.4 Before the company has received any call due under a call notice the directors may:

24.4.1 revoke it wholly or in part; or

24.4.2 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.

## **25 Liability to pay calls**

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

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

25.3 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:

25.3.1 to pay calls which are not the same; or

25.3.2 to pay calls at different times.

## **26 When call notice need not be issued**

26.1 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the company in respect of that share (whether in respect of nominal value or premium):

26.1.1 on allotment;

26.1.2 on the occurrence of a particular event; or

26.1.3 on a date fixed by or in accordance with the terms of issue.

26.2 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.

## **27 Failure to comply with call notice: automatic consequences**

27.1 If a person is liable to pay a call and fails to do so by the call payment date:

27.1.1 the directors may issue a notice of intended forfeiture to that person; and

27.1.2 until the call is paid, that person must pay the company interest on the call from the call payment date at the relevant rate.

27.2 For the purposes of this article 27:

27.2.1 the “**call payment date**” is, subject to article 24.3, the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the “**call payment date**” is that later date; and

27.2.2 the “**relevant rate**” is

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

27.3 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

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

## **28 Notice of intended forfeiture**

28.1 A notice of intended forfeiture:

- 28.1.1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;
- 28.1.2 must be sent to the holder of that share (or all the joint holders of that share) or to a transmittee of that holder;
- 28.1.3 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 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
- 28.1.4 must state how the payment is to be made; and
- 28.1.5 must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

## **29 Directors’ power to forfeit shares**

29.1 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.

## **30 Effect of forfeiture**

30.1 Subject to the articles, the forfeiture of a share extinguishes:

- 30.1.1 all interests in that share, and all claims and demands against the company in respect of it; and
- 30.1.2 all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company.

30.2 Any share which is forfeited in accordance with the articles:

- 30.2.1 is deemed to have been forfeited when the directors decide that it is forfeited;
  - 30.2.2 is deemed to be the property of the company; and
  - 30.2.3 may be sold, re-allotted or otherwise disposed of as the directors think fit.
- 30.3 If a person's shares have been forfeited:
- 30.3.1 the company must send that person notice that forfeiture has occurred and record it in the register of shareholders;
  - 30.3.2 that person ceases to be a shareholder in respect of those shares;
  - 30.3.3 that person must surrender the certificate for the shares forfeited to the company for cancellation;
  - 30.3.4 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
  - 30.3.5 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.
- 30.4 At any time before the company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls, interest and expenses due in respect of it and on such other terms as they think fit.

### **31 Procedure following forfeiture**

- 31.1 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.
- 31.2 A statutory declaration by a director or the company secretary (if any) that the declarant is a director or the company secretary and that a share has been forfeited on a specified date:
- 31.2.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
  - 31.2.2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.
- 31.3 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.
- 31.4 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:
- 31.4.1 was, or would have become, payable; and
  - 31.4.2 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 Surrender of shares**

32.1 A shareholder may surrender any share:

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

32.1.2 which the directors may forfeit; or

32.1.3 which has been forfeited.

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

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

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

## **33 Replacement share certificates**

33.1 In article 25(2)(c) of the Model Articles, the words “evidence, indemnity and the payment of a reasonable fee” are deleted and replaced with the words “evidence and indemnity”.

## **34 Share transfers**

34.1 Article 26 of the Model Articles is amended by the deletion of paragraph (5) of that article and the insertion in its place of the following:

“(5) No shareholder shall transfer any share except with the prior consent in writing of the Parent Company.

(6) The directors shall register any duly stamped transfer made in accordance with this article and shall not have any discretion to register any transfer of shares which has not been made in compliance with this article.”

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

35.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it shall be paid by:

35.1.1 such method of payment as the Parent Company shall by notice to the directors direct in accordance with article 43; or

35.1.2 any other means of payment as the directors may agree with the distribution recipient in writing.

35.2 In the articles, “distribution recipient” means, in respect of a share in respect of which a dividend or other sum is payable:

35.2.1 the holder of the share; or

35.2.2 if the share has two or more joint holders, whichever of them is named first in the register of members.

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

- 36.1 Article 36(1) of the Model Articles is amended by the deletion of the words “an ordinary resolution” and the insertion in their place of the words “the Parent Company by notice in writing in accordance with article 43”.

**DECISION MAKING BY SHAREHOLDERS**

**37     Quorum for general meetings**

- 37.1 If the company has only one shareholder, one qualifying person present at a meeting is a quorum.
- 37.2 If the company has more than one shareholder, two qualifying persons present at a meeting are quorum, unless each is a representative of a corporation or each is appointed as proxy of a shareholder and they are representatives of the same corporation or are proxies of the same shareholder.
- 37.3 For the purposes of these articles, a “**qualifying person**” is:
- 37.3.1 an individual who is a shareholder of the company;
  - 37.3.2 a person authorised to act as the representative of a corporation in relation to the meeting; or
  - 37.3.3 a person appointed as proxy of a shareholder in relation to the meeting.

**38     Poll votes**

- 38.1 A poll may be demanded at any general meeting by any qualifying person present and entitled to vote at the meeting.
- 38.2 Article 44(3) of the Model Articles is 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.

**39     Proxies**

- 39.1 Article 45(1)(d) of the Model Articles is 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 the general meeting (or adjourned meeting) to which they relate”.
- 39.2 Article 45(1) of the Model Articles is amended by the insertion of the words “and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting.” as a new paragraph at the end of that article.

**ADMINISTRATIVE ARRANGEMENTS**

**40     Service of notices and other documents**

- 40.1 Subject to articles 40.2 and 40.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

- 40.1.1 if delivered by hand, on signature of a delivery receipt; or
- 40.1.2 if sent by fax, at the time of transmission; or
- 40.1.3 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
- 40.1.4 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth business day after posting; or
- 40.1.5 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt; or
- 40.1.6 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
- 40.1.7 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
- 40.1.8 if deemed receipt under the previous paragraphs of this article 40.1 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 am 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.

40.2 To prove service, it is sufficient to prove that:

- 40.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- 40.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- 40.2.3 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- 40.2.4 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

40.3 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 addressed to an address permitted for the purpose by CA 2006.

## **41 Indemnity**

41.1 Subject to the provisions of, and so far as may be consistent with, the Companies Acts and any other provision of law, but without prejudice to any indemnity to which a relevant officer may otherwise be entitled, the company may indemnify every relevant officer out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties and/or the actual or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office, including (without prejudice to the generality of the foregoing) any liability incurred by him in relation to any proceedings (whether civil or

criminal) or any regulatory investigation or action which relate to anything done or omitted or alleged to have been done or omitted by him as a relevant officer provided that, in the case of any director, any such indemnity shall not apply to any liability of that director:

41.1.1 to the company or to any of its associated companies;

41.1.2 to pay any fine imposed in criminal proceedings or any sum payable to a regulatory authority by way of penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or

41.1.3 incurred:

(iv) in defending any criminal proceedings in which he is convicted or any civil proceedings brought by the company, or any of its associated companies, in which judgment is given against him; or

(v) in connection with any application under any statute for relief from liability in respect of any such act or omission in which the court refuses to grant him relief,

in each case where the conviction, judgment or refusal of relief by the court is final within the meaning stated in section 234(5) CA 2006.

41.2 Subject to the provisions of, and so far as may be consistent with, the Companies Acts and any other provision of law, every relevant officer may be entitled to have funds provided to him by the company to meet expenditure incurred or to be incurred in connection with any proceedings (whether civil or criminal), investigation or action brought by any party which relate to anything done or omitted or alleged to have been done or omitted by him as a director, provided that he will be obliged to repay such amounts no later than:

41.2.1 in the event he is convicted in proceedings, the date when the conviction becomes final;

41.2.2 in the event of judgment being given against him in proceedings, the date when the judgment becomes final; or

41.2.3 in the event of the court refusing to grant him relief on any application under any statute for relief from liability, the date when refusal becomes final

in each case where the conviction, judgment or refusal of relief by the court is final within the meaning stated in section 234(5) CA 2006.

## **42 Insurance**

42.1 The directors shall purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

42.2 In this article 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, any associated company or any pension fund or employees' share scheme of the company or associated company.

## **OVERRIDING PROVISIONS**

**43     Matters requiring parent company consent**

- 43.1     Whenever the Parent Company, or any subsidiary of the Parent Company, shall be the holder of not less than 90% of the issued ordinary shares of the company, the following provisions shall apply and to the extent of any inconsistency shall have overriding effect as against all other provisions of these articles.
- 43.2     The Parent Company may at any time and from time to time:
- 43.2.1     appoint any person to be a director of the company or remove from office any director howsoever appointed but so that in the case of a managing director or a director appointed to any other executive office his removal from office shall be deemed an act of the company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the company;
- 43.2.2     impose restrictions on all or any of the powers of the directors to such extent as the Parent Company may by notice to the company prescribe.
- 43.3     No shares or other securities in the company shall be issued or agreed to be issued, nor shall any rights to subscribe for or to convert into shares or any other securities of the company be granted or agreed to be granted without the consent of the Parent Company.
- 43.4     Any appointment, removal or notice of the Parent Company made or given under this article 43 shall be in writing served on the company and signed on behalf of the Parent Company by any one of its directors or by its company secretary (if any) or by some other person duly authorised for the purpose.
- 43.5     No person dealing with the company shall be concerned to see or enquire whether the powers of the directors have been in any way restricted pursuant to these articles or whether any requisite consent of the Parent Company has been obtained and no obligation incurred or security given or transaction effected by the company to or with any third party shall be invalid or ineffectual unless the third party has at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the directors.