

## **CARRS PAINTS LTD**

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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 inconsistent 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 6

(2) —

(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 proposals are to be voted on, except a proposal to call a directors' 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 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 number 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, 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 has adopted a resolution disapplying 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 could 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 decisions 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;

(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, the 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 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 be entitled to any services for the company to be determined by—

(a) Directors acting in 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
- (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 provisions without prejudice to the rights attached to any existing share, the company may issue shares of 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 provided 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 to 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, are issued
- (b) the nominal value of each share
- (c) that the shares are fully paid, and
- (d) any distinguishing number 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 form or any other form approved by the directors which is executed or, on behalf of the transferor,

(2) No fee shall be charged for registering any instrument of transfer or other document relating to or affecting the title to any shares

(3) The company may refuse any instrument of transfer which is registered

(4) The transferor shall deliver to the company a share certificate the transferor'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 transferor with a notice of refusal unless they are satisfied that the proposed transfer may be fraudulent

(6)\* Notwithstanding anything otherwise provided in these articles (whether by way of or in relation to pre-emption rights, restrictions or conditions applicable to share transfers or otherwise) the directors shall not decline to register any transfer of shares nor suspend registration thereof

(7) where a share transfer is in favour of a lender, bank or other financial institution or any nominee of a lender, bank or other financial institution and the transfer is as contemplated by or pursuant to any mortgage or charge of shares or any call option or share option granted in favour of such a lender, bank or other financial institution (in each case a Secured Party) or

(8) where such transfer is delivered to the Company for registration by or on behalf of a Secured Party or its nominee in order to release a Secured Party as legal owner of the shares or in order to transfer the shares to a third party upon exercise or realisation of shares following the Secured Party having become entitled to exercise or enforce its rights under such mortgage, charge and/or call option or share option or

(iii) where such transfer is executed by a Secured Party or its nominee pursuant to the power of sale or the power under such security, and a certificate by any officer of the Secured Party that the relevant transfer is within paragraph (i) (ii) or (iii) above shall be conclusive evidence of that fact.

(7)\* The Company shall have no lien on any shares which have been mortgaged or charged by way of security to a Secured Party and the provisions of the articles relating to liens over shares shall not apply in respect of any such shares.

\* These articles were introduced by Special Resolution passed on 21st March 2018.

#### **Transmission of shares**

27.—(1) If title to a share passes to a transferee, the company may only recognise the transferee as having any title to that share.

2. A transferee must produce such evidence of entitlement to the share 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, in making any transfer of the shares to any other person, has the same rights as the holder had.

(2) But transferees do not have the right to attend or vote at a general meeting or agree to a proposed written resolution in respect of the shares which they have obtained by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

#### **Exercise of transferees' rights**

28.—(1) Transferees who should become the holder of shares to which they have become entitled must notify the company in writing of their wish.

2. If the transferee wishes to have a share transferred to another person, the transferee must execute an instrument of transfer in relation to it.

3. Any transfer of shares executed under this article is to be treated as if it were made or executed by the person from whom the transferee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

#### **Transferees bound by prior notices**

29. If a notice in relation to shares held or to be held by a transferee is sent to those shares, the transferee is bound by it, unless it was given to the shareholder before the transferee'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 in resolution to declare or directors decide to pay a dividend, or the terms on which shares are issued state otherwise, it must be paid by reference to the holding of shares on the date of the resolution or decision to declare or pay it.

(5) If the company is entitled to a dividend, it may not insist that it be paid on shares carrying deferred or non-preferred rights if a declaration of payment of an inter-ferential dividend is in arrear.

31. The directors may pay a dividend if and only if there is any dividend payable at a particular date and it appears to them that the profits available for distribution justify the payment.

32. The directors may pay a dividend if and only if they will not be liable to pay it to holders of shares conferring preferred rights for any period in which the payment of an inter-ferential dividend on shares with deferred or non-preferred rights is in arrear.

#### Payment of dividends and other distributions

33.—(1) Where a dividend or other 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 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 last known 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.

34. In the absence of any indication to the contrary from a shareholder in respect of a share to which a dividend or other sum is payable—

(a) the dividend shall

(b) if the shareholder is a holder of shares, be paid to the person named in the register of members, or

(c) if the holder is not originally entitled to the share by reason of death or bankruptcy or otherwise by operation of law, the transferee.

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

32. The company need 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 a contract made between the holder of the 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 dividend or other sum into a separate account does not make the company a trustee in respect of it.

(3) If—

- (a) five years have elapsed from the date on which a dividend or other sum became due for payment, and
- (b) the distribution has not been claimed,

the distribution remains due to the person entitled to that dividend or other sum, and it ceases to remain owing by the company.

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

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

(2) For the purposes of making a non-cash distribution, the directors may make whatever arrangements they think fit, including those which artificially arise in making the distribution—

- (a) fixing the value of any assets;
- (b) paying cash to or for the benefit of the recipients, that value, and the rights of recipients, and
- (c) vesting any assets in the recipients.

#### **Waiver of distributions**

35. Distribution to a shareholder may be treated as payment of a dividend or other distribution payable in respect of a share by giving the shareholder in writing an unqualified receipt—

(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 sums of the company (whether or not they are available for distribution) which are not required for paying a dividend, and to apply such sum to the effect of the company's share premium account or capital reserve, and to release and

(b) appropriate any sum so determined to be capitalised (a capitalised sum) to the persons who would have been entitled to the dividend if it had been paid, having regard to the rights attaching to the shares in the same proportions.

4. Capitalised sums may be applied—

(a) on behalf of the persons entitled to it, 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 offered to the persons entitled to it as they may direct.

(4) A capitalised sum which was so appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted or issued 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 paragraph (3), and (4) without one party being a party to another,

(b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issue of fractional certificates and the making of cash payments) and

(c) authorise any person to do so and to agree (even with the company or other) any of all the persons entitled which is binding on them in relation to the allotment, issue and redemption of shares under this article.

## PART 4 DECISIONS BY THE 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 exercise the meeting's resolutions or to make a declaration of intent to 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 the other persons attending the meeting.

(3) The directors may, if they so desire, however arrange the meeting, they consider it appropriate to enable those attending a general meeting to exercise the rights to speak or vote at it.

(4) In determining whether a general meeting is validly called, it is immaterial whether any two or more members attending it are in the same place or not.

(5) Two or more persons who are not in the same place as one another at a general meeting if their circumstances are such that they are able to exercise the rights to speak or vote at that meeting, they are (or would be) able to exercise them.

#### **Quorum for general meetings**

38.—The business of a company may not be transacted at a general meeting if the persons present do not constitute a quorum.

#### **Chairing general meetings**

39.—(1) If a company has a chairman, he shall chair the general meetings if present and willing to do so.

(2) If a company has not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes before the start of a meeting, a meeting may be chaired by—

- (a) the directors or
- (b) the directors and the members of the meeting

must appoint a person to chair the meeting, and a person appointed as chairman of the meeting must be treated as such for 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 at directors and non-shareholders**

40.—(1) Directors only are entitled to 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 any general meeting.

### Adjournment

41.—(1) If the persons entitled to attend 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 a meeting may adjourn a general meeting if—

- (a) a meeting is adjourned for a specified day,
  - (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
  - (c) the chairman of the meeting must adjourn a general meeting if it is so directed 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,
- (b) have regard to any special business to be transacted at the place, time and day to which it has been adjourned.

42.—(1) If the directors of a company adjourn a meeting to take place more than 14 days after it has adjourned, the company must give notice of the adjourned meeting to its members, stating the extent to which the adjourned meeting and the day in which the adjourned meeting is to be held.

- (a) the same notice must be given to the holders of the company's debentures as is required to be given, and
- (b) starting the adjourned meeting on a day other than the day specified in the notice is not a breach of the provisions of the Companies Act 2006.

43. No business shall be transacted at an adjourned general meeting which could not properly have been transacted at the meeting to which it is adjourned, but subject to that—

### VOTING AT GENERAL MEETINGS

#### Voting: general

44. 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 provisions of the following provisions.

#### Errors and disputes

45.—(1) No vote shall be counted in the calculation of a majority at a general meeting except at the meeting or adjourned meeting at which the vote is alleged to have been given, and every vote not disallowed at the meeting is valid.

(2) Any dispute as to the validity of a vote shall be referred to the chairman of the meeting, whose decision is final.

#### Poll votes



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

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

(2) A poll may be demanded by—

- (a) the chairman;
- (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 may not be withdrawn—

- (a) if a poll has to be taken;
- (b) the chairman of the meeting is to the contrary.

45. Polls must be taken in secret and in such manner as the chairman of the meeting directs.

#### Content of proxy notices

46.—(1) Proxies must be duly appointed by a notice in writing (a proxy notice) which—

- (a) states the name of the person or the shareholder appointing the proxy;
- (b) mentions the date on which the 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 and is authenticated in such manner as the directors may determine;
- (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting in relation to which it is appointed.

(2) The board may, if the regulations do not provide for particular forms and may specify different forms for different purposes.

(3) A proxy notice may be given on the understanding that the proxy is to abstain from voting on one or more resolutions.

(4) A proxy notice may be given on the understanding that the proxy is to—

- (a) follow the board's guidance on a resolution when asked to do so, whether or not any or procedural resolutions;

(b) appointing that person as a proxy in relation to an adjournment of the general meeting to which it relates as well as the meeting itself.

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

43 — (1) A person who is entitled to attend or vote at a meeting (or part of a meeting on a poll) at a general meeting remains entitled in respect of that meeting or any adjournment of it even though a valid proxy notice has been delivered in relation to it by or on behalf of that person.

(2) An appointment of a proxy (noting that a proxy may be given by delivery of a notice in writing given by or on behalf of a person or by electronic means) is not valid unless the proxy notice is given.

(3) A notice given in accordance with the provisions of this section takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

(4) A proxy notice may be revoked by a person appointing a proxy if it is accompanied by written evidence of the revocation being made, or by a notice in writing or by electronic means on the appointor's behalf.

#### **Amendments to resolutions**

44 — (1) A resolution passed at a general meeting may be amended at the meeting 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, and the proposed amendment is made at a meeting called for that purpose to take place (or such later time as the chairman of the meeting may determine) and

(b) the proposed amendment is not in the least likely to be considered by the chairman of the meeting to materially alter the scope of the resolution.

(2) A special resolution may be proposed and resolved at a meeting that may be attended by ordinary resolution, if—

(a) notice of the proposed resolution has been given to the company in writing by a person entitled to vote at the meeting and

(b) the amendment proposed is only a verbal amendment or correction of a clerical or non-substantive error in the resolution.

(3) Where the chairman of a meeting acting in good faith wrongly decides that an amendment to a resolution is out of order, he or she is not liable in damages for that decision.

### **PART 5 ADMINISTRATIVE ARRANGEMENTS**

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

45 — (1) Subject to the provisions of this section, any notice or other communication under the articles may be sent or supplied in any manner in which the Companies Act 2006 provides for documents or information which are authorised or required to be sent or supplied to that company or to its members.

(2) Subject to the articles of the company, notice or document to be sent or supplied to a director in connection with the taking of decisions of the company may also be sent or supplied by the chairman of the board if that director has asked to be sent or supplied with such notices or documents for the time being.

(3) A director may require that documents or notices or documents sent to him as director in a particular way are to be deemed to have been received with the specified time of the notice or sent after the specified time to be less than 48 hours.

### Company seals

49.—(1) A company may have one or more seals.

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

(3) Unless otherwise directed by the directors, no director of the company shall cause any seal which is affixed to a document, the document being of such a nature as to require the use of a seal, to be used unless the document is countersigned by a person who attests the signature.

(4) For the purposes of this section a seal may be—

(a)any circular seal;

(b)the company seal duly stamped;

(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.—(1) Except in so far as may be authorised by the directors, no person is entitled to require inspection of the company's accounts or other records or documents merely by virtue of being a shareholder.

### Provision for employees on cessation of business

51.—(1) If a company or subsidiary ceases to carry on business, any person who has been formerly employed by the company or subsidiary as a director (other than a director or former director or shadow director) in connection with the cessation of business of the company or the whole or part of the undertaking of the company or that subsidiary.

### DIRECTORS' INDEMNITY AND INSURANCE

#### Indemnity

52.—(1) Subject to the provisions of the articles of the company, no director or associated company may be indemnified or released from liability in respect of—

(a)any liability to the company or to a third party in respect of any negligence, default, breach of duty or breach of trust in connection with the company's business.

(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