

**COMPANY NUMBER 07673494**

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTION**

**of**

**D MACK GLOBAL LIMITED (Company)**

**PASSED ON THE 5TH DAY OF MAY 2016**

The following Resolutions of the type and in the terms specified below were passed by the requisite majority of the eligible members of the Company who would have been entitled to vote on the Resolutions on the circulation date of the Resolutions as written resolutions pursuant to Sections 288-300 of the Companies Act 2006 on the 5th day of May 2016

**SPECIAL RESOLUTIONS**

- 1 **THAT** with effect from the time of the passing of this Resolution, the existing 25 "C" Ordinary Shares of £1 00 each in the existing Issued Share capital of the Company be re-designated and re-named as 2 "A" Ordinary Shares of £1 00 each and 23 "B" Ordinary Shares of £1 00 each Such shares to rank pari passu with the other class of Shares in the Capital of the Company in issue on the date of passing of this Resolution, save as expressly provided in the Articles of Association of the Company from time to time
- 2 **THAT** the provisions of Article 30 2 of the Articles of Association of the Company dated the 17<sup>th</sup> day of June 2011 shall not apply to the following proposed allotments of Ordinary Shares of £1 00 each in the capital of the Company -

Name of Applicant	Number and class of Ordinary Shares of £1.00 each applied for
Richard Cormack	248 "A" Ordinary
MEMW Management Limited (company registration number 06758925)	125 "A" Ordinary
Glenn Patterson	23 "B" Ordinary

SATURDAY



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14/05/2016

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COMPANIES HOUSE

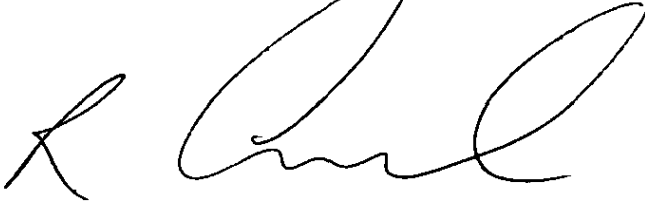
# **DMACK**

42 Millbrook Road,  
Kingstown, Carlisle,  
Cumbria, CA3 0EU,  
United Kingdom  
Tel +44(0)1228 819 954  
Fax +44(0)1228 810 528  
[www.dmacktyres.com](http://www.dmacktyres.com)  
[accounts@dmacktyres.com](mailto:accounts@dmacktyres.com)

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- 2     **THAT** the draft Articles of Association produced to the Shareholders and initialled by the Chairman for the purposes of identification be adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of Association and in particular those dated the 17<sup>th</sup> day of June 2016

A handwritten signature in black ink, appearing to read 'Richard Cormack', written in a cursive style.

**Sole Director** – Richard Cormack

The logo for DMACK, featuring the word "DMACK" in a bold, italicized, sans-serif font. The letters are black and have a slight shadow effect.

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THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
D MACK GLOBAL

(Company Registration Number: 07673494)

(Adopted by special resolution passed on the 5<sup>th</sup> day  
of May 2016)

INTRODUCTION

1. INTERPRETATION

1.1 In these Articles, unless the context otherwise requires

**"A" Shares:** the "A" Ordinary Shares of £1.00 each in the issued share capital of the Company,

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

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

**Appointor:** has the meaning given in article 9.1,

**Articles:** means the company's articles of association for the time being in force,

**Available Profits:** profits available for distribution within the meaning of part 23 of the Act,

**"B" Shares:** the "B" Ordinary Shares of £1.00 each in the issued share capital of the Company,

**Business Day:** means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business,

**Continuing Shareholders:** has the meaning given in article 15.3 and **Continuing Shareholder** means any of them,

**Controlling Interest** an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010,

**Director:** a director of the Company from time to time,



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**Fair Value:** in relation to shares, as determined in accordance with article 16 4,

**Financial Year:** in relation to the Company, means a financial accounting period of 12 months ending on the 31<sup>st</sup> December,

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

**Price Notice:** has the meaning given in article 15 4,

**Sale Price:** the Proposed Sale Price or, following service of a Price Notice, the price per Sale Share determined in accordance with article 15 4,

**Seller:** has the meaning given in article 15 3,

**Shareholder:** a holder of shares in the Company,

**Shares:** the "A" Shares and the "B" Shares together

**Transfer Notice:** has the meaning given in article 15 3,

**Valuers:** the auditors or reporting accountants of the Company (as appropriate) or if the Seller or a Continuing Shareholder requests in writing an independent firm of accountants appointed by the Seller and by the Continuing Shareholders (acting unanimously) or, in the absence of agreement between them on the identity of the expert within ten Business Days of the expiry of the ten Business Day period following service of a Price Notice, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator)

- 1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles
- 1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1 4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise
- 1 5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of
  - (a) any subordinate legislation from time to time made under it, and
  - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts



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- 1 6 Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms
- 1 7 The Model Articles shall apply to the company, except in so far as they are modified or excluded by these Articles
- 1 8 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company
- 1 9 Article 7 of the Model Articles shall be amended by
- (a) the insertion of the words "for the time being" at the end of article 7(2)(a), and
  - (b) the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may"
- 1 10 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur"
- 1 11 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"
- 1 12 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But"
- 1 13 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name"
- 1 14 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide" Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

## **DIRECTORS**

### **2. DIRECTORS' MEETINGS**

- 2 1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with article 3
- 2 2 Subject as provided in these Articles, the Directors may participate in Directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit

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2 3 All decisions made at any meeting of the Directors shall be made only by resolution and resolutions at any meeting of the Directors shall be decided by a majority of votes

2 4 If at any time at or before any meeting of the Directors a Director participating should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other Directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of Directors may be adjourned pursuant to this article more than once

### **3. UNANIMOUS DECISIONS**

3 1 A decision of the Directors is taken in accordance with this article when all Directors indicate to each other by any means that they share a common view on a matter

3 2 Such a decision may take the form of a resolution in writing, where each Director has signed one or more copies of it, or to which each Director has otherwise indicated agreement in writing

3 3 A decision may not be taken in accordance with this article if the Directors would not have formed a quorum at such a meeting in accordance with article 5

### **4. CALLING A DIRECTORS' MEETING**

4 1 Any Director may call a Directors' meeting by giving not less than 5 Business Days' notice of the meeting (or such lesser notice as all the Directors may agree) to the Directors or by authorising the Company secretary (if any) to give such notice

4 2 Notice of a Directors' meeting must be accompanied by

(a) an agenda specifying in reasonable detail the matters to be raised at the meeting, and

(b) copies of any papers to be discussed at the meeting

4 3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of Directors unless all the Directors agree in writing

### **5. QUORUM FOR DIRECTORS' MEETINGS**

5 1 The quorum for the transaction of business at a meeting of Directors is any two Directors, or where there is only one Director in office for the time being, that Director



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- 5 2 No business shall be conducted at any meeting of the Directors unless a quorum is participating at the beginning of the meeting and also when that business is voted on. If a quorum is not participating within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for five Business Days at the same time and place.

## **6. DIRECTORS' CONFLICTS OF INTEREST**

- 6 1 Subject to sections 177(5) and 177(6) of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other Directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 6 2 Subject to article 6 1, notwithstanding the fact that a proposed decision of the Directors concerns or relates to any matter in which a Director has, or may have, directly or indirectly, any kind of interest whatsoever, that Director may participate in the decision-making process for both quorum and voting purposes.
- 6 3 Subject to the provisions of the Act, and provided that (if required to do so by the Act) he has declared to the Directors the nature and extent of any direct or indirect interest of his, a Director, notwithstanding his office -
- (a) may be a party to or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested,
  - (b) may be a Director or other officer or an employee of, or a party to any transaction or arrangement with, or otherwise interested in, any subsidiary of the Company or body corporate in which the Company is interested, and
  - (c) is not accountable to the Company for any remuneration or other benefits which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no transaction or arrangement is liable to be avoided on the ground of any such remuneration, benefit or interest.

## **7. NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate Directors) shall not be subject to any maximum but shall not be less than one. A Sole Director shall have all the powers, duties and discretions conferred on or vested in the Directors in these Articles.



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## 8. TERMINATION OF DIRECTORS APPOINTMENT

- 8 1 In addition to the events terminating a Director's appointment as set out in Model Article 18 a person ceases to be a Director as soon as that person has for more than 6 consecutive months been absent without permission of the Directors from meetings of the Directors held during that period and the Directors make a decision to vacate that person's office

## 9. ALTERNATE DIRECTORS

- 9 1 Any Director (**Appointor**) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to
- (a) exercise that Director's powers, and
  - (b) carry out that Director's responsibilities,
- in relation to the taking of decisions by the Directors, in the absence of the alternate's Appointor
- 9 2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors
- 9 3 The notice must
- (a) identify the proposed alternate, and
  - (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice
- 9 4 An alternate Director may act as alternate Director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's Appointor
- 9 5 Except as the Articles specify otherwise, alternate Directors
- (a) are deemed for all purposes to be Directors,
  - (b) are liable for their own acts and omissions,
  - (c) are subject to the same restrictions as their Appointors, and
  - (d) are not deemed to be agents of or for their Appointors
- and, in particular (without limitation), each alternate Director shall be entitled to receive notice of all meetings of Directors
- 9 6 A person who is an alternate Director but not a Director
- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's Appointor is not participating), and



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- (b) may participate in a unanimous decision of the Directors (but only if his Appointor is eligible to vote in relation to that decision, but does not participate)
- 9 7 A Director who is also an alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of his Appointor, in addition to his own vote on any decision of the Directors (provided that his Appointor is eligible to vote in relation to that decision)
- 9 8 An alternate Director may be paid expenses and may be indemnified by the Company to the same extent as his Appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company
- 9 9 An alternate Director's appointment as an alternate terminates
  - (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,
  - (b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a Director,
  - (c) on the death of the alternate's Appointor, or
  - (d) when the alternate's Appointor's appointment as a Director terminates

## **10. SECRETARY**

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

## **SHARES**

### **11. SHARE CAPITAL**

- 11 1 The issued share capital of the Company at the date of adoption of these Articles is £500 divided into 475 "A" Shares and 25 "B" Shares all of which are fully paid
- 11 2 Unless the context requires otherwise, references in these Articles to shares of a particular class shall include shares created and/or issued after the date of adoption of these Articles and ranking *pari passu* in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue



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- 11 3 Except as otherwise provided in these Articles, each class of the shares shall rank pari passu in all respects but shall constitute separate classes of shares

## **12. VOTING**

- 12 1 Both the "A" Shares and the "B" Shares shall carry the right to be notified of and attend and vote either in person or by proxy at all the meetings of the Company

## **13. DIVIDENDS**

- 13 1 Subject to the requirements of the Act, the Available Profits of the Company in respect of each particular Financial Year shall be applied amongst the holders of Shares in such proportion as the Directors may determine from time to time. The Directors shall recommend the amount of any profits of the Company available for distribution within the meaning of Part 23 of the Companies Act 2006 and shall also recommend how much of such amount shall be distributed by way of dividend to the holders of the "A" Shares and how much to the holders of the "B" Shares, so that a dividend or dividends may be declared on one or both classes of Shares to the exclusion of the other and that dividends may be declared on each class of Shares at different rates or in different amounts
- 13 2 The Directors may recommend the payment of an interim dividend or dividend on one or both classes of Shares to the exclusion of the other and may recommend payment of an interim dividend at different rates on the different classes of Shares
- 13 3 For the avoidance of doubt the Directors may at any time resolve to declare and distribute a dividend on one class of Shares (only)
- 13 4 Subject to the provisions of Articles 13 1 and 13 2 above both the "A" Shares and the "B" Shares shall carry the right to receipt of such dividends, payable on such class or classes of shares in such amounts, at such frequency, and at such times as on the recommendation of the Directors, the Company in general meeting prescribes in accordance with Article 13 6 below
- 13 5 (a) Except as otherwise provided by these Articles or the rights attached to the shares, all dividends must be -
- (i) declared and paid according to the amounts paid up on the Shares on which the dividend is paid, and
  - (ii) apportioned and paid proportionately to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid



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- (b) If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly
- (c) For the purpose of calculating dividends, no account is to be taken of any amount which has been paid up on a Share in advance of the due date for payment of that amount

13.6 Subject to the provisions of these Articles the Company may by ordinary resolution passed at a general meeting of the Company upon the recommendation of the Directors declare a dividend. Provided always that no dividend shall be declared on either class of Shares where the Directors recommend that no dividend should be declared nor shall any dividend be declared to either class which exceeds the amount recommended by the Directors in respect of that class

#### **14. RETURN OF CAPITAL**

14.1 In the event of a liquidation or winding up after the Company has discharged all its debts obligations and liabilities the remaining assets of the Company shall (to the extent that the Company is lawfully able to do so) be applied as follows

- (a) first by paying an amount equivalent to the par value of each fully paid "A" Share and fully paid "B" Share,
- (b) second by paying an amount equivalent to the value of the balance of the assets of the Company (if any remaining after the distribution referred to in 14.1(a)) shall be paid to the holders of the "A" Shares and the "B" Shares pro rata as if the shares constituted one and the same class

#### **15. SHARE TRANSFERS**

15.1 No Shareholder shall sell, transfer, assign, pledge, charge or otherwise dispose of any share or any interest in any share in the capital of the Company, except as permitted by these Articles or with the prior written consent of all other Shareholders

15.2 Except for transfers to which all other Shareholders give their prior written consent, no Shareholder shall transfer any shares unless he transfers all (and not some only) of the shares held by him

15.3 A Shareholder (**Seller**) wishing to transfer shares in the capital of the Company (**Sale Shares**) shall give notice in writing (**Transfer Notice**) to each of the other Shareholders (excluding any Shareholder whose Shares are at



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the date of the Transfer Notice be subject to a Deemed Transfer Notice under Article 16) (**Continuing Shareholders**) specifying the details of the proposed transfer, including the number of Sale Shares comprised within the Transfer Notice, the identity of the proposed buyer(s) and the proposed price for each Sale Share (**Proposed Sale Price**), and each Continuing Shareholder's proportionate an entitlement to the Sale Shares being the same proportion of the Sale Shares as the proportion that the number of Shares held by him bears to the total number of Shares held by the Continuing Shareholders (in respect of each Continuing Shareholder his **Entitlement**)

- 15 4 The Continuing Shareholders (or any of them) may, by giving notice in writing (**Price Notice**) to the Seller at any time within ten Business Days of receipt of a Transfer Notice, notify the Seller that the Proposed Sale Price is too high. Following service of a Price Notice, the parties shall endeavour to agree a price for each of the Sale Shares. If the parties have not agreed such a price within ten Business Days of the Seller's receipt of a Price Notice, they (or any of them) shall immediately instruct the Valuers to determine the Fair Value of each Sale Share in accordance with article 16 4.
- 15 5 If, following delivery to him of the Valuers' written notice in accordance with article 15 4, the Seller does not agree with Valuers' assessment of the Fair Value of the Sale Shares, he shall be entitled to revoke the Transfer Notice by giving notice in writing to the Continuing Shareholders within five Business Days of delivery to him of the Valuers' written notice. If the Seller revokes the Transfer Notice, he is not entitled to transfer the Sale Shares except in accordance with these Articles.
- 15 6 Within 20 Business Days of receipt (or deemed receipt) of a Transfer Notice or, if later, within 20 Business Days of receipt of the Valuers' determination of the Fair Value (and provided the Seller has not withdrawn the Transfer Notice in accordance with article 15 5), a Continuing Shareholder shall be entitled (but not obliged) to give notice in writing (**Acceptance**) to the Seller stating that he wishes to purchase a specified number of Sale Shares up to a maximum of his Entitlement of the Sale Shares at the Sale Price. A Continuing Shareholder may in his Acceptance indicate that he will be willing to purchase a particular number of Sale Shares in excess of his Entitlement (**Extra Shares**).
- 15 7 If on the expiry of the relevant 20 Business Day period referred to in Article 15 6 the total number of Sale Shares applied for is greater than the available number of Sale Shares each accepting Continuing Shareholder shall be allotted his Entitlement (or such lesser number of Sale Shares for which he has applied) and applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Continuing Shareholders applying for Extra Shares in such proportions.



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as equal (as nearly as may be) to the proportions of all the Shares of the same class held by such Continuing Shareholders

- 15 8 In relation to any Sale Shares not accepted by Continuing Shareholders under Article 15 6 or where relevant Article 15 7, the Seller shall be entitled to transfer the Sale Shares to any third party Buyer identified in the Transfer Notice at a price per Sale Share not less than the Sale Price

## **16. EVENTS OF DEFAULT**

- 16 1 A Shareholder is deemed to have served a Transfer Notice under article 15 3 immediately before any of the following events of default

- (a) a petition is presented, or an order is made, for the Shareholder's bankruptcy,
- (b) an application to the court is made under section 253 of the Insolvency Act 1986 where the Shareholder intends to make a proposal to his creditors for a voluntary arrangement,
- (c) the Shareholder makes an individual voluntary arrangement with his creditors on agreed terms pursuant to section 263A of the Insolvency Act 1986,
- (d) the Shareholder convenes a meeting of his creditors or takes any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally,
- (e) the Shareholder is unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986,
- (f) any encumbrancer takes possession of, or a receiver is appointed over or in relation to, all or any material part of the Shareholder's assets,
- (g) the happening in relation to a Shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets,
- (h) the Shareholder dies,
- (i) if the Shareholder is an employee or Director of the Company if he ceases to be so employed as an employee and/or Director,
- (j) the Shareholder has a disqualification order made against him under the Company Directors Disqualification Act 1986,
- (k) the court has made an order or appointed a deputy under section 16 of the Mental Capacity Act 2005, or
- (l) the Shareholder commits a material or persistent breach of the provisions of these Articles which if capable of remedy has not been so remedied within 20 Business Days of the other Shareholders requiring such remedy



42 Millbrook Road,  
Kingstown, Carlisle,  
Cumbria, CA3 0EU,  
United Kingdom  
Tel +44(0)1228 819 954  
Fax +44(0)1228 810 528  
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- 16 2 The deemed Transfer Notice has the same effect as a Transfer Notice, except that
- (a) the deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the shares and the Sale Price shall be the Fair Value of those shares, determined by the Valuers in accordance with article 16 4,
  - (b) the Seller does not have a right to withdraw the Transfer Notice following a valuation,
  - (c) if the Continuing Shareholders do not accept the offer of Shares comprised in the deemed Transfer Notice, the Seller does not have the right to sell the Shares to a third party and the Company shall be wound up forthwith upon the Continuing Shareholders giving notice in writing to the Company within twenty Business Days from the delivery of the deemed Transfer Notice or written notice of the Fair Value, whichever is the later
- 16 3 In this article the Fair Value of the shares to be sold in the Company shall be the value that the Valuers certify to be the fair market value of such shares in his opinion
- 16 4 The Valuers shall be requested to determine the Fair Value within 30 Business Days of his appointment and to notify the Shareholders in writing of his determination
- 16 5 Subject to any confidentiality provisions, the Valuers may have access to all accounting records and other relevant documents of the Company
- 16 6 The Valuers' determination shall be final and binding on the Shareholders (in the absence of fraud or manifest error)
- 16 7 If the Seller fails to complete the transfer of Shares as required under this article, the Company
- (a) is irrevocably authorised to appoint any person as agent to transfer the Shares on the Seller's behalf and to do anything else that the Buyer may reasonably require to complete the sale, and
  - (b) may receive the purchase price in trust for the Seller, giving a receipt that shall discharge the Buyer

## **17. TAG ALONG**

- 17 1 After first giving a Transfer Notice to the Continuing Shareholder and going through the procedure set out in article 15, the provisions of article 17 2 to



*42 Millbrook Road,  
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Cumbria, CA3 0EU,  
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article 17 6 shall apply if a Shareholder or Shareholders (**Sellers**) propose to transfer his/their shares to a bona fide purchaser on arm's length terms (**Proposed Transfer**) and such transfer would, if carried out, result in such person (**Buyer**), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest of the shares in the Company

- 17 2 Before making a Proposed Transfer, the Seller(s) shall procure that the Buyer makes an offer (**Offer**) to the holders of all the remaining Shares in the issued share capital of the Company (of whatever class) to purchase all of the Shares held by them for a consideration in cash per share that is at least equal to the highest price per share offered or paid by the Buyer, or any person Acting on Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 12 months preceding the date of the Proposed Transfer (**Specified Price**)
- 17 3 The Offer shall be given by written notice (**Offer Notice**), at least 10 Business Days (**Offer Period**) before the proposed sale date (**Sale Date**) To the extent not described in any accompanying documents, the Offer Notice shall set out
- (a) the identity of the Buyer,
  - (b) the purchase price and other terms and conditions of payment,
  - (c) the Sale Date, and
  - (d) the number of shares proposed to be purchased by the Buyer (**Offer Shares**)
- 17 4 If the Buyer fails to make the Offer to all the persons listed in article 17 2 in accordance with article 17 2 and article 17 3, the Seller(s) shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of shares effected in accordance with the Proposed Transfer
- 17 5 If the Offer is accepted by the other Shareholders in writing within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such Shareholders
- 17 6 The Proposed Transfer is subject to the rights of pre-emption set out in article 15, but the purchase of the Offer Shares shall not be subject to those provisions
- 18 DRAG ALONG**
- 18 1 If the holders of 50% or more of the Shares (of whatever class) in issue for the time being (**Seller(s)**) wish to transfer all (but not some only) of their shares to a bona fide purchaser on arm's length terms (**Proposed Buyer**),



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the Seller may require the other Shareholders holding Shares in the issued share capital of the Company (of whatever class) (**Called Shareholders**) to sell and transfer all of their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**)

- 18.2 The Seller(s) may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of their shares to the Proposed Buyer. The Drag Along Notice shall specify
- (a) that the Called Shareholders are required to transfer all of their Called Shares pursuant to this article 18,
  - (b) the person to whom the Called Shares are to be transferred,
  - (c) the consideration payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the shares, and
  - (d) the proposed date of the transfer
- 18.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Seller(s) have not sold the shares to the Proposed Buyer within 30 Business Days of serving the Drag Along Notice. The Seller(s) may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 18.4 No Drag Along Notice shall require the Called Shareholders to agree to any terms except those specifically set out in this article 18.
- 18.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the shares unless
- (a) the Seller(s) and the Called Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by them, or
  - (b) that date is less than 10 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 20<sup>th</sup> Business Day after service of the Drag Along Notice.
- 18.6 The proposed sale of the shares by the Seller(s) to the Proposed Buyer is subject to the rights of pre-emption set out in article 15, but the sale of the Called Shares by the Called Shareholders shall not be subject to those provisions.



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- 18 7 Within 10 Business Days of the Seller(s) serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall each deliver a stock transfer form for the Called Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company. On the expiration of that 10 Business Day period, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 18 2(c) to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 18 8 To the extent that the Proposed Buyer has not, on the expiration of the 10 Business Day period referred to in article 18 7, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 18 in respect of their shares.
- 18 9 If the Called Shareholders do not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by them, the Called Shareholders shall each be deemed to have irrevocably appointed any person nominated for the purpose by the Seller to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 18 9.

## **19. ISSUE OF SHARES**

- 19 1 No shares in the Company shall be allotted nor any right to subscribe for or to convert any security into any shares in the Company shall be granted unless within one month before that allotment or grant (as the case may be) every Shareholder for the time being has consented in writing to that allotment or grant and its terms and to the identity of the proposed allottee or grantee.
- 19 2 Except with the unanimous consent of all Shareholders, all shares for the time being shall consist of further ordinary shares, "A" Shares and any "B" Shares and shall be offered in the first instance for subscription to the existing holders of the ordinary shares, "A" Shares and "B" Shares pro rata (as nearly as may be) to their existing holdings of such shares.



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- 19 3 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) where the consent to that allotment of every Shareholder has been obtained as required by these Articles and that allotment otherwise conforms to the requirements of these Articles

## **DECISION MAKING BY SHAREHOLDERS**

### **20. QUORUM FOR GENERAL MEETINGS**

- 20 1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be all of the Shareholders present in person or by proxy
- 20 2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on

### **21. POLL VOTES**

- 21 1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting
- 21 2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article

### **22. PROXIES**

- 22 1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"
- 22 2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article

## **ADMINISTRATIVE ARRANGEMENTS**



42 Millbrook Road,  
Kingstown, Carlisle,  
Cumbria, CA3 0EU,  
United Kingdom  
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**23. MEANS OF COMMUNICATION TO BE USED**

23 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider), and
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address

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

23 2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act



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# MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

## INDEX TO THE ARTICLES

### PART 1 INTERPRETATION AND LIMITATION OF LIABILITY

- 1 Defined terms
- 2 Liability of members

### PART 2 DIRECTORS DIRECTORS' POWERS AND RESPONSIBILITIES

- 3 Directors' general authority
- 4 Shareholders' reserve power
- 5 Directors may delegate
- 6 Committees

#### DECISION-MAKING BY DIRECTORS

- 7 Directors to take decisions collectively
- 8 Unanimous decisions
- 9 Calling a directors' meeting
- 10 Participation in directors' meetings
- 11 Quorum for directors' meetings
- 12 Chairing of directors' meetings
- 13 Casting vote
- 14 Conflicts of interest
- 15 Records of decisions to be kept
- 16 Directors' discretion to make further rules

#### APPOINTMENT OF DIRECTORS

- 17 Methods of appointing directors
- 18 Termination of director's appointment
- 19 Directors' remuneration
- 20 Directors' expenses

### PART 3 SHARES AND DISTRIBUTIONS SHARES

- 21 All shares to be fully paid up
- 22 Powers to issue different classes of share
- 23 Company not bound by less than absolute interests
- 24 Share certificates
- 25 Replacement share certificates



- 26 Share transfers
- 27 Transmission of shares
- 28 Exercise of transmitters' rights
- 29 Transmitters bound by prior notices

#### DIVIDENDS AND OTHER DISTRIBUTIONS

- 30 Procedure for declaring dividends
- 31 Payment of dividends and other distributions
- 32 No interest on distributions
- 33 Unclaimed distributions
- 34 Non-cash distributions
- 35 Waiver of distributions

#### CAPITALISATION OF PROFITS

- 36 Authority to capitalise and appropriation of capitalised sums

### PART 4

#### DECISION-MAKING BY SHAREHOLDERS

##### ORGANISATION OF GENERAL MEETINGS

- 37 Attendance and speaking at general meetings
- 38 Quorum for general meetings
- 39 Chairing general meetings
- 40 Attendance and speaking by directors and non-shareholders
- 41 Adjournment

##### VOTING AT GENERAL MEETINGS

- 42 Voting general
- 43 Errors and disputes
- 44 Poll votes
- 45 Content of proxy notices
- 46 Delivery of proxy notices
- 47 Amendments to resolutions

### PART 5

#### ADMINISTRATIVE ARRANGEMENTS

- 48 Means of communication to be used
- 49 Company seals
- 50 No right to inspect accounts and other records
- 51 Provision for employees on cessation of business

#### DIRECTORS' INDEMNITY AND INSURANCE

- 52 Indemnity
- 53 Insurance

## PART 1

### INTERPRETATION AND LIMITATION OF LIABILITY

#### **Defined terms**

1. In the articles, unless the context requires otherwise—

“articles” means the company’s articles of association,

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

“chairman” has the meaning given in article 12,

“chairman of the meeting” has the meaning given in article 39,

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

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

“distribution recipient” has the meaning given in article 31,

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

“electronic form” has the meaning given in section 1168 of the Companies Act 2006,

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

“hard copy form” has the meaning given in section 1168 of the Companies Act 2006,

“holder” in relation to shares means the person whose name is entered in the register of

members as the holder of the shares,

“instrument” means a document in hard copy form,

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006,

“paid” means paid or credited as paid,

“participate”, in relation to a directors’ meeting, has the meaning given in article 10,

“proxy notice” has the meaning given in article 45,

“shareholder” means a person who is the holder of a share,

“shares” means shares in the company,

“special resolution” has the meaning given in section 283 of the Companies Act 2006,

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006,

“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a

shareholder or otherwise by operation of law, and

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

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

### **Liability of members**

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

## **PART 2**

### **DIRECTORS**

#### **DIRECTORS’ POWERS AND RESPONSIBILITIES**

#### **Directors’ general authority**

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

#### **Shareholders’ reserve power**

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

#### **Directors may delegate**

- 5.—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—
  - (a) to such person or committee,
  - (b) by such means (including by power of attorney),

- (c) to such an extent,
  - (d) in relation to such matters or territories, and
  - (e) on such terms and conditions,
- as they think fit

(2) If the directors so specify, any such delegation may authorise further delegation of the

directors' powers by any person to whom they are delegated.

(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions

### **Committees**

6.—(1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors

(2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them

## **DECISION-MAKING BY DIRECTORS**

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

7.—(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8

(2) If—

(a) the company only has one director, and

(b) no provision of the articles requires it to have more than one director, the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making

### **Unanimous decisions**

8.—(1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing

(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting

(4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting

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

9.—(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice

- (2) Notice of any directors' meeting must indicate—
  - (a) its proposed date and time,
  - (b) where it is to take place, and
  - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting
- (3) Notice of a directors' meeting must be given to each director, but need not be in writing
- (4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it

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

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

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

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

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

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

### **Casting vote**

13.—(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote

(2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes

### **Conflicts of interest**

14.—(1) If a proposed decision of the directors is concerned with an actual or proposed

transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes

(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes

(3) This paragraph applies when—

(a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process,

(b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest, or

(c) the director's conflict of interest arises from a permitted cause

(4) For the purposes of this article, the following are permitted causes—

(a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries,

(b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities, and

(c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors

(5) For the purposes of this article, references to proposed decisions and decision-making

processes include any directors' meeting or part of a directors' meeting

(6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive

(7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

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

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

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

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

## **APPOINTMENT OF DIRECTORS**

### **Methods of appointing directors**

17.—(1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

- (a) by ordinary resolution, or
- (b) by a decision of the directors

(2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director

(3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances

rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder

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

18. A person ceases to be a director as soon as—

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law,
- (b) a bankruptcy order is made against that person,
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,
- (e) *[paragraph omitted pursuant to The Mental Health (Discrimination) Act 2013]*
- (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms

### **Directors' remuneration**

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

#### **Directors' expenses**

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

## **PART 3**

### **SHARES AND DISTRIBUTIONS**

#### **SHARES**

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

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

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

- 22.—(1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution



(2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares

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

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

### **Share certificates**

24.—(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds

(2) Every certificate must specify—

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

(3) No certificate may be issued in respect of shares of more than one class

(4) If more than one person holds a share, only one certificate may be issued in respect of it

(5) Certificates must—

- (a) have affixed to them the company's common seal, or
- (b) be otherwise executed in accordance with the Companies Acts

### **Replacement share certificates**

25.—(1) If a certificate issued in respect of a shareholder's shares is—

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares

(2) A shareholder exercising the right to be issued with such a replacement certificate—

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

### **Share transfers**

26.—(1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor

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

### **Transmission of shares**

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

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

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

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

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

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **Procedure for declaring dividends**

- 30.**—(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends

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

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

- 31.**—(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—
- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,
  - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide,
  - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
  - (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- (2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—
- (a) the holder of the share, or
  - (b) if the share has two or more joint holders, whichever of them is named first in the register of members, or
  - (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

### **No interest on distributions**

- 32.** The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—
- (a) the terms on which the share was issued, or

(b) the provisions of another agreement between the holder of that share and the company

### **Unclaimed distributions**

**33.**—(1) All dividends or other sums which are—

(a) payable in respect of shares, and

(b) unclaimed after having been declared or become payable,  
may be invested or otherwise made use of by the directors for the benefit of the company until claimed

(2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it

(3) If—

(a) twelve years have passed from the date on which a dividend or other sum became due for payment, and

(b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company

### **Non-cash distributions**

**34.**—(1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company)

(2) For the purposes of paying a non-cash distribution, the directors may make whatever

arrangements they think fit, including, where any difficulty arises regarding the distribution—

(a) fixing the value of any assets,

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

(c) vesting any assets in trustees

### **Waiver of distributions**

**35.** Distribution recipients may waive their entitlement to a dividend or other distribution

payable in respect of a share by giving the company notice in writing to that effect, but if—

(a) the share has more than one holder, or

(b) more than one person is entitled to the share, whether by reason of the death or

bankruptcy of one or more joint holders, or otherwise,

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

## **CAPITALISATION OF PROFITS**

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

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

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

(2) Capitalised sums must be applied—

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

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

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

(5) Subject to the articles the directors may—

- (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another,
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments), and
- (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article

## **PART 4**

### **DECISION-MAKING BY SHAREHOLDERS**

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

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

**37.—**(1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting

(2) A person is able to exercise the right to vote at a general meeting when—

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- (b) that person's vote can be taken into account in determining whether or not such

resolutions are passed at the same time as the votes of all the other persons attending the meeting

(3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it

(4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other

(5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them

### **Quorum for general meetings**

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

### **Chairing general meetings**

39.—(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so

(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

(a) the directors present, or

(b) (if no directors are present), the meeting,

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

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

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

40.—(1) Directors may attend and speak at general meetings, whether or not they are shareholders

(2) The chairman of the meeting may permit other persons who are not—

(a) shareholders of the company, or

(b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting

### **Adjournment**

41.—(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it

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

(a) the meeting consents to an adjournment, or

- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner
- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting
- (4) When adjourning a general meeting, the chairman of the meeting must—
  - (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
  - (a) to the same persons to whom notice of the company's general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

## VOTING AT GENERAL MEETINGS

### **Voting: general**

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

### **Errors and disputes**

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

### **Poll votes**

- 44.—(1) A poll on a resolution may be demanded—
- (a) in advance of the general meeting where it is to be put to the vote, or
  - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared
- (2) A poll may be demanded by—
- (a) the chairman of the meeting,
  - (b) the directors,
  - (c) two or more persons having the right to vote on the resolution, or

- (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution
- (3) A demand for a poll may be withdrawn if—
  - (a) the poll has not yet been taken, and
  - (b) the chairman of the meeting consents to the withdrawal
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs

### **Content of proxy notices**

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

### **Delivery of proxy notices**

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

### **Amendments to resolutions**

- 47.—**(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—



- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
  - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
  - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution
- (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution

## PART 5

### ADMINISTRATIVE ARRANGEMENTS

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

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

#### **Company seals**

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

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

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

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

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

## **DIRECTORS' INDEMNITY AND INSURANCE**

### **Indemnity**

**52.—**(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—

- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
- (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
- (c) any other liability incurred by that director as an officer of the company or an associated company

(2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

(3) In this article—

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant director" means any director or former director of the company or an associated company

### **Insurance**

**53.—**(1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

(2) In this article—

- (a) a "relevant director" means any director or former director of the company or an associated company,
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate