

# DentonWildeSapte...

Registered No: 02721178

Companies Acts 1985 to 2006

Articles of

Association of

**J Sainsbury Pension Scheme Trustees Limited**

(previously called J Sainsbury Executive Pension Scheme Trustees Limited)

**Adopted by Special Resolution dated 7 December 2010**

**and amended by Special Resolution on 28 February 2020**

**Incorporated 8 June 1992**

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## CONTENTS

1	Exclusion of model articles	1
2	Definitions and interpretation	1
3	Liability of members	3
4	Directors' general authority	4
5	Members' reserve power	4
6	Directors may delegate	4
7	Committees	5
8	Directors to take decisions collectively	5
9	Unanimous decisions	5
10	Majority decisions	5
11	Calling a directors' meeting/ proposing a written resolution	5
12	Participation in directors' meetings	6
13	Quorum for majority decisions	7
14	Chairing of majority decision-making processes	8
15	Casting vote	8
16	Directors' interests	8
17	Records of decisions to be kept	9
18	Directors' discretion to make further rules	9
19	Number of directors	10
20	Company Nominated Directors	10
21	Member Nominated Directors	10
22	Independent Director	10
23	Termination of director's appointment	12
24	Directors' remuneration	13
25	Directors' expenses	14

26	Power to appoint a secretary	14
27	Share capital	15
28	Company not bound by less than absolute interests	15
29	Share certificates	15
30	Replacement share certificates	15
31	Calls on shares	16
32	Lien	16
33	Enforcement of the company's lien	17
34	Share transfers	18
35	Transmission of shares	18
36	Exercise of transmitters' rights	19
37	Transmitters bound by prior notices	19
38	Dividends	19
39	Payment of dividends and other distributions	19
40	No interest on distributions	20
41	Unclaimed distributions	20
42	Attendance and speaking at general meetings	21
43	Quorum for general meetings	21
44	Chairing of general meetings	22
45	Attendance and speaking by directors and non-members	22
46	Adjournment	22
47	Voting general	23
48	Errors and disputes	23
49	Amendments to resolutions	23
50	Means of communication to be used	25
51	Addresses and other contact details	25

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52	Company seal and execution of documents	25
53	No right to inspect accounts and other records	26
54	Provision for employees on cessation of business	26
55	Indemnity	26
56	Insurance	27
57	Winding up	28

**Companies Acts 1985 to 2006**  
**Private company limited by shares**

**Articles of Association  
of  
J Sainsbury Pension Scheme Trustees Limited**  
**(Company number 02721178)**

**PART 1**

**ARTICLES, INTERPRETATION AND LIMITATION OF LIABILITY**

**1 Exclusion of model articles**

- 1 1 The model articles for private companies limited by shares contained in the Companies (Model Articles) Regulations 2008 do not apply to the company
- 1 2 These articles shall constitute the entire Articles of Association of the company

**2 Definitions and interpretation**

- 2 1 in these articles, unless the context requires otherwise

the **1985 Act** means the Companies Act 1985 to 1989,

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

**articles** means these, the company's Articles of Association,

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

**chairman** has the meaning given in article 14,

**chairman of the meeting** has the meaning given in article 44,

**Companies Acts** means the 1985 Act and the 2006 Act, in so far as they apply to the company,

**Company Nominated Director** means a director appointed under article 20,

**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 39,

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

**electronic form** has the meaning given to it in section 1168 of the 2006 Act,

**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 2006 Act,

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

**Independent Director** means the director appointed under article 22,

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

**lien enforcement notice** has the meaning given to it in article 33,

**majority decision** means a decision taken in accordance with article 10,

**member** means a member of the company,

**Member Nominated Director** means a director appointed under article 21 pursuant to the MND requirements,

**MND requirements** means the requirements of section 242 of the Pensions Act 2004 and any regulations made under that section (both as amended, replaced or re-enacted from time to time) for one or more of the directors of the company to be nominated by the members of any pension scheme or pension schemes of which the company is a trustee and the terms of any arrangements implemented by the company under those requirements,

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

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

**participate**, in relation to a directors' meeting, has the meaning given in article 12,

**pension scheme** has the meaning given to that term in section 150 of the Finance Act 2004,

**person** means a natural person or any entity having a legal personality,

**registered office** means the registered office of the company,

**secretary** means the company secretary,

**shares** means shares in the company,

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

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

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

**unanimous decision** means a decision taken in accordance with article 9, 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 and for the avoidance of doubt includes email and fax but not a text message from a mobile electronic device

2 2 Unless the context otherwise requires

- (a) words and expressions to which a particular meaning is given by the 1985 Act or the 2006 Act, in each case as in force when the articles are adopted, shall have the same meaning in the articles, and
- (b) words and expressions to which a particular meaning is given by both the 1985 Act and the 2006 Act, in each case as in force when the articles are adopted, shall have the meaning given by the 2006 Act,

except where the word or expression is otherwise defined in the articles

### 3 **Liability of members**

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

## **PART 2**

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

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

Subject to the articles, the directors

- (a) shall manage the company's business, and
- (b) for this purpose, may exercise all the powers of the company

#### **5 Members' reserve power**

5 1 The members may, by ordinary or special resolution, direct the directors to take, or refrain from taking, specified action

5 2 No such resolution (and no alteration of the articles) may

- (a) invalidate anything which the directors have done before the passing of the resolution, or
- (b) require the directors to take, or refrain from taking any action in relation to or arising out of a pension scheme of which the company is a trustee

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

6 1 Subject to the articles, the directors may delegate any of the powers which the articles confer on them

- (a) to a committee consisting of one or more persons,
- (b) by such means (including by power of attorney),
- (c) to such extent, and
- (d) in relation to such matters or territories,

as they think fit

6 2 Any delegation under article 6 1 may be

- (a) on such terms and conditions as the directors impose, and
- (b) collaterally with or to the exclusion of the directors' own powers

6 3 The directors may authorise further delegation of the directors' powers by any person to whom they are delegated

6 4 The directors may

- (a) revoke any delegation in whole or in part, or
- (b) alter its terms and conditions



## **7 Committees**

- 7 1 Committees to which the directors delegate any of their powers must follow procedures based on these articles, as far as applicable, which govern how the directors take decisions
- 7 2 The directors may make rules of procedure for all or any committees. These rules of procedure must prevail over the rules based on these articles, if they are not consistent with them

### **DECISION MAKING BY DIRECTORS**

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

Subject to the articles, the directors may on any matter take either

- (a) a unanimous decision, or
- (b) a majority decision

## **9 Unanimous decisions**

- 9 1 The directors take a unanimous decision at a meeting when they all indicate to each other that they share a common view on a matter
- 9 2 A unanimous decision may take the form of a resolution in writing
- (a) copies of which have been signed by all directors, or
  - (b) to which all directors have otherwise indicated their agreement in writing

## **10 Majority decisions**

- 10 1 Subject to article 10 3, the directors take a majority decision when a majority of the directors participating in a directors' meeting indicate to each other that they share a common view on a matter
- 10 2 Subject to article 10 3, a majority decision may take the form of a resolution in writing
- (a) copies of which have been signed by a majority of all directors, or
  - (b) to which a majority of all directors have otherwise indicated their agreement in writing
- 10 3 At least two Member Nominated Directors and two Company Nominated Directors must
- (a) in the case of a directors' meeting, indicate to each other that they share a common view on a matter, and
  - (b) in the case of a written resolution, sign or otherwise indicate their agreement to the resolution in writing

## **11 Calling a directors' meeting / proposing a written resolution**

- 11 1 Any director may propose a written resolution
- (a) by giving notice of it to all directors in writing, or

- (b) by authorising the secretary (if any) to give such notice in like manner
- 11 2 Notice for proposing a written resolution shall be such period as the directors have decided from time to time shall apply
- 11 3 Any director may call a directors' meeting
  - (a) by giving notice of the meeting to the directors, or
  - (b) by authorising the secretary (if any) to give such notice
- 11 4 Notice of any directors' meeting must indicate
  - (a) its proposed date, time and subject matter,
  - (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
- 11 5 Notice of a directors' meeting
  - (a) must be given to each director,
  - (b) must be given in writing, and
  - (c) shall be such period as the directors have decided from time to time shall apply
- 11 6 In fixing the date and time of any directors' meeting, the director calling it must try to ensure, subject to the urgency of any matter to be decided by the directors, that as many directors as practicable are likely to be available to participate in it
- 11 7 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting A director waives his entitlement to notice of a meeting by giving notice to that effect to the company 7 days before or after the date on which the meeting is held Where a director gives such notice after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it
- 11 8 Directors are to be treated as having waived their entitlement to notice of a meeting if they have not supplied the company with the information necessary to ensure that they receive the notice before the meeting takes place

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

- 12 1 Subject to the articles, a director participates in a meeting of the directors or a committee of the directors or part of any such meeting, when
  - (a) the meeting has been called and takes place in accordance with the articles, and
  - (b) he can communicate to the others any information or opinions he has on any particular item of the business of the meeting
- 12 2 In determining whether directors are participating in a directors' meeting
  - (a) it is irrelevant where any director is, and
  - (b) directors may communicate with each other by any communications equipment which allows all those participating in the meeting to hear and speak to each other

- 12 3 If all the directors participating in a meeting are not in the same place
- (a) they may decide that the meeting is to be treated as taking place wherever any of them is, or
  - (b) failing such a decision, the meeting shall be deemed to take place where the largest group of those participating is, or
  - (c) if there is no such group, the meeting shall be deemed to take place where the chairman of that meeting then is
- 12 4 Subject to these articles, a director participating in a meeting in accordance with this article 12 shall be
- (a) counted as present at the meeting,
  - (b) counted in a quorum, and
  - (c) entitled to vote
- 12 5 A director may by signed notice in writing to the secretary appoint another director named in the notice or, in the absence of such director, the chairman from time to time of meetings of directors to be his proxy at meetings of directors for such period and in relation to such matters as are specified in the notice. The effect of such notice shall be that
- (a) the director who is appointed as proxy
    - (1) shall, in addition to his own entitlement to vote, be entitled to cast one other vote on the matters and during the period set out in the proxy notice,
    - (11) shall cast such other vote as specified in the proxy notice or, in the absence of any specification, may cast such other vote or abstain from voting as he in his absolute discretion considers appropriate, and
    - (111) count as only one person for the purposes of determining the number of people present at a meeting and whether a meeting is quorate,
  - (b) the director who has appointed another director as his proxy shall
    - (1) not be entitled to cast a vote on the matters and during the period set out in the proxy notice, and
    - (11) not count for the purposes of determining the number of people present at a meeting and whether a meeting is quorate
- 12 6 A director may by signed notice in writing to the secretary revoke a notice given under article 12 5 with the effect that from receipt of that notice the notice given under article 12 5 shall be of no effect

### **13 Quorum for majority decisions**

- 13 1 No majority decision (other than a decision to call a directors' meeting or a general meeting) shall be taken by the directors unless a quorum participates in the decision-making process
- 13 2 The directors may from time to time fix the quorum for directors' majority decision-making. Unless a majority of Member Nominated Directors and a majority of Company Nominated Directors decide otherwise, this quorum must never be less than two Member Nominated Directors and two Company Nominated Directors

- 13 3 Notwithstanding article 13 2, the directors may agree that the quorum for a meeting of the directors may comprise solely Member Nominated Directors, provided that a majority of Company Nominated Directors agree to this
- 13 4 If the total number of directors for the time being is less than the quorum required for directors' majority decision-making, the directors must not take any majority decision other than a decision
- (a) to appoint further directors, or
  - (b) to call a general meeting so as to enable the members to appoint further directors

#### **14 Chairing of majority decision-making processes**

- 14 1 The Independent Director shall act as chairman of the meetings of directors in respect of
- (a) all of the processes by which a majority decision may be taken, or
  - (b) a particular process, or processes of a particular type (such as directors' meetings), by which a majority decision may be taken
- 14 2 A majority of the directors participating in a meeting of the directors may appoint one of themselves to chair any directors' meeting, if
- (a) the Independent Director is not participating in the directors' meeting within fifteen minutes of the time at which the meeting was to start (or such other time as the directors may decide from time to time), or
  - (b) there is no Independent Director appointed

#### **15 Casting vote**

- 15 1 If
- (a) a majority decision is to be taken on a matter, and
  - (b) equal numbers of directors hold differing views on the matter,
- the chairman shall have a casting vote
- 15 2 Article 15 1 does not apply if, in accordance with the articles, the chairman is not to be counted as participating in the decision-making process for quorum, voting or agreement purposes

#### **16 Directors' interests**

- 16 1 Unless article 16 2 applies, if a proposed decision of the directors
- (a) is concerned with an actual or proposed transaction or arrangement with the company or in which the company is interested, and
  - (b) to which a director is a party or in which he is otherwise interested,
- that director may not participate in the decision-making process for quorum, voting or agreement purposes

- 16 2 This article 16 2 applies if the director has disclosed to the other directors the nature and extent of any such interest as required by law and
- (a) the directors authorise the director to participate in the decision making process, or
  - (b) the director's conflict of interest arises from a permitted cause
- 16 3 For the purposes of article 16 2, a permitted cause is a conflict arising because
- (a) the director is a member of a pension scheme of which the company is a trustee, and
  - (b) the matter to be voted on is of benefit to the director either as an individual member of that pension scheme or as part of a group of such members
- 16 4 If at a meeting of the directors' or of a committee the question arises whether a director (being other than the chairman of the meeting) can vote
- (a) the question may be referred to the chairman before the end of the meeting, and
  - (b) the ruling of the chairman in relation to the director shall be final and conclusive
- 16 5 If the question arises whether the chairman of the meeting can participate in the meeting (or part of the meeting)
- (a) the directors at the meeting will decide the question, and
  - (b) the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes
- 16 6 Any references in this article 16 to proposed decisions and decision-making processes include any directors' meeting, part of a directors' meeting and a committee meeting
- 16 7 Any reference in this article 16 to a conflict of interest includes (where the context requires)
- (a) a potential conflict of interest,
  - (b) a conflict of interest and duty, and
  - (c) a conflict of duties

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

- 17 1 The directors must ensure that, subject to article 17 2, the company keeps a record of every unanimous or majority decision taken by the directors
- 17 2 The company shall keep therecords
- (a) in writing, and
  - (b) for at least 6 years from the date of the decision recorded

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

- 18 1 Subject to the articles, the directors may make any rule which they think fit about
- (a) how they take decisions, and
  - (b) how such rules are to be recorded or communicated to directors

## NUMBER, APPOINTMENT AND REMOVAL OF DIRECTORS

### 19 Number of directors

The company shall have nine directors

### 20 Company Nominated Directors

20 1 Subject to the articles, the member or members holding a majority in nominal value of the issued shares in the company

- (a) shall appoint four persons as Company Nominated Directors,
- (b) may remove any Company Nominated Director from office as a director, and
- (c) where there is a vacancy for a Company Nominated Director, shall fill the vacancy as soon as reasonably practicable

20 2 A Company Nominated Director may be appointed or removed from office as a director by

- (a) ordinary resolution, or
- (b) notice in writing to the company

and the appointment or removal shall take effect on the date as specified in the resolution or receipt by the company of the notice or, if later, on the date specified in the notice

### 21 Member Nominated Directors

21 1 Subject to the articles and any MND requirements, the directors

- (a) shall appoint four persons as Member Nominated Directors, and
- (b) may remove any Member Nominated Director from office as a director
- (c) where there is a vacancy for an Member Nominated Director, shall fill the vacancy in accordance with any MND requirements or otherwise as soon as reasonably practicable

21 2 The persons appointed under article 21 1 must be members of the pension scheme of which the company is a trustee

21 3 A Member Nominated Director shall be appointed and removed by resolution of the directors and the appointment or removal shall take effect on the date specified in the resolution

### 22 Independent Director

22 1 Subject to the articles, the member or members holding a majority in nominal value of the issued shares in the company

- (a) shall appoint (in addition to the persons appointed or to be appointed under article 20 1) as Independent Director a person who satisfies the independence requirements
- (b) may remove the Independent Director from office as a director, and
- (c) where there is a vacancy for the Independent Director, shall fill the vacancy as soon as reasonably practicable

22 2 For the purposes of this article 22, the independence requirements are that the Independent Director

- (a) must not control (directly or indirectly) the exercise of more than 1% of the voting rights in
  - (1) a relevant company, or
  - (11) an associate of a relevant company, or
  - (111) a person who has control of a relevant company,
- (b) must not be a
  - (1) person who derives, or
  - (11) a director, officer, partner, member or executive employee of a person which derives,  
  
(or, in either case, who or which, in any of the three years prior to his appointment as Independent Director, has derived) 5% or more of his or its total annual income (excluding any income relating to acting as a director of the company or trustee of a pension scheme of which the company is a trustee) from the provision of goods and/or services to
    - (111) a relevant company, or
    - (1v) an associate of a relevant company, or
    - (v) an associate of an associate of a relevant company,
- (c) must not be (or within the last three year prior to his appointment as Independent Director have been) a director, officer, partner, member or executive employee of
  - (1) a relevant company,
  - (11) an associate of a relevant, or
  - (111) a person who has control of a relevant company,

and

- (d) not have an interest or relationship that could interfere with his ability to act in the best interests of members of any pension scheme of which the company is a trustee and independently of the relevant company, the associates of the relevant company and any person who has control of the relevant company provided that from time to time a majority of the Company Nominated Directors and a majority of the Member Nominated Directors may give notice to the relevant company that an interest or relationship should be treated as one which will not interfere with his ability to act in the best interests of members of the pension scheme and independently of the relevant company, the associates of the relevant company and any person who has control of the relevant company

22 3 Notwithstanding the terms of article 22 1 the company may appoint as Independent Director a person who does not satisfy the independence requirements set out in article 22 2, if a majority of the Company Nominated Directors and a majority of the Member Nominated Directors

- (a) agree to waive some or all of the independence requirements, and

- (b) give written notice of their waiver to the relevant company
- 22 4 Notwithstanding the terms of article 22 1, a person shall cease to be Independent Director on ceasing to satisfy the independence requirements (set out in article 22 2 and as varied by article 22 3)
- 22 5 Notwithstanding the terms of article 22 1 before appointing or removing any person as the Independent Director, the person or persons having the power to appoint and remove (or a person nominated by such person or persons) shall
  - (a) consult with the Company Nominated Directors and the Member Nominated Directors in relation to the proposed appointment or removal of the Independent Director for the required period and give proper consideration to any views they express,  
  
and
  - (b) to the best of their ability arrange for the person they propose to appoint to meet the Company Nominated Directors and the Member Nominated Directors
- 22 6 For the purposes of this article 22
  - (a) "required period" means a period of ninety days (or such shorter period as is agreed in writing between a majority of Company Nominated Directors and a majority of Member Nominated Directors and the relevant company) or where ninety days is not possible
    - (1) because of regulatory or legal requirements, or
    - (11) a relevant company (acting reasonably and in good faith) so determines,  
  
such shorter period of the maximum possible length,
  - (b) "executive employee" means
    - (1) in relation to a relevant company, an employee who is a member of the relevant company's operating board or equivalent structure, and
    - (11) in relation to any other person, an employee who is in a senior management position for that person,
  - (c) relevant company means the principal employer of any pension scheme of which the company is a trustee  
  
and
  - (d) the terms "having control of" and "being an associate of" a person are to be construed in accordance with Section 435 of the Insolvency act 1986

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

- 23 1 A person ceases to be a director as soon as
  - (a) that person
    - (1) ceases to be a director by virtue of any provision of the 1985 Act (as amended by the 2006 Act), or
    - (11) 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) the director's resignation or retirement from office has taken effect in accordance with its terms,
  - (g) he ceases to be eligible to continue as a director under the MND requirements,
  - (h) he is removed as a Company Nominated Director in accordance with the terms of his appointment, or
  - (i) he is prohibited or disqualified from acting as a trustee or director of a trustee of a pension scheme under the Pensions Act 1995 and any regulations made under that section (both as amended, replaced or re-enacted from time to time)
- 23 2 A director may resign by giving written notice to the company and the principal employer of any pension scheme of which the company is a trustee The notice shall take effect
- (a) 20 business days from the time at which the notice is delivered to such principal employer, or
  - (b) at such later date as is specified in the notice, or
  - (c) at such earlier date after delivery of the notice as is agreed to by the company and such principal employer

## **24 Directors' remuneration**

- 24 1 Directors are not entitled to remuneration from the company for their services as directors of the company unless the company by ordinary resolution decides otherwise
- 24 2 Any remuneration from the company shall be on such terms as the company may determine Unless the resolution determines otherwise, the remuneration shall be deemed to accrue from day to day
- 24 3 Subject to the articles, a director or his firm may undertake in a professional capacity such services for the company that the directors decide
- 24 4 A director and his firm undertaking professional services for the company shall be entitled to charge and be paid the normal fees or remuneration for those services
- 24 5 Nothing in this article 24 shall affect prejudicially the right of any director of the company
- (a) to charge fees or remuneration and be paid for his services as a director, and/or
  - (b) charge and be paid for professional work done by him or his firm in relation to the company,

which are agreed and paid in accordance with the terms of any agreement entered into between the director and any third party

24 6 A director is not accountable to the company for any such fees, charges or remuneration as are referred to in this article 24

## **25 Directors' expenses**

The company may pay any reasonable expenses which the directors properly incur in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company, provided that they provide invoices for such expenses to the company

## **SECRETARY**

## **26 Power to appoint a secretary**

26 1 The directors may

- (a) if they think fit, appoint a person to be the secretary, and
- (b) remove any person so appointed 26

2 The appointment of the secretary shall be

- (a) in writing, and
- (b) for such term, and
- (c) on such terms and conditions, if any, as to remuneration and otherwise, as the directors think fit

## **PART 3**

### **SHARES AND DISTRIBUTIONS**

#### **SHARES**

#### **27 Share capital**

The authorised share capital of the company at the date of adoption of these articles is £10,000 divided into 10,000 ordinary shares of £1 each

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

- 28 1 Except as required by law, no person shall be recognised by the company as holding any share upon any trust
- 28 2 Except as otherwise required by law or the articles, the company shall not in any way 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

#### **29 Share certificates**

- 29 1 The company must issue each member, free of charge, with one or more certificates in respect of the shares which the member holds
- 29 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) the amount paid up on them, and
  - (d) any distinguishing numbers assigned to them
- 29 3 No certificate may be issued in respect of shares of more than one class
- 29 4 If more than one person holds a share, only one certificate may be issued in respect of it
- 29 5 Certificates must
- (a) have affixed to them the company's common seal, or
  - (b) be otherwise executed in accordance with the Companies Acts

#### **30 Replacement share certificates**

- 30 1 If a certificate issued in respect of a member's shares is
- (a) damaged or defaced, or
  - (b) said to be lost, stolen or destroyed,
- that member is entitled to a replacement certificate in respect of the same shares

- 30 2 A member exercising the right to a replacement certificate
- (a) may at the same time opt for 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

### **31 Calls on shares**

- 31 1 Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys remaining unpaid on their shares

- 31 2 The directors must make each call on shares by giving members fourteen clear days' notice

- (a) in writing, and
- (b) specifying when and where payment is to be made

Each member who receives notice under this article shall pay to the company, as the notice requires, the amount called on his shares

- 31 3 The directors may

- (a) require a member to pay a call by instalments, and
- (b) revoke a call in whole or in part before the company receives any sum due under article 31 2

- 31 4 A person upon whom the directors make a call shall remain liable for the call notwithstanding the subsequent transfer of the shares on which the call was made

- 31 5 The directors make a call at the time they pass the resolution authorising it

- 31 6 If a call remains unpaid after it has become due the person liable for it shall pay interest on the amount unpaid. The interest shall run

- (a) from the day the call became due until it is paid,
- (b) at the rate fixed by the terms of allotment of the share or in the notice of the call

If no rate is fixed, at the appropriate rate (as defined by the Act) but the directors may waive payment of the interest wholly or in part

- 31 7 An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the articles shall apply as if that amount had become due and payable by virtue of a call

### **32 Lien**

- 32 1 The company has a lien ("the company's lien") over every partly paid share

- (a) for any part of that share's nominal value (and any premium at which the company issued it),

(b) which the holder of the share has not paid to the company, and

(c) which is payable immediately or at some time in the future,

whether or not the directors have sent a call notice in respect of it

32 2 The company's lien over a share

(a) takes priority over any third party's interest in that share, and

(b) extends to

(1) any dividend or other money payable by the company in respect of that share, and

(11) (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share

32 3 The directors may at any time decide that a partly paid share or shares shall not be subject to the company's lien, either wholly or in part

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

33 1 Subject to the provisions of this article, if

(a) a lien enforcement notice has been given in respect of a share, and

(b) the person to whom the notice was given has failed to comply with it,

the company may sell that share in such manner as the directors decide

33 2 A lien enforcement notice

(a) may only be given 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 fourteen 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 or bankruptcy, and

(e) must state the company's intention to sell the share if the notice is not complied with

33 3 Where shares are sold under this article

(a) the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and

(b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale

33 4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied

(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,

- (b) second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice

33 5 A statutory declaration by a director or the secretary that the declarant is a director or the secretary and that a share has been sold to satisfy the company's lien on a specified date

- (a) is 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

### **34 Share transfers**

34 1 Shares may be transferred by means of an instrument of transfer

- (a) in any usual form, or
- (b) in any other form approved by the directors, and
- (c) which is executed by or on behalf of the transferor

34 2 The company shall not charge any fee for registering any instrument of transfer or other document relating to or affecting the title to any share

34 3 The company may retain any instrument of transfer which is registered

34 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

34 5 The directors may refuse to register the transfer of a share and are not obliged to give any reason for so doing

34 6 If the directors refuse to register the transfer of a share, they must return the instrument of transfer to the transferee with a notice of refusal, unless they suspect that the proposed transfer may be fraudulent

### **35 Transmission of shares**

35 1 If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share

35 2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require, subject to the articles

- (a) may choose either
  - (1) to become the holder of those shares, or
  - (11) to have them transferred to another person,

and

- (b) pending any transfer of the shares to another person, has the same rights as the holder had

35 3 Transmittees do not have the right to

- (a) attend or vote at a general meeting, or
- (b) 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

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

36 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

36 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

36 3 Any transfer made or executed under this article is to be treated as if

- (a) that transfer were made or executed by the person from whom the transmittee has derived rights in respect of the share, and
- {b) the event which gave rise to the transmission had not occurred

### **37 Transmittes bound by prior notices**

37 1 This article will apply if

- (a) a notice is given to a member in respect of shares, and
- {b) a transmittee is entitled to those shares

37 2 If this articles applies, the transmittee is bound by the notice, if it was given to the member before the transmittee's name has been entered in the register of members

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **38 Dividends**

38 1 Subject to the provisions of the articles, the company may by ordinary resolution declare dividends in accordance with the respective rights of the members provided that the directors have made a recommendation as to the relevant amount

38 2 No dividend shall exceed the amount recommended by the directors

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

39 1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by

- (a) transfer to a bank or building society account as the distribution recipient has specified in writing,
- {b) sending a cheque made payable to the distribution recipient by post

- (1) to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or
  - (11) (in any other case) to an address specified by the distribution recipient in writing,
  - (c) sending 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 (including by the allotment or transfer of further shares in accordance with the articles) as the directors agree with the distribution recipient in writing, or
  - (e) by such other means as the directors decide
- 39 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

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

- 40 1 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 directors issued the share, or
  - (b) another agreement between the holder of that share and the company

#### **41 Unclaimed distributions**

- 41 1 The directors may invest or otherwise use for the benefit of the company until claimed all dividends or other sums which are

- (a) payable in respect of shares, and
- (b) unclaimed after having been declared or become payable

- 41 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

- 41 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



## **PART 4**

### **DECISION-MAKING BY MEMBERS**

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

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

- 42 1 A person can exercise the right to speak at a general meeting when that person can communicate to all those attending the meeting, during the meeting any information or opinions which that person has on the business of the meeting
- 42 2 A person can exercise the right to vote at a general meeting when
- (a) that person can 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
- 42 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
- 42 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
- 42 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

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

- 43 1 At a general meeting of the company, members may not transact any business, other than the appointment of the chairman of the meeting, unless the persons attending it constitute a quorum
- 43 2 If the company has only one member, a quorum at any general meeting is
- (a) that member, or
  - (b) where that member is a corporation, its duly authorised representative
- 43 3 If the company has more than one member, a quorum is present at any general meeting if any member or members attending the meeting holds or together hold a majority in nominal value of the issued share capital of the company
- 43 4 A member who is a corporation shall be treated as present at a meeting if it is represented at that meeting by its duly authorised representative

#### **44 Chairing of general meetings**

44 1 The Independent Director shall chair general meetings at which he is present

44 2 Article 44 3 applies if

- (a) there is no Independent Director appointed, or
- (b) the Independent Director is not present within fifteen minutes of the time at which a meeting was due to start

44 3 If this article applies, either

- (a) the directors present at the meeting, or
- (b) (if no directors are present), the meeting,

must appoint a director or member to chair the meeting. The appointment of the chairman of the meeting must be the first business of the meeting

44 4 The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting"

#### **45 Attendance and speaking by directors and non-members**

45 1 Directors may attend and speak at general meetings, whether or not they are members

45 2 The chairman of the meeting may permit other persons who are not

- (a) members, or
  - (b) otherwise entitled to exercise the rights of members in relation to general meetings,
- to attend and speak at a general meeting

#### **46 Adjournment**

46 1 If within half an hour of the time at which a general meeting was due to start

- (a) there is no quorum, or
- (b) during that meeting there ceases to be a quorum,

the chairman of the meeting must adjourn it

46 2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if

- (a) the meeting agrees to an adjournment, or
- (b) it appears to the chairman that an adjournment is necessary
  - (1) to protect the safety of any person attending the meeting, or
  - (11) to ensure that the business of the meeting is conducted in an orderly manner

46 3 The chairman of the meeting must adjourn a general meeting if the meeting directs him to do so

- 46 4 When adjourning a general meeting, the chairman of the meeting must
- (a) either
    - (1) specify the time and place to which it is adjourned, or
    - (11) 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 the meeting has given
- 46 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
- 46 6 No member may transact at an adjourned general meeting any business which he or it could not properly have transacted at the general meeting, if the adjournment had not taken place

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

#### **47 Voting: general**

- 47 1 A resolution put to the vote of a general meeting must be decided on a show of hands
- 47 2 If equal numbers of votes are cast for and against a resolution, the chairman of the meeting has a casting vote in addition to any other votes he is otherwise entitled to cast on that resolution

#### **48 Errors and disputes**

- 48 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 Every vote not disallowed at the meeting is valid
- 48 2 Any such objection must be referred to the chairman of the meeting, whose decision shall be final

#### **49 Amendments to resolutions**

- 49 1 An ordinary resolution to be proposed at a general meeting may be amended if
- (a) notice of the proposed amendment is given
    - (1) to the company in writing,
    - (11) by a person entitled to vote at the general meeting at which it is to be proposed,
    - (111) 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

49 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

49 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**

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

- 50 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 1985 Act (as amended by the 2006 Act) provides for documents or information to be sent or supplied by or to the company
- 50 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
- 50 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

#### **51 Addresses and other contact details**

- 51 1 Anything sent to a member under the articles may be sent to that member's address as registered in the register of members, unless
- (a) the member and the company have agreed that another means of communication is to be used, and
  - (b) the member has supplied the company with the information it needs in order to be able to use that other means of communication
- 51 2 Any notice or document sent to a director may be sent to that director's address as registered in the register of directors, unless
- (a) the director and the company have agreed that another means of communication is to be used, and
  - (b) the director has supplied the company with the information it needs in order to be able to use that other means of communication

#### **52 Company seal and execution of documents**

- 52 1 The company may have a common seal. The directors may decide by what means and in what form any common seal is to be used
- 52 2 Any common seal may only be used by the authority of
- (a) the directors, or
  - (b) a committee set up by the directors for this purpose
- 52 3 Unless the directors decide otherwise, if the common seal is affixed to a document, the document must also be signed by
- (a) a director, and
  - (b) either the secretary or a second director

52 4 Any deed or instrument

- (a) signed by
    - (1) a director and the secretary, or
    - (11) two directors, or
    - (111) any person authorised to sign it by the directors or a committee of directors,
  - and
  - (b) expressed to be executed by the company,
- shall have the same effect as if executed under the seal

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

No person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a member except as

- (a) provided by law, or
- (b) authorised by the directors, or
- (c) authorised by an ordinary resolution of the company

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

The directors may make provision for the benefit of persons employed or formerly employed by the company (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

**DIRECTORS' INDEMNITY AND INSURANCE**

**55 Indemnity**

55 1 Without prejudice to any other indemnity to which a relevant director may be entitled, the company may indemnify a relevant director against any liability (other than a liability to the company or an associated company) which that director incurs in connection with

- (a) civil proceedings in relation to the company or an associated company (other than a liability incurred in defending proceedings brought by the company or an associated company in which final Judgment is given against the directors),
- (b) criminal proceedings in relation to the company or an associated company (other than a fine imposed in such proceedings, or a liability incurred in defending proceedings in which the director is convicted and the conviction is final),
- (c) regulatory action taken by or a regulatory investigation by a regulatory authority in relation to the company or an associated company (unless a sum is payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising)),
- (d) any application for relief

- (1) under section 661(3) or (4) of the 2006 Act (power of court to grant relief in case of acquisition of shares by innocent nominee), or
- (11) section 1157 of the 2006 Act (general power of court to grant relief in case of honest and reasonable conduct),

unless the court refuses to grant the director relief and the refusal of relief is final, or

- (e) civil proceedings in relation to an occupational pension scheme (as defined in section 235(6) of the 2006 Act) of which the company is a trustee in respect of liability incurred in connection with the company's activities as a trustee of the scheme (other than
  - (r) a fine imposed in criminal proceedings,
  - (11) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising), or
  - (111) a liability incurred in defending proceedings in which the director is convicted and the conviction is final)

55 2 A Judgment, conviction or refusal of relief becomes final

- (a) if not appealed against, at the end of the period for bringing an appeal, or
- (b) if appealed against, at the time when the appeal (or any further appeal) is disposed of

55 3 An appeal is disposed of

- (a) if it is determined and the period for bringing any further appeal has ended, or
- (b) if it is abandoned or otherwise ceases to have effect

55 4 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

## 56 Insurance

56 1 The directors may purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss

56 2 In this article

- (a) a "relevant officer" means
    - (r) any director or former director of the company,
    - (11) any other officer or employee or former officer or employee of the company (but not its auditors), or
    - (111) any trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act) or employees' share scheme of the company,
- and

- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company (within the meaning of article 53(4)(a) above) or any pension fund or employees' share scheme of the company

## **WINDING UP**

### **57 Winding up**

- 57 1 If the company is wound up, the liquidator, with the sanction of a special resolution of the company and any other sanction which the Companies Acts require
- (a) may
- (1) divide among the members all or any of the assets of the company in specie, or
- (11) sell all or any of the assets of the company,
- and
- {b) for that purpose
- (1) value any assets, and
- (11) decide how to divide the assets or the proceeds of sale of any assets between the members
- 57 2 The liquidator may, with the like sanction, vest all or any of the assets in trustees upon trusts for the benefit of the members as he with the like sanction determines
- 57 3 No member need accept any assets upon which there is a liability