

Company number. 03241102

THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
WRITTEN RESOLUTIONS

- of -

MELCRUM LIMITED (the "Company")

5 February 2013 (the "Circulation Date")

Pursuant to chapter 2 of part 13 of the Companies Act 2006, the directors of the Company propose that

- (a) resolution 1 is passed as an ordinary resolution (the "**Ordinary Resolution**"),  
and
- (b) resolution 2 below is passed as a special resolution (the "**Special Resolution**")

**ORDINARY RESOLUTION**

It is hereby resolved THAT

- 1 for the purposes of paragraph 47(3)(b) of Schedule 4 to the Companies Act 2006 (Commencement No 5, Transitional Provisions and Savings) Order 2007, authorisation of conflicts of interest may be given by the directors in accordance with section 175(5)(a) of the Companies Act 2006 at any time following the passing of this resolution

**SPECIAL RESOLUTION**

- 2 the articles of association contained in the document attached to this Resolution and initialled be approved and adopted as the new articles of association of the Company in substitution for and to the entire exclusion of the existing articles of association

**AGREEMENT**

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

The undersigned, being a member of the Company entitled to vote on the Resolutions on the Circulation Date, hereby irrevocably agrees to the Resolutions

Signed

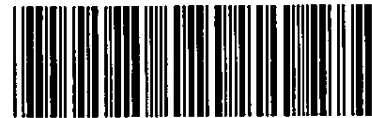
Name

Date

*Victoria Mellor*  
VICTORIA MELLOR  
5/2/13

(PRINT NAME)

WEDNESDAY



A13 \*A2345IWP\* #216  
27/02/2013  
COMPANIES HOUSE

## NOTES

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

- (i) **by hand** delivering the signed copy to Victoria Mellor at 29 Long Lane, London SE1 4PL, or
- (ii) **by post** returning the signed copy by post to Victoria Mellor at 29 Long Lane, London SE1 4PL, or

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

- (b) Once you have indicated your agreement to the Resolutions, you may not revoke your agreement
- (c) Unless, within 28 days of the Circulation Date, sufficient agreement has been received from the required majority of eligible members for the Resolutions to be passed, it will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us on or before this date
- (d) 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

Company number: 3241102

**THE COMPANIES ACT 2006**

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**COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**of**

**MELCRUM LIMITED**

(Adopted by special resolution of the shareholders of the company  
dated *5 February* 2013)

**1. Preliminary**

- 1 1 Except as otherwise provided in these articles the Model Articles shall apply to the company. In the case of any inconsistency between these articles and the Model Articles, the provisions of these articles shall prevail. A copy of the Model Articles is set out in the schedule 1 to these articles.
- 1 2 Articles 7(2), 8, 9(3), 9(4), 11(2)), 14, 15, 18, 19(2), 19(4), 20, 21, 24(1) and (2), 26(1), 26(5), 27, 28, 29 31(1), 36(4), 41(1), 43, 44(4), 45(1), 46(4), 52 and 53 of the Model Articles shall not apply.
- 1 3 Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) shall not apply to the company.

**2. Definitions and interpretation**

- 2 1 In these articles the following words and expressions (except where the context otherwise requires) have the following meanings

**"Accepting Shareholder"** has the meaning given in article 16 3,

**"Act"** means the Companies Act 2006,

**"Acting in Concert"** bears the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time),

**"Allocation Notice"** has the meaning given in article 12 1,

**"Allotment Notice"** has the meaning given in article 7 1,

**"Associate"** in relation to any person means any person who is an associate of such person and the question of whether a person is an associate of another is to be

determined in accordance with section 435 of the Insolvency Act 1986, and (whether or not an associate as so determined),

**"Auditors"** means the auditors of the company from time to time,

**"Bad Leaver"** means a person who having been a director and/or employee of the company becomes a Leaver and is not a Good Leaver,

**"Business Day"** means a day other than a day which is a Saturday, a Sunday or public holiday in England,

**"Call Notice"** has the meaning given in article 34 1,

**"Called Shareholders"** has the meaning given in article 15 3,

**"Controlling Interest"** means an interest in Shares giving to the holder or holders control of the company within the meaning of section 1124 of the Corporation Tax Act 2010,

**"Drag Along Notice"** has the meaning given in article 15 1,

**"electronic address"** has the same meaning as in section 333(4) of the Act,

**"electronic form"** and **"electronic means"** have the same meaning as in section 1168 of the Act,

**"Eligible Directors"** 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 a particular matter),

**"Eligible Shareholders"** has the meaning given in article 10 6,

**"Encumbrance"** includes a mortgage, charge, lien, pledge, right of pre-emption, option, covenant, restriction, lease, trust, order, decree, title defect or any other security interest or conflicting claim of ownership or right to use or any other third party right,

**"Expert Valuers"** has the meaning given in article 18 1(a),

**"Extra Shares"** has the meaning given in article 10 6(iv),

**"Fair Value"** is as determined in accordance with article 18 3(a),

**"Good Leaver"** means a person who having been a director and/or employee of the company becomes a Leaver in circumstances of

- (a) dismissal by the company (or a member of the Group) which is determined by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal to be wrongful,
- (b) ill health,
- (c) permanent mental or physical incapacity,
- (d) death,
- (e) retirement where the board of directors determines that he is a Good Leaver, or

- (f) where the board of directors of the company deem, in their absolute discretion, that he is a Good Leaver

**"hard copy form"** has the same meaning as in section 1168(2) of the Act,

**"Leaver"** means a person who, having been a director and/or employee of the company, has ceased to be a director and/or employee of the company,

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

**"New Shares"** has the meaning given in article 4 2,

**"Nominated Director"** means a director appointed by a Shareholder under article 25 2,

**"Offer"** has the meaning given in article 15 1,

**"Officer"** has the meaning given in section 1173(1) of the Act,

**"Original Shareholder"** has the meaning given in article 9 1,

**"Permitted Group"** in relation to a Shareholder which is an undertaking, means the group of undertakings consisting of

- (a) any undertaking which is the parent undertaking of that Shareholder,
- (b) the subsidiary undertakings of any such parent undertaking or of the Shareholder from time to time,

except that it shall not include any undertaking in the capital of which a person other than the undertakings referred to in paragraphs (a) and (b) of this definition has any economic interest whether as a member or as the beneficial owner of any shares or by virtue of any contractual arrangement or in any other manner,

**"Permitted Transferee"** in relation to a Shareholder who is an individual, means anyone who is his Privileged Relation (and who is not a minor or otherwise lacking in the legal capacity to be registered as the holder of a Share) and anyone who is his Trustee and in relation to a Shareholder which is an undertaking means any member of the same Permitted Group as that Shareholder,

**"Permitted Transferor"** means in relation to any person to whom Shares have been transferred pursuant to article 9 1, the person who first transferred the Shares held by such person pursuant to that article (whether or not that person transferred those Shares directly to that person),

**"Privileged Relation"** in relation to a Shareholder means the spouse, Unmarried Partner, children and grandchildren (including step and adopted children) and their issue of

- (a) that Shareholder if he is the beneficial owner of his Shares, or
- (b) if that Shareholder holds his Shares as trustee, the settlor or any beneficiary of the trust of which that Shareholder is trustee but not including any such beneficiary unless he would, if the settlor was a Shareholder, be a Privileged Relation of the settlor,

**"Proportionate Allocation"** has the meaning given in article 5(d),

**"Proposed Transfer"** has the meaning given in article 16 1,

**"Proposed Transferee"** has the meaning given in article 16 1,

**"Proposing Seller"** has the meaning given in article 16 1,

**"Purchaser"** has the meaning given in article 15 1,

**"Qualifying Company"** has the meaning given in article 9 4,

**"Relevant Officer"** means any director or other Officer or former director or Officer of the company or an associated company (within the meaning given in article 32 4),

**"Relevant Shareholder"** means a Shareholder who is or was at any time a director or employee of the company or who is a Permitted Transferee of a person who is or was at any time a director or employee of the company,

**"Sale Shares"** has the meaning given in article 10 1(a),

**"Section 431 ITEPA Election"** means an election made by a Shareholder pursuant to section 431(1) of the Income Tax (Earnings and Pensions) Act 2003,

**"Securities"** means equity securities, shares, warrants, options, loan notes or other rights to subscribe for, acquire or convert into share or equity securities in the company issued by the company,

**"Seller"** has the meaning given in article 10 1,

**"Share"** means each ordinary share of 1p in the capital of the company,

**"Shareholder"** means a person registered as the holder of a Share,

**"Transfer Notice"** has the meaning given in article 10 1,

**"Transfer Price"** has the meaning given in article 10 1(c),

**"Trustees"** in relation to a Shareholder means the trustee or trustees of a trust set up by him as settlor wholly for the benefit of beneficiaries consisting only of any of himself and his Privileged Relations, and

**"Unmarried Partner"** means in relation to a Shareholder

- (a) a civil partner (as defined in the Civil Partnerships Act 2004) of the Shareholder, or
- (b) a person living in the same household as the Shareholder as his or her wife or husband

2 2 Words and expressions defined in the Model Articles (or, in the absence of such definition therein, in the Act) shall have the same meaning in these articles unless the context requires otherwise

2 3 In these articles

- (a) reference to

- (i) any statute or statutory provision includes a reference
  - (A) to that statute or statutory provision as from time to time consolidated, modified, re-enacted (with or without modification) or replaced by any statute or statutory provision, and
  - (B) any subordinate legislation made under the relevant statutory provision,
- (ii) the singular includes the plural and vice versa and any gender includes other genders,
- (iii) reference to presence at a meeting includes presence which is deemed in accordance with these articles and in the case of a general meeting or class meeting includes presence in person or by proxy or by duly authorised representative (and "**present**" is to be construed accordingly),
- (b) the words, "**parent undertaking**", "**subsidiary undertaking**" and "**undertaking**" have the meanings given to them in sections 1162 and 1161 of the Act,
- (c) the word "**control**" has the meaning given in section 1124 of the Corporation Tax Act 2010,
- (d) the words "**include**", "**including**" and "**in particular**" are to be construed as being by way of illustration or emphasis only and are not to be construed so as to limit the generality of any words preceding them,
- (e) the words "**other**" and "**otherwise**" are not to be construed as being limited by any words preceding them, and
- (f) the table of contents and the headings to clauses and schedules are to be ignored in construing this agreement

### 3. Objects

The objects of the company are unlimited

### 4. Allotment of Shares

4 1 Section 561(1) of the Act shall not apply to an allotment of equity securities made by the company

4 2 Unless otherwise determined by special resolution, if the directors propose to allot any Shares it shall make offers to the Shareholders of the Shares to be allotted (the "**New Shares**") in the manner set out in articles 5, 6 and 7

### 5. Invitation to subscribe

The directors shall give notice in writing to each Shareholder

- (a) giving details of the number and subscription price of the New Shares,
- (b) inviting him to apply for the New Shares at the Transfer Price,

- (c) stating that he will have a period of 15 Business Days from the date of the notice in which to apply,
- (d) stating that, if there is competition among the Eligible Shareholders for the New Shares, the New Shares will be allocated to him in proportion (as nearly as may be) to his existing holdings of Shares (his "**Proportionate Allocation**") or, if less, to the number of New Shares applied for by him,
- (e) inviting him to indicate if he is willing to purchase New Shares in excess of his Proportionate Allocation ("**Extra Shares**") and, if so, the number of Extra Shares

## 6. Allocation

On expiry of an offer made in accordance with article 5 (or sooner if applications have been received from all Shareholders), the company shall allot the New Shares as follows

- (a) if the total number of New Shares applied for is equal to or less than the New Shares offered, each Shareholder shall be allocated the number applied for by him, or
- (b) if the total number of New Shares applied for is more than the New Shares offered, each Eligible Shareholder shall be allocated his Proportionate Allocation or, if less, the number of New Shares for which he has applied, and
- (c) applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Shareholders applying for Extra Shares in proportion to their Proportionate Allocations but so that no applicant shall be allocated more Extra Shares than he has applied for and so that if there is a surplus further allocations shall be made on the same basis (and if necessary more than once) until all Shares have been allocated,
- (d) fractional entitlements shall be rounded to the nearest whole number

## 7 Allotment Notices

- 7 1 Once the allocation of the New Shares has been determined in accordance with Article 6 the directors shall give written notice of allotment (the "**Allotment Notice**") to each Shareholder
- 7 2 The Allotment Notice shall specify the number of New Shares allotted to each applicant and the place and time (being not less than 14 nor more than 28 days after the date of the Allotment Notice) by which Shareholders are obliged to make payment to the company for the New Shares allotted to them
- 7 3 On payment by a Shareholder for his New Shares the directors shall procure that a certificate for them is issued to him and that his name is entered in the register of members

## 8. Transfer of Shares

- 8 1 In articles 8 to 17 (inclusive), reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or in the economic rights attaching to that Share, the creation of a trust or encumbrance over that Share or the



economic rights attaching to that Share or the renunciation of a renounceable letter of allotment in respect of that Share and reference to a Share includes a beneficial or other interest in a Share

8 2 No Share may be transferred unless the transfer is made in accordance with these articles

8 3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him

8 4 Shares may be transferred in accordance with these articles by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of

(a) the transferor, and

(b) (if any of the Shares is partly paid) the transferee,

save that where such instrument of transfer is in respect of the first transfer of a Share issued on the incorporation of the company whether or not fully paid, article 8 4(b) does not apply

8 5 Any transfer of a Share by way of sale which is required to be made under articles 14 to 17 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee

8 6 The directors may refuse to register a transfer if

(a) it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind,

(b) it is a transfer of a Share to an employee, director or prospective employee or prospective director of the company or subsidiary undertaking of the company and such person has not entered in a joint Section 431 ITEPA Election with the company or relevant employing subsidiary undertaking in respect of that Share,

(c) it is a transfer of a Share which is not fully paid

(i) to a person of whom the directors do not approve, or

(ii) on which Share the company has a lien,

(d) the transfer is not lodged at the registered office or at such other place as the directors may appoint,

(e) the transfer is not accompanied by the certificate for the Shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer,

(f) the transfer is in respect of more than one class of Shares, or

(g) the transfer is in favour of more than four transferees

8 7 If the directors refuse to register a transfer, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent

## **9. Permitted transfers**

- 9 1 A Shareholder who proposes to transfer Shares (the "**Original Shareholder**") may transfer all or any of his or its Shares to a Permitted Transferee and where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Shares to those Permitted Transferees
- 9 2 Shares previously transferred as permitted by article 9 1 or this article may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder
- 9 3 If a Permitted Transferee who was a member of the same Permitted Group as the Original Shareholder ceases to be a member of that Permitted Group, he must, not later than the date five Business Days after the date on which he so ceases, transfer his Shares to the Original Shareholder or a member of the same Permitted Group as the Original Shareholder failing which he will be deemed to have given a Transfer Notice
- 9 4 Trustees may
- (a) transfer a Share to a company of which they hold the whole of the share capital and which they control (a "**Qualifying Company**"), or
  - (b) transfer a Share to the Original Shareholder or to another Permitted Transferee of the Original Shareholder
- 9 5 If a company to which a Share has been transferred under article 9 4 ceases to be a Qualifying Company, it must, not later than the date 10 Business Days after the date on which it so ceases, transfer the Shares held by it to the Trustees or to a Qualifying Company failing which it will be deemed to have given a Transfer Notice in respect of that Share
- 9 6 If a Permitted Transferee who is a spouse or Unmarried Partner of the Original Shareholder ceases to be his spouse or Unmarried Partner by reason of divorce, dissolution or otherwise, he must, within 10 Business Days of so ceasing either
- (a) execute and deliver to the company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder for such consideration as may be agreed between them, or
  - (b) give a Transfer Notice to the company in accordance with article 10 1,
- failing which he shall be deemed to have given a Transfer Notice
- 9 7 Subject to article 9 1, on the death, bankruptcy or liquidation of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy or its liquidator must, within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the passing of a resolution or making of an order for winding up, execute and deliver to the company a transfer of the Shares held by the Permitted Transferee. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within such five Business Day period or if the Original Shareholder has died or is bankrupt or in liquidation, the personal representative, trustee in bankruptcy, or liquidator will be deemed to have given a Transfer Notice in respect of the Relevant Shares

- 9 8 A Shareholder may transfer a Share held by him to the company in accordance with the provisions of the Act and such transfer shall be subject to the pre-emption provisions set out in article 10
- 9 9 A Shareholder may transfer a Share where required under article 15 3 following the service of a Drag Along Notice
- 9 10 A Shareholder may transfer a Share which is required to be transferred as a result of the acceptance of any offer made in accordance with article 16 (Transfers of substantial interests - tag along)

#### **10. Pre-emption on transfer**

- 10 1 A Shareholder who wishes to transfer Shares otherwise than as permitted under article 9 (a "**Seller**") shall give notice in writing (a "**Transfer Notice**") to the company specifying
- (a) the number of Shares which he wishes to transfer (the "**Sale Shares**"),
  - (b) if he wishes to sell the Sale Shares to a person who is not a Shareholder, the name of that person,
  - (c) the price (in cash) at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is specified) (the "**Transfer Price**"), and
  - (d) whether the Transfer Notice is conditional on applications being received for all or a specified number of the Sale Shares (a "**Minimum Transfer Condition**")
- 10 2 If a Transfer Notice is deemed to have been given under these articles, the Transfer Notice will be treated as having specified that
- (a) the Transfer Price for the Sale Shares will be as agreed between the directors (any director with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement not later than the date five Business Days after the date on which the Transfer Notice is deemed to have been given, will be the Fair Value of the Sale Shares, and
  - (b) it does not include a Minimum Transfer Condition
- 10 3 Except with the consent of the directors, no Transfer Notice once given or deemed to have been given under these articles may be withdrawn
- 10 4 A Transfer Notice constitutes the company the agent of the Seller for the sale of the Sale Shares at the Transfer Price
- 10 5 As soon as practicable following the later of
- (a) receipt of a Transfer Notice, and
  - (b) in the case of a deemed Transfer Notice, the determination of the Transfer Price under article 10 2,

the directors may give notice to the Shareholders that the company will be seeking authority under section 694 of the Act for the company to purchase the Sale Shares

- 10 6 If

- (a) the directors do not give notice under article 10.5 on or before the date 15 Business Days after the first date on which it could do so, or
- (b) such a notice is so given but no authority under section 694 is obtained within a further period of 20 Business Days,

the directors shall give notice in writing to each Shareholder other than the Seller (each an "**Eligible Shareholder**")

- (c) inviting him to apply for the Sale Shares at the Transfer Price,
- (d) stating that he will have a period of 25 Business Days from the date of the notice in which to apply,
- (e) stating that, if there is competition among the Eligible Shareholders for the Sale Shares, the Sale Shares will be allocated to him in proportion (as nearly as may be) to his existing holdings of Shares (his "**Proportionate Allocation**") or, if less, to the number of Shares applied for by him,
- (f) inviting him to indicate if he is willing to purchase Sale Shares in excess of his Proportionate Allocation ("**Extra Shares**") and, if so, the number of Extra Shares

## 11. Allocation

On expiry of an offer made in accordance with article 10.6 (or sooner if applications have been received from all Eligible Shareholders), the directors shall allocate the Sale Shares as follows

- (a) if the total number of Sale Shares applied for is equal to or less than the number of Sale Shares, each Eligible Shareholder shall be allocated the number applied for by him, or
- (b) if the total number of Sale Shares applied for is more than the available number of Sale Shares, each Eligible Shareholder shall be allocated his Proportionate Allocation or, if less, the number of Sale Shares for which he has applied, and
- (c) applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Shareholders applying for Extra Shares in proportion to their Proportionate Allocations but so that no applicant shall be allocated more Extra Shares than he has applied for and so that if there is a surplus further allocations shall be made on the same basis (and if necessary more than once) until all Shares have been allocated,
- (d) fractional entitlements shall be rounded to the nearest whole number

## 12. Allocation Notices

- 12.1 If the Transfer Notice does not include a Minimum Transfer Condition or if such condition has been fulfilled, the directors shall give written notice of allocation (an "**Allocation Notice**") to the Seller in accordance with article 11
- 12.2 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for by Applicants is less than the specified minimum, the directors shall send a further written invitation, open for 20 Business Days, to those to whom Sale Shares have been allocated to apply for further Sale Shares and completion of

the sale of the Sale Shares shall be conditional on the minimum number of Sale Shares then being applied for. On fulfilment of such condition the directors shall give an Allocation Notice to the Seller and each of the persons to whom Sale Shares have been allocated

- 12 3 An Allocation Notice shall specify the number of Sale Shares to be allocated to each applicant and the place and time (being not less than 14 nor more than 28 days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares

### **13. Completion of Transfer of Sale Shares**

- 13 1 On service of an Allocation Notice, the Seller shall, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it

- 13 2 If the Seller fails to comply with the provisions of article 13 1

- (a) the chairman of the company or, failing him, one of the directors, or some other person nominated by a resolution of the directors, may on behalf of the Seller
  - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,
  - (ii) receive the Transfer Price and give a good discharge for it and (subject to the transfer being duly stamped) enter each Applicant in the register of members as the holders of the Shares applied for by him, and
- (b) the company shall pay the Transfer Price into a separate bank account in the company's name on trust (but without interest) for the Seller until he has delivered to the company his certificate for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate)

### **14. Right to transfer unallocated Shares**

- 14 1 If an Allocation Notice does not relate to all the Sale Shares then, subject to article 14 2, the Seller may, within eight weeks after service of the Allocation Notice, transfer (subject to article 8 2) the unsold Sale Shares to any person specified in a Transfer Notice at a price at least equal to the Transfer Price

- 14 2 The right of the Seller to transfer Shares under article 14 1 does not apply if the directors are of the opinion on reasonable grounds that

- (a) the transferee is a person (or a nominee for a person) who is a competitor with (or an Associate of a competitor with) the business of the company or with a subsidiary undertaking (as defined in section 1162 of the Act) of the company,
- (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or
- (c) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the directors for the purpose of enabling it to form the opinion mentioned above

## **15. Drag along**

- 15 1 If a bona fide third party who is not an Associate of a Shareholder (the "**Purchaser**") makes an arms' length offer to the Shareholders on the same terms for each Shareholder (the "**Offer**") to acquire all of their Shares for cash (or for assets for which there is a ready market for sale in exchange for cash) then Shareholders who wish to accept the Offer and who hold between them at least 75 per cent of the issued Shares may give written notice to the company signed by or on behalf of all of them (the "**Drag Along Notice**") stating
- (a) that they wish to accept the Offer,
  - (b) the price per Share payable under the Offer, and
  - (c) any other conditions attaching to the offer
- 15 2 Not later than the date five Business Days after the date of service of the Drag Along Notice, the directors shall serve a copy of it on all Shareholders who have not signed it
- 15 3 If not later than the date 20 Business Days after the date of service of the Drag Along Notice the directors or another Shareholder have not procured an offer to be made for all the issued Shares on terms which in the reasonable opinion of the directors are better than the terms of the Offer, then all Shareholders who have not already accepted the Offer (the "**Called Shareholders**") will be deemed to have accepted the Offer referred to in the Drag Along Notice and must transfer their Shares to the Purchaser on the 10<sup>th</sup> Business Day following the expiry of the 20 Business Day period against payment or delivery to them of the consideration specified in the Offer but without requiring the Called Shareholders to assume any other obligation
- 15 4 If a Called Shareholder fails to transfer his Shares as required by article 15 3 the provisions of article 13 2 will apply as if references to the Seller were to the Called Shareholder, references to the Applicant were to the Purchaser and references to the Transfer Price were references to the consideration payable for the Shares of the Called Shareholder (or, in the case of article 13 2(b), to the cash element of the consideration)
- 15 5 No Called Shareholder will be obliged to assume any obligation in connection with the sale of his Shares other than to give a warranty that he sells with full title guarantee

## **16. Transfers of substantial interests – tag along**

- 16 1 The provisions of article 16 2 will apply if a Shareholder (a "**Proposing Seller**") proposes a transfer of Shares (the "**Proposed Transfer**") as permitted by article 13 1, which would, if put into effect, result in any person other than a holder of a Controlling Interest (and Associates of his or persons Acting in Concert with him) (each a "**Proposed Transferee**") becoming the holder of a Controlling Interest
- 16 2 A Proposing Seller must, before making a Proposed Transfer procure the making by the Proposed Transferee of an offer to the other Shareholders to acquire their Shares for a consideration per Share the value of which is at least equal to the highest consideration per Share paid or payable by the Proposed Transferee for any Share during the period of 12 months ending on the date of the offer
- 16 3 The offer referred to in article 16 2 must be expressed to be capable of acceptance for a period of not less than 20 Business Days and if it is accepted by any Shareholder (an "**Accepting Shareholder**") within that period, the completion of the Proposed Transfer

will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders

## **17. Compulsory Transfer for Bad Leavers**

### **17.1 If a Relevant Shareholder**

- (a) becomes a Bad Leaver, or
- (b) has acquired any Shares as a Permitted Transferee and the Permitted Transferor becomes a Bad Leaver,

the directors of the company may, at any time after such Shareholder or Permitted Transferor (as the case may be) becomes a Bad Leaver, serve a notice referring to this article (a "**Compulsory Transfer Notice**") on such Relevant Shareholder (or his personal representatives in the case of his death or any person who becomes entitled to Shares in the case of his bankruptcy) (each a "**Compulsory Transferor**") to require such person to transfer the Shares held by him or to which he is entitled ("**Compulsory Transfer Shares**") (free from all encumbrances and together with all rights then attaching thereto) Upon receipt of a Compulsory Transfer Notice given by the directors of the company (which shall be deemed, in default of actual receipt, to have been received 48 hours after it is sent)

- (c) a Compulsory Transferor shall be deemed to have served a Transfer Notice to the company that he wishes to transfer each of the Compulsory Transfer Shares registered in his name or in the case of a deceased or bankrupt Shareholder, requested in the name of such Shareholder, for a consideration equal to the lesser of
  - (i) the Fair Value of the Compulsory Transfer Shares, and
  - (ii) the subscription price paid by such Compulsory Transferor for the Compulsory Transfer Shares,

unless the directors of the board of the company determine in their absolute discretion that the consideration shall be equal to the Fair Value of the Compulsory Transfer Shares, in which case the consideration shall be the Fair Value of the Compulsory Transfer Shares In the event that the price payable for the Compulsory Transfer Shares (the "**Compulsory Transfer Price**") equals the Fair Value of the Compulsory Transfer Shares, details of the Fair Value of the Compulsory Transfer Shares shall be set out by the directors of the company in the Compulsory Transfer Notice, and

- (d) the company shall be constituted as the agent for each Compulsory Transferor for the sale of the Compulsory Transfer Shares to such person as may be nominated by the company for that purpose (being a person willing to purchase such Compulsory Transfer Shares who may be the company or some other person) (the "**Nominated Purchaser**")

### **17.2 Completion of the transfers referred to in article 17.1 shall take place within 15 Business Days of receipt of the Compulsory Transfer Notice (the "**Transfer Date**") when the following business shall be transacted contemporaneously**

- (a) the Nominated Purchaser shall pay or shall procure to be paid to the Compulsory Transferor an amount equal to the Compulsory Transfer Price of the Compulsory Transfer Shares held by the Compulsory Transferor, and

- (b) the Compulsory Transferor shall deliver to the directors or as they shall direct one or more duly executed instruments of transfer in respect of the Compulsory Transfer Shares together with the relative share certificates (such instruments of transfer to be in favour of the Nominated Purchaser) together with such other documents (if any) as may be necessary or expedient for the purpose of vesting in the Nominated Purchaser, all of the Compulsory Transferor's right, title and interest in the Compulsory Transfer Shares
- 17 3 If the Nominated Purchaser has performed, or is willing to perform, its obligations in full under article 17 2 and the Compulsory Transferor concerned fails or refuses to deliver to the directors on the Transfer Date or as the directors shall direct a duly executed instrument of transfer transferring the Compulsory Transfer Shares registered in his name or any other documents required under article 17 2, any one or more of the directors shall be authorised to execute and deliver such an instrument of transfer as attorney for the Compulsory Transferor and to do any other acts and/or execute any other documents on behalf of the Compulsory Transferor as required in connection with the transfer of all his right, title and interest in the Compulsory Transfer Shares registered in his name to the Nominated Purchaser or are necessary or expedient for the purpose of vesting in the Nominated Purchaser all his right, title and interest in the Compulsory Transfer Shares registered in his name. Following such transfer, the company shall hold all monies paid to it pursuant to article 17 2 on trust for the Compulsory Transferor concerned (without any obligation to place such monies on deposit or to account for any interest earned on such monies) and the validity of such proceedings shall not be questioned by any person
- 17 4 The voting rights and any rights to receive a dividend attached to any Shares held by a Compulsory Transferor shall be suspended until the date on which the relevant Shares are transferred in accordance with these articles

## 18. Valuation of shares

- 18 1 If a Transfer Notice does not specify a Transfer Price or a Compulsory Transfer Price (as the case may be) or if a Transfer Notice is deemed to have been served then, upon service of the Transfer Notice or, in the case of the deemed service of a Transfer Notice, as soon as is reasonably practicable after the date on which the directors first have actual knowledge of the facts giving rise to such deemed service, the directors shall either
- (a) appoint expert valuers in accordance with article 18 2 (the "**Expert Valuers**") to certify what in their opinion is the Fair Value of the Sale Shares or the Compulsory Transfer Shares (as the case may be), or
  - (b) if the Fair Value has been certified by Expert Valuers within the preceding 6 months, unless the directors of the company have determined in their absolute discretion that a material change in the Fair Value of the Sale Shares or the Compulsory Transfer Shares (as the case may be) has occurred since the date of certification, specify that the Fair Value of the Sale Shares or the Compulsory Transfer Shares (as the case may be) will be calculated by dividing any Fair Value so certified by the number of Sale Shares or the Compulsory Transfer Shares (as the case may be) to which it related and multiplying such Fair Value by the number of Sale Shares or the Compulsory Transfer Shares (as the case may be) the subject of the Transfer Notice
- 18 2 The Expert Valuers will be either
- (a) the Auditors, or



- (b) if so specified in the relevant Transfer Notice or if the Auditors decline to act, an independent firm of Chartered Accountants to be agreed between the directors and the Seller or failing agreement within 20 Business Days after the date of service of the Transfer Notice to be appointed by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party

**18 3 For the purposes of article 18 1**

- (a) the Fair Value of each Sale Share or each Compulsory Transfer Share (as the case may be) will be such value as the Expert Valuers determine to be, in their opinion the fair market value of a Sale Share or a Compulsory Transfer Share (as the case may be) after taking into account
  - (i) all restrictions on transfer contained in these articles,
  - (ii) the extent to which the Sale Shares or Compulsory Transfer Shares (as the case may be) represent a minority interest,
  - (iii) the number of Shares in issue and the value will be calculated on the assumption that all outstanding unconditional options over Shares have been exercised and the consideration payable upon exercise paid, and
  - (iv) the value will assume a sale for cash of the relevant Shares between a willing buyer and a willing seller

**18 4 In so certifying, the Expert Valuers will act as experts and not as arbitrators and their opinions, decisions and certificates will be conclusive and binding**

**18 5 Any and all costs of appointing Expert Valuers in accordance with this article 18 shall be borne by the company**

**19. Information to be provided**

**19 1 For the purpose of establishing whether**

- (a) a transfer of Shares is duly authorised under these articles,
- (b) a Transfer Notice is required to be or ought to have been given under these articles, or
- (c) any offer under article 16 2 is required to be or ought to have been made,

the directors may require a Shareholder or the legal personal representatives of a deceased Shareholder or any person named as transferee in a transfer lodged for registration or any other person whom the directors reasonably believe may have relevant information (including but not limited to the names, addresses and interests of all persons having interests in any Shares), to give that information to the directors

**19 2 If in relation to any Shares, the directors request information in accordance with article 19 1 and the information or evidence is not given to the directors by the date 15 Business Days after the date on which it is requested then a Transfer Notice in respect of the Shares will be deemed to have been given**

## **20. Share certificates**

20 1 The company shall issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds. Every certificate shall specify

- (a) in respect of how many Shares, of what class, it is issued,
- (b) the nominal value of those Shares, and
- (c) any distinguishing numbers assigned to them

20 2 A Shareholder exercising the right to be issued with a replacement certificate under article 25 of the Model Articles shall comply with such conditions as to evidence, indemnity and payment of a reasonable fee as the directors decide, including but not limited to the payment of the expenses reasonably incurred (if any) by the company in investigating evidence as the directors may determine. Article 25(2)(c) of the Model Articles shall be modified accordingly

## **21. Commission**

21 1 The company may pay any person a commission in consideration for that person

- (a) subscribing, or agreeing to subscribe, for Shares, or
- (b) procuring, or agreeing to procure, subscriptions for Shares

21 2 Any commission payable by the company may be paid

- (a) in cash, or in fully paid or partly paid Shares or other securities, or partly in one way and partly in the other, and
- (b) in respect of a conditional or an absolute subscription

## **22. Distributions**

22 1 Where a dividend or other cash sum which is a distribution is payable in respect of a Share, it shall be paid by one or more of the following means

- (a) transfer to a bank or building society account specified by the distribution recipient (as defined in article 31(2) of the Model Articles) in writing,
- (b) sending of a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the Share), or (in any other case) to such other address as specified by the distribution recipient in writing,
- (c) sending of a cheque made payable to such person by post to such person at such address as the distribution recipient has specified in writing, or
- (d) any other means of payment as the directors agree with the distribution recipient in writing

22 2 A capitalised sum which was appropriated from profits available for distribution may be applied

- (a) in or towards paying up any sums unpaid on existing Shares held by the persons entitled, or
- (b) in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct

22 3 If

- (a) a Share is subject to the Company's Lien, and
- (b) 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. Money so deducted shall be used to pay any of the sums payable in respect of that Share. The company shall notify the distribution recipient in writing of

- (a) the fact and sum of any such deduction,
- (b) any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction, and
- (c) how the money deducted has been applied

## 23. Restricted Activity

23 1 Notwithstanding any other article of these articles of association, the matters set out in schedule 2 to these articles (each a "**Restricted Activity**") shall require the prior written consent of

- (a) a majority of directors, and
- (b) 75% of the holders of all of the issued share capital in the company entitled to vote,

excluding any Bad Leaver and the directors must not cause the company to enter into a Restricted Activity without the prior written consent of all directors and 75% of the holders of all of the issued share capital in the company entitled to vote excluding any Bad Leaver

23 2 In the event that the company is contemplating entering into a Restricted Activity, the directors must give prior written notice to all shareholders in accordance with article 31 (Notices)

## 24. Decision making by Shareholders

24 1 No business may be transacted at a general meeting unless a quorum is present. Two Shareholders representing at least 50% of the holders of all of the issued share capital in the company entitled to vote shall be a quorum

24 2 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, the meeting shall stand adjourned to the same day in the next week at the same time and place or such date

and time as the directors may determine Article 41(4) of the Model Articles shall only apply to meetings adjourned under article 41(2) of the Model Articles

- 24 3 The provisions of section 318 of the Act shall apply to the company, save that
- (a) if there is only one Shareholder who is permitted to vote upon the business at the meeting, the quorum for that part of meeting considering the business for which only one Shareholder is permitted to vote shall be one Qualifying Person present at the meeting, and
  - (b) if a quorum is not present at any meeting adjourned for the reason referred to in the first sentence of article 24 2, then, provided that the Qualifying Person present holds or represents the holder of at least 75 per cent in nominal value of the Shares in issue, any resolution agreed to by such Qualifying Person shall be as valid and effectual as if it had been passed unanimously at a general meeting of the company duly convened and held
- 24 4 If any two or more Shareholders (or Qualifying Persons representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairman
- 24 5 If at any general meeting any votes are counted which ought not to have been counted, or are not counted which ought to have been counted, the error shall not vitiate the result of the voting unless
- (a) it is pointed out at the same meeting, and
  - (b) it is, in the opinion of the chairman of the meeting, of sufficient magnitude to affect the result of the voting
- 24 6 If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made
- 24 7 Polls must be taken in such manner as the chairman directs A poll demanded on the election of a chairman or on a question of adjournment must be held immediately A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 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
- 24 8 No notice need be given of a poll not held immediately 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
- 24 9 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver Proxy Notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll In calculating that period, no account shall be taken of any part of a day that is not a working day
- 24 10 Proxies may only validly be appointed by a notice in writing (a "Proxy Notice") which

- (a) states the name and address of the Shareholder appointing the proxy,
  - (b) identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed,
  - (c) is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and
  - (d) (subject to article 24 11) is either handed to the chairman any time before the start of the relevant meeting or delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate
- 24 11 If a Proxy Notice is executed on behalf of the Shareholder appointing the proxy, it must be accompanied by written evidence of the authority (being the original, a duly certified copy of the grant of authority or such other evidence as the directors deem appropriate) of the person who executed it to execute it on the appointor's behalf Article 46(4) of the Model Articles shall not apply
- 24 12 No voting rights attached to a Share which is nil paid may be exercised
- (a) at any general meeting, at any adjournment of it or at any poll called at or in relation to it, or
  - (b) on any proposed written resolution, unless all or some of the amounts payable to the company in respect of that Share have been paid
- 25. Directors**
- 25 1 Unless otherwise determined by special resolution, the number of directors is not subject to a maximum but must be not less than two
- 25 2 Any Shareholder holding at least 5 per cent of the issued Shares is entitled
- (a) to appoint a director (his "**Nominated Director**"),
  - (b) to remove from office his Nominated Director, and
  - (c) to appoint another person in place of a Nominated Director who has ceased to be his Nominated Director This power of appointment is in addition to the powers conferred by article 17 of the Model Articles
- 25 3 An appointment or removal of a Nominated Director under article 26 4 must be made by notice in writing or (subject to the Act) by notice in electronic form to the company signed by or on behalf of the relevant Shareholder or Shareholders and will take effect at and from the time when the notice is received at the registered office of the company or produced to a meeting of the directors of the company
- 25 4 Directors are entitled to such remuneration
- (a) as the company may by ordinary resolution determine for their services to the company as directors, and
  - (b) as the directors may determine for any other service which they undertake for the company

25 5 Unless the company by ordinary resolution resolves otherwise or, in the case of remuneration under article 25 4(b), the directors decide otherwise, directors' remuneration accrues from day to day

25 6 The company may pay any reasonable expenses which the directors (including alternate directors) and the secretary properly incur in connection with their attendance at

- (a) meetings of directors or committees of directors,
- (b) general meetings, or
- (c) separate meetings of the holders of any class of Shares or of debentures of the company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company

## **26 Alternate directors**

26 1 A director (other than an alternate director) may appoint another person (including another director) to be an alternate director and may remove from office an alternate director so appointed by him

26 2 An appointment or removal of an alternate director must be made by notice to the company from the director making or revoking the appointment or in any other manner approved by the directors

26 3 Except as these articles specify otherwise, an alternate director

- (a) is deemed for all purposes to be a director,
- (b) is liable for his own acts and omissions,
- (c) is subject to the same restrictions as his appointor, and
- (d) is not deemed to be an agent of or for his appointor,

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

26 4 A person who is an alternate director but not a director

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and
- (b) may sign a directors' written resolution (but only if his appointor is an Eligible Director in relation to that decision, but does not participate), and a written resolution executed by an alternate director need not also be executed by his appointor and, if it is executed by a director who has appointed an alternate director, it need not also be executed by the alternate director in that capacity

No alternate may be counted as more than one director for such purposes

- 26 5 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of each 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)
- 26 6 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
- 26 7 An alternate director's appointment as an alternate director shall terminate
- (a) when the alternate director's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate,
  - (b) on the occurrence in relation to the alternate director 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,
  - (c) on the death of the alternate director's appointor, or
  - (d) when the alternate director's appointor's appointment as a director terminates for any other reason

## **27. Vacation of office by directors**

- 27 1 The office of a director will be vacated if a director
- (a) has a bankruptcy order made in respect of him,
  - (b) ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director,
  - (c) in the reasonable opinion of all his co-directors becomes incapable by reason of mental disorder of discharging his duties as a director,
  - (d) resigns his office by written notice to the company and such resignation takes effect in accordance with its terms,
  - (e) is a Nominated Director and is removed from office by his appointor pursuant to these articles, or
  - (f) is a Nominated Director and his appointor ceases to hold the percentage of the issued Shares entitling him to appoint a Nominated Director

## **28. Proceedings of directors**

- 28 1 Notice of every meeting of the directors must in so far as reasonably practicable be given orally (or in writing) to each director and alternate director (whether or not in the United Kingdom), but the accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, a director does not invalidate the proceedings at that meeting
- 28 2 If the numbers for and against a proposal are equal, the chairman or other director chairing a meeting of the directors shall not have a casting vote

- 28 3 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company at any time before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 28 4 Where a meeting of the directors is convened by the secretary or any director on at least five Business Days' notice in writing the quorum shall be two directors or their alternates, save that in the event that there is only one Eligible Director who would be entitled to vote on a matter if proposed as a resolution at such directors' meeting, the quorum for such meeting (or other decision making process) shall be one. Subject to article 29, in any other case the quorum necessary for the transaction of the business of the directors consists of each of the Nominated Directors or their alternates (save that where a Relevant Interest of a Nominated Director is being authorised by other directors in accordance with section 175(5)(a) of the Act, such Nominated Director and any other interested director shall not be included for the purpose of such authorisation but shall be included for the purpose of forming the quorum). If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the directors present at such meeting and the Nominated Directors. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.

## **29. Directors' interests**

- 29 1 Provided (if these articles so require) that he has declared to the directors, in accordance with the provisions of these articles, the nature and extent of his interest, a director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind, namely
- (a) where a director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the company or any other undertaking in which the company is in any way interested,
  - (b) where a director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the company or in which the company is in any way interested,
  - (c) where a director (or a person connected with him) is a shareholder in the company or a shareholder in, employee, director, member or other officer of, or consultant to, a parent undertaking of, or a subsidiary undertaking of a parent undertaking of, the company (as such terms are defined in section 1162 of the Act),
  - (d) where a director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) under the company or body corporate in which the company is in any way interested,
  - (e) where a director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the company or any body corporate in which the company is in any way interested,
  - (f) where a director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the company or in which



the company is in any way interested of which he is a director, employee or other officer acts) in a professional capacity for the company or any body corporate promoted by the company or in which the company is in any way interested (other than as auditor) whether or not he or it is remunerated for this,

- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest, or
  - (h) any other interest authorised by ordinary resolution
- 29 2 For the purposes of this article, an interest of which a director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his
- 29 3 In any situation permitted by this article (save as otherwise agreed by him) a director shall not by reason of his office be accountable to the company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit
- 29 4 The company has, by ordinary resolution, resolved for the purposes of paragraph 47(3)(b) of schedule 4 to the Companies Act 2006 (Commencement No 5, (Transitional Provisions and Savings) Order 2007) that authorisation of conflicts of interest may be given by the directors within section 175(5)(a) of the Act
- 29 5 Any authority given in accordance with section 175(4)(b) of the Act in respect of a director ("**Interested Director**") who has proposed that the directors authorise his interest ("**Relevant Interest**") pursuant to that section may, for the avoidance of doubt
- (a) be given on such terms, and subject to such conditions or limitations as may be imposed by the authorising directors as they see fit from time to time, including, without limitation
    - (i) restricting the Interested Director from voting on any resolution put to a meeting of the directors or of a committee of the directors in relation to the Relevant Interest,
    - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the directors or of a committee of the directors where such Relevant Interest is to be discussed, or
    - (iii) restricting the application of the provisions in articles 29 5 and 29 6, so far as is permitted by law, in respect of such Interested Director,
  - (b) be withdrawn, or varied at any time by the directors entitled to authorise the Relevant Interest as they see fit from time to time, and
- an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising directors pursuant to section 174(4)(b) and this article 29
- 29 6 Subject to article 29 7 (and without prejudice to any equitable principle or rule of law which may excuse or release the director from disclosing information, in circumstances where disclosure may otherwise be required under this article), if a director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the company, he shall not be required

- (a) to disclose such information to the company or to the directors, or to any director, officer or employee of the company, or
  - (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a director
- 29 7 Where such duty of confidentiality arises out of 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, article 29 5 shall apply only if the conflict arises out of a matter which falls within article 29 1 above or has been authorised under section 175(5)(a) of the Act (subject to any restrictions imposed by the authorising directors)
- 29 8 Where a director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the directors for the purpose of or in connection with the situation or matter in question, including without limitation
- (a) absenting himself from any discussions, whether in meetings of the directors or otherwise, at which the relevant situation or matter falls to be considered, and
  - (b) excluding himself from documents or information made available to the directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information
- 29 9 Subject to section 182 of the Act, a director shall declare the nature and extent of any interest permitted by article 29 1 at a meeting of the directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the directors may determine, except that no declaration of interest shall be required by a director in relation to an interest
- (a) falling under article 29 1(g),
  - (b) if, or to the extent that, the other directors are already aware of such interest (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware), or
  - (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the directors, or by a committee of directors appointed for the purpose under these articles
- 29 10 Subject to section 239 of the Act, the company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this article
- 29 11 For the purposes of this article
- (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties,
  - (b) the provisions of section 252 of the Act shall determine whether a person is connected with a director, and

- (c) a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified

### **30. Secretary**

Subject to the provisions of the Act, the directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them

### **31. Notices**

- 31 1 Subject to the requirements set out in the Act and subject to articles 31 2 and 31 3, any notice given or document sent or supplied to or by any person under these articles, or otherwise sent by the company under the Act, may be given, sent or supplied

- (a) in hard copy form,
- (b) in electronic form, or

or partly by one of these means and partly by another of these means

Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this article 31

- 31 2 The company shall not be obliged to send to an address outside the United Kingdom any notice containing an offer to sell or acquire Shares. If a Shareholder has no registered address in the United Kingdom and has not notified an address for service in the United Kingdom then the offer shall be deemed to have been made to him even if notice of the offer has not been sent to him

*Notices in hard copy form*

- 31 3 Any notice or other document in hard copy form given or supplied under these articles may be delivered or sent by first class post (airmail if overseas)

- (a) to the company or any other company at its registered office, or
- (b) to the address notified to or by the company for that purpose, or
- (c) in the case of an intended recipient who is a Shareholder or his legal personal representative or trustee in bankruptcy, to such Shareholder's address as shown in the company's register of members, or
- (d) in the case of an intended recipient who is a director or alternate, to his address as shown in the register of directors, or
- (e) to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied, or
- (f) where the company is the sender, if the company is unable to obtain an address falling within one of the addresses referred to in article 31 3 (a) to (e) above, to the intended recipient's last address known to the company

31 4 Any notice or other document in hard copy form given or supplied under these articles will be deemed to have been served and be effective

(a) if delivered, at the time of delivery, and

(b) if posted, on receipt or 48 hours after the time it was posted, whichever occurs first

*Notices in electronic form*

31 5 Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these articles may

(a) if sent by fax or email (provided that a fax number or an address for email has been notified to or by the company for that purpose), be sent by the relevant form of communication to that address,

(b) if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under article 31 2, or

(c) be sent by such other electronic means and to such address(es) as the company may specify by notice (in hard copy or electronic form) to all Shareholders from time to time

31 6 Any notice or other document in electronic form given or supplied under these articles shall be deemed to have been served and be effective if sent by facsimile or email (where a fax number or an address for email has been notified to or by the company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first

31 7 Where the company is able to show that any notice or other document given or sent under these articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt

*General*

31 8 In the case of joint holders of a Share all notices must be given to the joint holder whose name stands first in the register of members of the company in respect of the joint holding (the "**Primary Holder**") Notice so given constitutes notice to all the joint holders

31 9 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise)

31 10 A document or information sent or supplied to the company by one person on behalf of another must be accompanied by written evidence of the authority (being the original, a duly certified copy of the grant of authority or such other evidence as the directors deem appropriate) of that person to act on behalf of the other



## **32. Indemnity and insurance**

### **32 1 Subject to article 32 2**

- (a) each Relevant Officer of the company or an associated company shall be indemnified out of the company's assets against
  - (i) any liability incurred by that person in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
  - (ii) any liability incurred by that person in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act), and
  - (iii) any other liability incurred by that person as an officer of the company or an associated company, and
- (b) the company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with defending any civil or criminal proceedings or any application for 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 otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

**32 2** This article 32 does not authorise or provide any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law

**32 3** The directors shall be entitled to purchase and maintain insurance, at the expense of the company, for the benefit of any Relevant Officer in respect of 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

**32 4** In this article 32, companies are "associated" if one is a subsidiary of the other or both are subsidiaries of the same body corporate

## **33. Lien**

**33 1** The company shall have a first lien (the "**Company's Lien**") over every Share (whether or not fully paid) for any amount (whether presently payable or not) owing to the company from the holder (whether a sole holder or one of two or more joint holders) whether or not it is owing in respect of that Share, and whether or not a Call Notice has been sent out in respect of it

### **33 2 The Company's Lien over a Share**

- (a) shall take priority over any third party's interest in that Share, and
- (b) shall extend 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

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

33 3 Subject to the provisions of this article 33, if

- (a) a notice complying with article 33 4 (a "**Lien Enforcement Notice**") has been given by the company in respect of a Share, and
- (b) the person to whom the notice was given has failed to comply with it,

then the company shall be entitled to sell that Share in such manner as the directors decide

33 4 A Lien Enforcement Notice

- (a) may only be given by the company 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,
- (b) must specify the Share concerned,
- (c) must require payment of the sum payable within 14 days of the notice,
- (d) must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise, and
- (e) must state the company's intention to sell the Share if the notice is not complied with

33 5 Where any Share is sold pursuant to this article 33

- (a) the directors may authorise any person to execute an instrument of transfer of the Share to the purchaser or a person nominated by the purchaser, and
- (b) the transferee shall not be bound to see to the application of the consideration, and the transferee's title shall not be affected by any irregularity in or invalidity of the process leading to the sale

33 6 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) shall be applied

- (a) 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
- (b) secondly, to the person entitled to the Share at the date of the sale, but only after the certificate for the Share 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 certificate, and subject to a lien equivalent to the Company's Lien for any money payable over the Share before the sale for any money payable in respect of the Share after the date of the Lien Enforcement Notice

33 7 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date

- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- (b) subject to compliance with any other formalities of transfer required by the articles or by law, shall constitute a good title to the Share





### **34. Call Notices**

- 34 1 Subject to these articles and the terms on which Shares are allotted, the directors may send a notice (a "**Call Notice**") to a Shareholder requiring the Shareholder to pay the company a specified sum of money (a "**call**") which is payable to the company by that Shareholder when the directors decide to send the Call Notice
- 34 2 A Call Notice
- (a) may not require a Shareholder to pay a call which exceeds the total sum unpaid on that Shareholder's Shares (whether as to the Share's nominal value or any sum payable to the company by way of premium),
  - (b) shall state when and how any call to which it relates it is to be paid, and
  - (c) may permit or require the call to be paid by instalments
- 34 3 A Shareholder shall comply with the requirements of a Call Notice, but no Shareholder shall be obliged to pay any call before 14 days have passed since the notice was sent
- 34 4 Before the company has received any call due under a Call Notice the directors may
- (a) revoke it wholly or in part, or
  - (b) specify a later time for payment than is specified in the Call Notice, by a further notice in writing to the Shareholder in respect of whose Shares the call is made
- 34 5 Liability to pay a call shall not be extinguished or transferred by transferring the Shares in respect of which it is required to be paid Joint holders of a Share shall be jointly and severally liable to pay all calls in respect of that Share
- 34 6 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 to
- (a) pay calls which are not the same, or
  - (b) pay calls at different times
- 34 7 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)
- (a) on allotment,
  - (b) on the occurrence of a particular event, or
  - (c) on a date fixed by or in accordance with the terms of issue
- 34 8 If the due date for payment of such a sum as referred to in article 34 7 has passed and it has not been paid, the holder of the Share concerned shall be treated in all respects as having failed to comply with a Call Notice in respect of that sum, and shall be liable to the same consequences as regards the payment of interest and forfeiture
- 34 9 If a person is liable to pay a call and fails to do so by the Call Payment Date (as defined below)

- (a) the directors may issue a notice of intended forfeiture to that person, and
- (b) until the call is paid, that person shall be required to pay the company interest on the call from the Call Payment Date at the Relevant Rate (as defined below)

34 10 For the purposes of article 34 9

- (a) the "**Call Payment Date**" shall be 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
- (b) the "**Relevant Rate**" shall be
  - (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 a year,

provided that the Relevant Rate shall 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

34 11 The directors may waive any obligation to pay interest on a call wholly or in part

34 12 The directors may accept full payment of any unpaid sum in respect of a Share despite payment not being called under a Call Notice

## 35. Forfeiture of Shares

35 1 A notice of intended forfeiture

- (a) may be sent in respect of any Share in respect of which a call has not been paid as required by a Call Notice,
- (b) shall be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise,
- (c) shall 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 fewer than 14 days after the date of the notice,
- (d) shall state how the payment is to be made, and
- (e) shall 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

35 2 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, then 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

- 35 3 Subject to these articles, the forfeiture of a Share extinguishes
- (a) all interests in that Share, and all claims and demands against the company in respect of it, and
  - (b) all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the company
- 35 4 Any Share which is forfeited in accordance with these articles
- (a) shall be deemed to have been forfeited when the directors decide that it is forfeited,
  - (b) shall be deemed to be the property of the company, and
  - (c) may be sold, re-allotted or otherwise disposed of as the directors think fit
- 35 5 If a person's Shares have been forfeited then
- (a) the company shall send that person notice that forfeiture has occurred and record it in the register of members,
  - (b) that person shall cease to be a Shareholder in respect of those Shares,
  - (c) that person shall surrender the certificate for the Shares forfeited to the company for cancellation,
  - (d) that person shall remain 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
  - (e) the directors shall be entitled to 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
- 35 6 At any time before the company disposes of a forfeited Share, the directors shall be entitled to decide to cancel the forfeiture on payment of all calls and interest and expenses due in respect of it and on such other terms as they think fit
- 35 7 If a forfeited Share is to be disposed of by being transferred, the company shall be entitled to receive the consideration for the transfer and the directors shall be entitled to authorise any person to execute the instrument of transfer
- 35 8 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a Share has been forfeited on a specified date
- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
  - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share
- 35 9 A person to whom a forfeited Share is transferred shall not be bound to see to the application of the consideration (if any) nor shall that person's title to the Share be affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share

35 10 If the company sells a forfeited Share, the person who held it prior to its forfeiture shall be entitled to receive the proceeds of such sale from the company, net of any commission, and excluding any sum which

(a) was, or would have become, payable, and

(b) had not, when that Share was forfeited, been paid by that person in respect of that Share,

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

### **36. Surrender of Shares**

36 1 A Shareholder shall be entitled to surrender any Share

(a) in respect of which the directors issue a notice of intended forfeiture,

(b) which the directors forfeit, or

(c) which has been forfeited

The directors shall be entitled to accept the surrender of any such Share

36 2 The effect of surrender on a Share shall be the same as the effect of forfeiture on that Share

36 3 The company shall be entitled to deal with a Share which has been surrendered in the same way as a Share which has been forfeited

## **SCHEDULE 1**

### **MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES**

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**PART 1**  
**INTERPRETATION AND LIMITATION OF LIABILITY**

**Defined terms**

1 In the articles, unless the context requires otherwise—

**"articles"** means the company's articles of association,

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

**"chairman"** has the meaning given in article 12,

**"chairman of the meeting"** has the meaning given in article 39,

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

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

**"distribution recipient"** has the meaning given in article 31,

**"document"** includes, unless otherwise specified, any document sent or supplied in electronic form,

**"electronic form"** has the meaning given in section 1168 of the Companies Act 2006,

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

**"hard copy form"** has the meaning given in section 1168 of the Companies Act 2006,

**"holder"** in relation to shares means the person whose name is entered in the register of members as the holder of the shares,

**"instrument"** means a document in hard copy form,

**"ordinary resolution"** has the meaning given in section 282 of the Companies Act 2006,

**"paid"** means paid or credited as paid,

**"participate"** in relation to a directors' meeting, has the meaning given in article 10,

**"proxy notice"** has the meaning given in article 45,

**"shareholder"** means a person who is the holder of a share,

**"shares"** means shares in the company,

**"special resolution"** has the meaning given in section 283 of the Companies Act 2006,

**"subsidiary"** has the meaning given in section 1159 of the Companies Act 2006,

**"transmittee"** means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law, and

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

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

### **Liability of members**

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

## **PART 2 DIRECTORS**

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

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

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

#### **Shareholders' reserve power**

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

#### **Directors may delegate**

- 5 (1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—
- (a) to such person or committee,
  - (b) by such means (including by power of attorney),
  - (c) to such an extent,
  - (d) in relation to such matters or territories, and
  - (e) on such terms and conditions,
- as they think fit
- (2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated
- (3) The directors may revoke any delegation in whole or part, or alter its terms and conditions



## **Committees**

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

## **DECISION-MAKING BY DIRECTORS**

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

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

### **Unanimous decisions**

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

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

- 9
- (1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice
  - (2) Notice of any directors' meeting must indicate—
    - (a) its proposed date and time,
    - (b) where it is to take place, and
    - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting

- (3) Notice of a directors' meeting must be given to each director, but need not be in writing
- (4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it

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

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

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

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

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

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

### **Casting vote**

- 13 (1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote
- (2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes

### **Conflicts of interest**

- 14 (1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes
- (2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes
- (3) This paragraph applies when—
- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process,
  - (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest, or
  - (c) the director's conflict of interest arises from a permitted cause
- (4) For the purposes of this article, the following are permitted causes—
- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries,
  - (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities, and
  - (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors
- (5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting
- (6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive
- (7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided

by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

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

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

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

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

### **APPOINTMENT OF DIRECTORS**

#### **Methods of appointing directors**

- 17 (1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—
- (a) by ordinary resolution, or
  - (b) by a decision of the directors
- (2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director
- (3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder

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

- 18 A person ceases to be a director as soon as—
- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law,
  - (b) a bankruptcy order is made against that person,
  - (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
  - (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,
  - (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,

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

#### **Directors' remuneration**

- 19
- (1) Directors may undertake any services for the company that the directors decide
  - (2) Directors are entitled to such remuneration as the directors determine—
    - (a) for their services to the company as directors, and
    - (b) for any other service which they undertake for the company
  - (3) Subject to the articles, a director's remuneration may—
    - (a) take any form, and
    - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director
  - (4) Unless the directors decide otherwise, directors' remuneration accrues from day to day
  - (5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested

#### **Directors' expenses**

- 20
- The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—
- (a) meetings of directors or committees of directors,
  - (b) general meetings, or
  - (c) separate meetings of the holders of any class of shares or of debentures of the company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company

### **PART 3 SHARES AND DISTRIBUTIONS**

#### **SHARES**

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

- 21
- (1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue
  - (2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum

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

- 22 (1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution
- (2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares

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

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

### **Share certificates**

- 24 (1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds
- (2) Every certificate must specify—
- (a) in respect of how many shares, of what class, it is issued,
  - (b) the nominal value of those shares,
  - (c) that the shares are fully paid, and
  - (d) any distinguishing numbers assigned to them
- (3) No certificate may be issued in respect of shares of more than one class
- (4) If more than one person holds a share, only one certificate may be issued in respect of it
- (5) Certificates must—
- (a) have affixed to them the company's common seal, or
  - (b) be otherwise executed in accordance with the Companies Acts

### **Replacement share certificates**

- 25 (1) If a certificate issued in respect of a shareholder's shares is—
- (a) damaged or defaced, or
  - (b) said to be lost, stolen or destroyed,
- that shareholder is entitled to be issued with a replacement certificate in respect of the same shares
- (2) A shareholder exercising the right to be issued with such a replacement certificate—



- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates,
- (b) must return the certificate which is to be replaced to the company if it is damaged or defaced, and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide

### **Share transfers**

- 26
- (1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor
  - (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share
  - (3) The company may retain any instrument of transfer which is registered
  - (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it
  - (5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent

### **Transmission of shares**

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

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

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



### **Transmittees bound by prior notices**

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

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **Procedure for declaring dividends**

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

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

- 31 (1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—
- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide,
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide, or
- (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide

- (2) In the articles, "**the distribution recipient**" means, in respect of a share in respect of which a dividend or other sum is payable—
- (a) the holder of the share, or
  - (b) if the share has two or more joint holders, whichever of them is named first in the register of members, or
  - (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

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

- 32 The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—
- (a) the terms on which the share was issued, or
  - (b) the provisions of another agreement between the holder of that share and the company

#### **Unclaimed distributions**

- 33 (1) All dividends or other sums which are—
- (a) payable in respect of shares, and
  - (b) unclaimed after having been declared or become payable,
- may be invested or otherwise made use of by the directors for the benefit of the company until claimed
- (2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it
- (3) If—
- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
  - (b) the distribution recipient has not claimed it,
- the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company

#### **Non-cash distributions**

- 34 (1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company)
- (2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—
- (a) fixing the value of any assets,

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

#### **Waiver of distributions**

35 Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if—

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

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

### **CAPITALISATION OF PROFITS**

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

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

- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve, and
- (b) appropriate any sum which they so decide to capitalise (a "**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (the "**persons entitled**") and in the same proportions

(2) Capitalised sums must be applied—

- (a) on behalf of the persons entitled, and
- (b) in the same proportions as a dividend would have been distributed to them

(3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct

(4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct

(5) Subject to the articles the directors may—

- (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another,
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article

(including the issuing of fractional certificates or the making of cash payments), and

- (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article

**PART 4**  
**DECISION-MAKING BY SHAREHOLDERS**  
**ORGANISATION OF GENERAL MEETINGS**

**Attendance and speaking at general meetings**

- 37
- (1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting
  - (2) A person is able to exercise the right to vote at a general meeting when—
    - (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
    - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting
  - (3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it
  - (4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other
  - (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them

**Quorum for general meetings**

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

**Chairing general meetings**

- 39
- (1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so
  - (2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—
    - (a) the directors present, or
    - (b) (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting

- (3) The person chairing a meeting in accordance with this article is referred to as **"the chairman of the meeting"**

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

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

#### **Adjournment**

- 41 (1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it
- (2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—
- (a) the meeting consents to an adjournment, or
  - (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner
- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting
- (4) When adjourning a general meeting, the chairman of the meeting must—
- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
- (a) to the same persons to whom notice of the company's general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain

- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

## **VOTING AT GENERAL MEETINGS**

### **Voting: general**

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

### **Errors and disputes**

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

### **Poll votes**

- 44 (1) A poll on a resolution may be demanded—
- (a) in advance of the general meeting where it is to be put to the vote, or
  - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared
- (2) A poll may be demanded by—
- (a) the chairman of the meeting,
  - (b) the directors,
  - (c) two or more persons having the right to vote on the resolution, or
  - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution
- (3) A demand for a poll may be withdrawn if—
- (a) the poll has not yet been taken, and
  - (b) the chairman of the meeting consents to the withdrawal
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs

### **Content of proxy notices**

- 45 (1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which—
- (a) states the name and address of the shareholder appointing the proxy,

- (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed,
  - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and
  - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions
- (4) Unless a proxy notice indicates otherwise, it must be treated as—
  - (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
  - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself

#### **Delivery of proxy notices**

- 46
- (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person
  - (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given
  - (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates
  - (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf

#### **Amendments to resolutions**

- 47
- (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
    - (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
    - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution
  - (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—

- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
  - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution
- (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution

## PART 5 ADMINISTRATIVE ARRANGEMENTS

### Means of communication to be used

- 48 (1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company
- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being
- (3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours

### Company seals

- 49 (1) Any common seal may only be used by the authority of the directors
- (2) The directors may decide by what means and in what form any common seal is to be used
- (3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature
- (4) For the purposes of this article, an authorised person is—
- (a) any director of the company,
  - (b) the company secretary (if any), or
  - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied

### No right to inspect accounts and other records

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



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

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

## **DIRECTORS' INDEMNITY AND INSURANCE**

### **Indemnity**

- 52 (1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—
- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
  - (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
  - (c) any other liability incurred by that director as an officer of the company or an associated company
- (2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law
- (3) In this article—
- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
  - (b) a "**relevant director**" means any director or former director of the company or an associated company

### **Insurance**

- 53 (1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss
- (2) In this article—
- (a) a "**relevant director**" means any director or former director of the company or an associated company,
  - (b) a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
  - (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate

## **SCHEDULE 2**

### **RESTRICTED MATTERS**

The following matters are matters referred to in article 23 as Restricted Activities and apply to the company

- 1 Any amendment or repeal of any provision of or any addition of any provision to the articles
- 2 Any alteration in the issued share capital of the company or any creation of any securities of the company
- 3 Any material change in the nature of, or cessation of, the company's business
- 4 Any declaration or payment of any distribution in respect of the profits, assets or reserves of the company
- 5 Any disposal of an undertaking of the company or any substantial part thereof
- 6 Any entry by the company into a voluntary winding-up
- 7 Any repurchase or redemption or other acquisition of any Shares
- 8 The incurring of financial indebtedness by the company in excess of £50,000 (which expression includes (i) monies borrowed and debit balances at banks, (ii) debentures, bonds, loan stock or other security evidencing money borrowed, or (iii) any acceptance credit or documentary credit, (iv) receivables sold or discounted (otherwise than on a non-recourse basis), (v) deferred consideration for any asset acquired by the company where arranged primarily as a method of raising finance or financing the acquisition of that asset, (vi) leases entered into primarily as a method of raising finance or financing the acquisition of the asset leased (vii) and (vii) amounts raised under any other transaction or series of transactions having the commercial effect of a borrowing or raising of money) or the establishment by the company of credit lines or other forms of credit (excluding, for the avoidance of doubt, trade credit incurred in the ordinary course of day-to-day trading, and the use of bank overdraft facilities in the ordinary course of day-to-day trading)
- 9 The creation or the granting of an option or other right to subscribe for shares or convert into shares in the capital of the company
- 10 The incorporation of a new subsidiary undertaking of the company or the acquisition or disposal by the company of an interest in any shares in the capital of any body corporate or business
- 11 The making of a loan or advance or the giving of credit in excess of £5,000 (other than in the ordinary course of day-to-day trading) to any person by the company
- 12 Any dealing by the company (including the acquisition or disposal, whether outright or by way of licence or otherwise) with intellectual property of the company other than in the ordinary course of day-to-day trading
- 13 The transfer of any profits to reserves or otherwise (excluding payment of dividends) which will or may reduce the amount of profits available for distribution in the company

- 14 The acquisition or disposal of or grant of a lease over or surrender of any lease of any land or interest in land by the company
- 15 The change of the service agreements or engagement letters of any of the directors of the company or the entry into a new service agreement with any of them
- 16 Enter into any other agreement or arrangement with or for the benefit of any of the directors or persons connected with any of them
- 17 Approval of a staff incentive scheme (including but not limited to a share option incentive plan) in the company
- 18 Any grant or award made pursuant to a staff incentive scheme (including but not limited to a stock option incentive plan)
- 19 Any issue of any Securities to any director, officer or employee of the company
- 20 The establishment or variation of any benefits arising under any pension or similar scheme or making any payments to such a scheme at a level in excess of that previously approved by the board of directors
- 21 The conduct of any litigation material to the company, other than against a Shareholder, or except for the collection of debts arising in the ordinary course of its day-to-day trading or any application for an interim injunction or other application or action (including interim defence) which is urgently required in the interests of the company in circumstances in which it is not reasonably practicable to obtain consent
- 22 The creation of any Encumbrance or other third party rights over the company or its assets (other than (i) liens arising by operation of law and discharged as soon as possible or (ii) Encumbrances arising under retention of title arrangements in respect of the purchase of goods in the ordinary course of day-to-day trading)
- 23 The granting of any guarantee or indemnity or the incurring of any borrowings by the company