

**FILE COPY**



**CERTIFICATE OF INCORPORATION  
OF A  
PRIVATE LIMITED COMPANY**

Company Number **11425097**

The Registrar of Companies for England and Wales, hereby certifies that

**DERBY HEALTH STAFFING LTD**

is this day incorporated under the Companies Act 2006 as a private company, that the company is limited by shares, and the situation of its registered office is in England and Wales

Given at Companies House, Cardiff, on **20th June 2018**



\* N11425097G \*



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**



Companies House

**IN01**<sub>(ef)</sub>

**Application to register a company**



Received for filing in Electronic Format on the: **20/06/2018**

**X78J8QHL**

*Company Name in full:*

**DERBY HEALTH STAFFING LTD**

*Company Type:*

**Private company limited by shares**

*Situation of Registered Office:*

**England and Wales**

*Proposed Registered Office Address:*

**TRUST HEADQUARTERS, LEVEL 5 ROYAL DERBY HOSPITAL  
UTTOXETER ROAD  
DERBY  
DERBYSHIRE  
UNITED KINGDOM DE22 3NH**

*Sic Codes:*

**78109**

## ***Proposed Officers***

---

### ***Company Secretary     1***

*Type:* **Corporate**

*Name:* **CASTLEGATE LAMBOURNE LIMITED**

*Principal / Business Address:* **ASHMORE & MCGILL CCA 1 FISHER LANE  
BINGHAM  
NOTTINGHAM  
NOTTINGHAMSHIRE  
NG13 8BQ**

### ***European Economic Area (EEA) Company***

*Register Location:* **UNITED KINGDOM**

*Registration Number:* **08231836**

*The subscribers confirm that the corporate body named has consented to act as a secretary.*

*Company Director* 1

Type: **Person**

*Full Forename(s):* **ADAM**

*Surname:* **RACE**

*Service Address:* **recorded as Company's registered office**

*Country/State Usually Resident:* **UNITED KINGDOM**

*Date of Birth:*   \*\*/01/1982                      *Nationality:*     **BRITISH**

*Occupation:* **DEPUTY  
DIRECTOR OF  
WORKFORCE**

*The subscribers confirm that the person named has consented to act as a director.*

*Company Director* 2

*Type:* **Person**

*Full Forename(s):* MS KENDRE

*Surname:* CHILES

*Service Address:* **recorded as Company's registered office**

Country/State Usually Resident: UNITED KINGDOM

*Date of Birth:*   **\*\*/12/1978**                      *Nationality:*    **BRITISH**

*Occupation:* **ASSISTANT  
DIRECTOR OF  
FINANCE**

*The subscribers confirm that the person named has consented to act as a director.*

## *Statement of Capital (Share Capital)*

---

|                               |                 |                                 |            |
|-------------------------------|-----------------|---------------------------------|------------|
| <i>Class of Shares:</i>       | <b>ORDINARY</b> | <i>Number allotted</i>          | <b>100</b> |
| <i>Currency:</i>              | <b>GBP</b>      | <i>Aggregate nominal value:</i> | <b>100</b> |
| <i>Prescribed particulars</i> |                 |                                 |            |

**VOTING RIGHTS - SHARES RANK EQUALLY FOR VOTING PURPOSES. ON A SHOW OF HANDS EACH MEMBER SHALL HAVE ONE VOTE AND ON A POLL EACH MEMBER SHALL HAVE ONE VOTE PER SHARE HELD. DIVIDEND RIGHTS - EACH SHARE RANKS EQUALLY FOR ANY DIVIDEND DECLARED. DISTRIBUTION RIGHTS ON A WINDING UP - EACH SHARE RANKS EQUALLY FOR ANY DISTRIBUTION MADE ON A WINDING UP. REDEEMABLE SHARES - THE SHARES ARE NOT REDEEMABLE.**

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### **Statement of Capital (Totals)**

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|                  |            |                                       |            |
|------------------|------------|---------------------------------------|------------|
| <i>Currency:</i> | <b>GBP</b> | <i>Total number of shares:</i>        | <b>100</b> |
|                  |            | <i>Total aggregate nominal value:</i> | <b>100</b> |
|                  |            | <i>Total aggregate unpaid:</i>        | <b>0</b>   |

## *Initial Shareholdings*

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*Name:* **D-HIVE LIMITED**

*Address* **TRUST HEADQUARTERS,  
LEVEL 5 ROYAL DERBY  
HOSPITAL  
UTTOXETER ROAD  
DERBY  
DERBYSHIRE  
DE22 3NE**

*Class of Shares:* **ORDINARY**

*Number of shares:* **100**

*Currency:* **GBP**

*Nominal value of each  
share:* **1**

*Amount unpaid:* **0**

*Amount paid:* **1**

## ***Persons with Significant Control (PSC)***

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### **Statement of initial significant control**

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**On incorporation, there will be someone who will count as a Person with Significant Control (either a registerable person or relevant legal entity (RLE)) in relation to the company**

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## ***Relevant Legal Entity (RLE) details***

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*Company Name:* **D-HIVE LIMITED**

*Service Address:* **TRUST HEADQUARTERS LEVEL 5 ROYAL DERBY  
HOSPITAL  
UTTOXETER ROAD  
DERBY  
DERBYSHIRE  
DE22 3NE**

*Legal Form:* **PRIVATE COMPANY LIMITED BY SHARES**

*Governing Law:* **COMPANIES ACT 2006**

*Register Location:* **UNITED KINGDOM**

*Country/State:* **UNITED KINGDOM**

*Registration Number:* **06982953**



|                          |                                                                                                                                            |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Nature of control</i> | The relevant legal entity holds, directly or indirectly, <b>75% or more</b> of the shares in the company.                                  |
| <i>Nature of control</i> | The relevant legal entity holds, directly or indirectly, <b>75% or more</b> of the voting rights in the company.                           |
| <i>Nature of control</i> | The relevant legal entity has the right, directly or indirectly, to appoint or remove a majority of the board of directors of the company. |

## ***Statement of Compliance***

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*I confirm the requirements of the Companies Act 2006 as to registration have been complied with.*

*Name:* **D-HIVE LIMITED**  
*Authenticated* **YES**

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## ***Authorisation***

*Authoriser Designation:* **subscriber** *Authenticated* **YES**

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## COMPANY HAVING A SHARE CAPITAL

### Memorandum of Association of

#### Derby Health Staffing Ltd

Each subscriber to this Memorandum of Association wishes to form a company under the Companies Act 2006 and agrees to become a member of the company and to take at least one share.

| Name of each subscriber | Authentication by each subscriber |
|-------------------------|-----------------------------------|
| D-HIVE LIMITED          | D-HIVE LIMITED                    |

Dated 20/6/2018

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**of**

**Derby Health Staffing Ltd**

**(the "Company")**

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# ARTICLES OF ASSOCIATION

of

Derby Health Staffing Ltd

## PART 1

### INTERPRETATION AND LIMITATION OF LIABILITY

#### 1. DEFINED TERMS

1.1 In the articles, unless the context requires otherwise:

|                                  |                                                                                                                                                                                           |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"articles"</b>                | means the company's articles of association;                                                                                                                                              |
| <b>"bankruptcy"</b>              | includes individual insolvency proceedings in a jurisdiction other than England and Wales and Northern Ireland which have an effect similar to that of bankruptcy;                        |
| <b>"chairman"</b>                | has the meaning given in article 12;                                                                                                                                                      |
| <b>"chairman of the meeting"</b> | has the meaning given in article 53;                                                                                                                                                      |
| <b>"Companies Acts"</b>          | means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;                                                                     |
| <b>"Conflict"</b>                | has the meaning given in article 14;                                                                                                                                                      |
| <b>"director"</b>                | means a director of the company, and includes any person occupying the position of director, by whatever name called;                                                                     |
| <b>"distribution recipient"</b>  | has the meaning given in article 43;                                                                                                                                                      |
| <b>"document"</b>                | includes, unless otherwise specified, any document sent or supplied in electronic form;                                                                                                   |
| <b>"electronic form"</b>         | has the meaning given in section 1168 of the Companies Act 2006;                                                                                                                          |
| <b>"eligible director"</b>       | means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of that particular matter); |
| <b>"hard copy form"</b>          | has the meaning given in section 1168 of the Companies Act 2006;                                                                                                                          |
| <b>"holder"</b>                  | in relation to shares means the person whose name is entered in the register of members as the holder of the shares;                                                                      |
| <b>"instrument"</b>              | means a document in hard copy form;                                                                                                                                                       |
| <b>"ordinary resolution"</b>     | has the meaning given in section 282 of the Companies Act 2006;                                                                                                                           |



|                             |                                                                                                                                                                                                      |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"paid"</b>               | means paid or credited as paid;                                                                                                                                                                      |
| <b>"participate"</b>        | in relation to a directors' meeting, has the meaning given in article 10;                                                                                                                            |
| <b>"proxy notice"</b>       | has the meaning given in article 60;                                                                                                                                                                 |
| <b>"shareholder"</b>        | means a person who is the holder of one or more shares;                                                                                                                                              |
| <b>"shares"</b>             | means shares in the company;                                                                                                                                                                         |
| <b>"special resolution"</b> | has the meaning given in section 283 of the Companies Act 2006;                                                                                                                                      |
| <b>"subsidiary"</b>         | has the meaning given in section 1159 of the Companies Act 2006;                                                                                                                                     |
| <b>"transmittee"</b>        | means a person entitled to one or more shares by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and                                                            |
| <b>"writing"</b>            | 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. |

1.2 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.

1.3 The regulations contained in the model articles for private companies limited by shares (as set out in schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 3229/2008)) shall not apply to the Company.

## 2. **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**

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

### 3. **DIRECTORS' GENERAL AUTHORITY**

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.

### 4. **SHAREHOLDERS' RESERVE POWER**

4.1 Subject always to the provisions of the articles and the Companies Acts, the shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.

4.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

**5. 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:

- 5.1.1 to such person or committee;
- 5.1.2 by such means (including by power of attorney);
- 5.1.3 to such an extent;
- 5.1.4 in relation to such matters or territories; and
- 5.1.5 on such terms and conditions,

as they think fit.

5.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

5.3 The directors may revoke any delegation, in whole or part, or alter its terms and conditions.

**6. 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.

6.2 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**

**7. 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.

7.2 If:

- 7.2.1 the company only has one director; and
- 7.2.2 no provision of the articles requires it to have more than one director,

the general rule does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

**8. 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.

- 8.2 Such a decision may take the form of a resolution in writing where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 8.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

**9. CALLING A DIRECTORS' MEETING**

- 9.1 Any director may call a directors' meeting by giving reasonable notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
- 9.2 Notice of any directors' meeting must indicate:
- 9.2.1 its proposed date and time;
  - 9.2.2 where it is to take place; and
  - 9.2.3 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.
- 9.3 Notice of a directors' meeting must be given to each director, but need not be in writing.
- 9.4 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 waiver is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

**10. PARTICIPATION IN DIRECTORS' MEETINGS**

- 10.1 Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
- 10.1.1 the meeting has been called and takes place in accordance with the articles; and
  - 10.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 10.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 10.3 If all the directors participating in a meeting are not in the same place, the meeting shall be deemed to take place where the largest number of participators is assembled or, if no such group can be identified, the directors may decide that the meeting is to be treated as taking place wherever any of them is.

**11. 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.
- 11.2 Subject to article 11.3, 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 eligible directors, and unless otherwise fixed it is two.

11.3 For the purposes of any meeting (or part of a meeting) held pursuant to article 14 to authorise a Conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

11.4 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:

11.4.1 to appoint further directors; or

11.4.2 to call a general meeting so as to enable the shareholders to appoint further directors.

## 12. CHAIRING OF DIRECTORS' MEETINGS

12.1 The directors may appoint a director to chair their meetings.

12.2 The person so appointed for the time being is known as the chairman.

12.3 The directors may terminate the chairman's appointment at any time.

12.4 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.

## 13. 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, subject to article 13.2, a casting vote.

13.2 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, he shall not have a casting vote.

## 14. CONFLICTS AND DECLARATIONS OF INTEREST

14.1 Without prejudice to articles 14.6 and 14.7, the directors shall, for the purposes of section 175 of the Companies Act 2006, have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director under that section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company ("**Conflict**").

14.2 Authorisation of a matter under article 14.1 shall be effective only if:

14.2.1 the matter in question shall have been proposed in writing for consideration at a meeting of the directors in accordance with the directors' normal procedures or in any other manner as the directors may determine;

14.2.2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question or any other interested director (together the "**Interested Directors**", and each an "**Interested Director**"); and

14.2.3 the matter was agreed to without any Interested Director voting or would have been agreed to if the votes of the Interested Directors had not been counted.

- 14.3 Any authorisation of a matter under article 14.1 shall be subject to such conditions or limitations as the directors may determine (including, without limitation, such conditions or limitations as are contemplated by article 14.17), whether at the time such authorisation is given or subsequently and may be terminated by the directors at any time. A director shall comply with any obligations imposed on him by the directors pursuant to any such authorisation.
- 14.4 Any authorisation of a matter under article 14.1 extends, subject to any conditions or limitations imposed under article 14.3, to any actual or potential Conflict which may reasonably be expected to arise out of the matter so authorised.
- 14.5 Subject to any conditions or limitations imposed under article 14.3, a director shall not, save as otherwise agreed by him, be accountable to the company for any benefit which he (or any person connected in any way with him) derives from any matter authorised by the directors under article 14.1 and no contract, transaction, arrangement or proposal relating thereto shall be liable to be avoided on the grounds of any such benefit.
- 14.6 Article 14.1 does not apply to a Conflict arising in relation to a transaction or arrangement with the company.
- 14.7 Subject to compliance with article 14.8, a director may, notwithstanding his office, have any interest of any of the following kinds (and no authorisation under article 14.1 shall be necessary in respect of any such interest):
- 14.7.1 where the director (or any person connected in any way with him) is a director or other officer of, is employed by or is otherwise interested (including, without limitation, by the holding of shares or other securities) in any body corporate with which the company is associated (within the meaning of section 256(a) of the Companies Act 2006);
  - 14.7.2 where the director (or any person connected in any way with him) is a party to, or otherwise interested in, any contract, transaction, arrangement or proposal with the company or any body corporate with which the company is associated (within the meaning of section 256(a) of the Companies Act 2006), or in which the company is otherwise interested;
  - 14.7.3 an interest such that the situation or the interest cannot reasonably be regarded as likely to give rise to a Conflict;
  - 14.7.4 an interest, or a contract, transaction, arrangement or proposal giving rise to an interest, of which the director is not aware; and
  - 14.7.5 any other interest authorised by an ordinary resolution of the company.
- 14.8 Subject to sections 177 and 182 of the Companies Act 2006, the director concerned shall declare the nature and extent of any interest, whether direct or indirect, referred to in article 14.7 and not falling within article 14.9 either at a meeting of the directors by written declaration to the company (or in any other manner as the directors may determine) or by general notice in accordance with section 177(2)(b)(ii) or section 182(2)(c) (as the case may be) and section 185 of the Companies Act 2006.
- 14.9 No declaration of an interest shall be required by a director under article 14.8 in relation to an interest:
- 14.9.1 falling within article 14.7.3 or article 14.7.4;

- 14.9.2 if, or to the extent that, the other directors are already aware of such interest (and for this purpose the other directors are treated as being aware of anything of which they ought reasonably to be aware); or
- 14.9.3 if, or to the extent that, it concerns the terms of his service contract (as defined in section 227 of the Companies Act 2006) that have been or are to be considered by a meeting of the directors or by a committee of directors appointed for the purpose under these articles.
- 14.10 A director shall not, save as otherwise agreed by him, be accountable to the company for any benefit which he (or any person connected in any way with him) derives from any interest referred to in article 14.7 and no contract, transaction, arrangement or proposal shall be liable to be avoided on the grounds of any such interest.
- 14.11 Provided he has disclosed to the directors any interest of which he is aware (not being an interest which cannot reasonably be regarded as likely to give rise to a Conflict) in accordance with the requirements of the Companies Act 2006 and these articles, a director shall, subject to any applicable conditions or limitations imposed under article 14.3, be entitled to vote at a meeting of the directors or of a committee of the directors in respect of any contract, transaction, arrangement or proposal in which he is interested and shall also be counted in determining whether a quorum is present at such a meeting.
- 14.12 Without prejudice to article 14.11, if a question arises at any time as to whether any interest of a director prevents him or should prevent him from voting or being counted in the quorum under this article 14 and such question is not resolved by his voluntarily agreeing to abstain from voting and/or attending, such question shall be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive, except in a case where the nature or extent of the interest of such director (so far as it is known to him) has not been fairly disclosed.
- 14.13 Without prejudice to article 14.11, 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 shall be decided by a decision of the directors, for which purpose the chairman is not to be counted as participating in the meeting (or part of the meeting) for voting and quorum purposes, and the decision shall be conclusive, except in a case where the nature or extent of the interest of the chairman of the meeting (so far as it is known to him) has not been fairly disclosed to the directors.
- 14.14 Subject to article 14.15, if a director, otherwise than by virtue of his position as a director, receives information in respect of which he owes a duty of confidentiality to a person other than the company, he shall not be required to disclose such information to the company or the directors or any of them, or otherwise use or apply such confidential information for the purpose of or in connection with the performance of his duties as a director.
- 14.15 Where a duty of confidentiality as referred to in article 14.14 arises out of a situation in which the director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company, article 14.14 shall apply only if the conflict arises out of a matter which has been authorised under article 14.1 or falls within article 14.7.
- 14.16 Article 14.14 is without prejudice to any enactment, equitable principle or rule of law which may excuse or release a director from disclosing information in circumstances where disclosure may otherwise be required.
- 14.17 Where a director has an interest which can reasonably be regarded as likely to give rise to a Conflict, the director may, and shall if so requested by the directors, take such additional steps as may be necessary or desirable for the purpose of managing

such Conflict, including compliance with any procedures laid down from time to time by the directors for the purpose of managing Conflicts generally and/or any specific procedures approved by the directors for the purpose of or in connection with the relevant matter or situation, including without limitation:

14.17.1 absenting himself from any meeting or part of a meeting of the directors or of any committee of the directors at which the relevant matter or situation falls to be considered or is otherwise significant; and

14.17.2 not reviewing documents or information made available to the directors generally in relation to such matter or situation.

14.18 The company may by ordinary resolution ratify any contract, transaction, arrangement or proposal not properly authorised by reason of a contravention of any provision of this article 14.

14.19 For the purposes of this article 14, where the context permits, any reference to an interest includes a duty and any reference to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

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

## **15. RECORDS OF DECISIONS TO BE KEPT**

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.

## **16. DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

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**

## **17. 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:

17.1.1 by ordinary resolution; or

17.1.2 by a decision of the directors.

17.2 No person shall be appointed a director at any general meeting unless either:

17.2.1 he is recommended by the directors; or

17.2.2 not less than 20 nor more than 35 clear days before the date appointed for the general meeting, notice signed by a shareholder qualified to vote at the general meeting has been given to the company of the intention to propose such person for appointment, together with notice signed by such person of his willingness to be appointed.

17.3 Subject to the provisions of the Companies Acts, a shareholder(s) having the right to attend and vote at any general meeting of the company and holding at least 75% in nominal value of the shares giving that right may, from time to time by notice in writing

to the company, remove any director from office or appoint any person to be a director, and any such removal or appointment shall be deemed to be an act of the company and not only of such shareholder(s). Any such notice may consist of one or more documents each executed by or on behalf of such shareholder(s) and shall take effect at and from the time when such notice is received at the registered office of the company or produced to a meeting of the directors of the company.

17.4 In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittes of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person who is willing to act (and is permitted to do so) to be a director.

17.5 For the purposes of paragraph 17.4, 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.

## **18. TERMINATION OF DIRECTOR'S APPOINTMENT**

18.1 Without prejudice to article 17.3, a person ceases to be a director as soon as:

18.1.1 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;

18.1.2 a bankruptcy order is made against that person;

18.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;

18.1.4 a registered medical practitioner with appropriate qualifications and experience gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and, on the balance of probabilities, is likely to remain so for more than three months;

18.1.5 the board serves notice on that person to the effect that his appointment is terminated by reason of repeated non-attendance at meetings of the board (without the consent of the other directors, such consent not to be unreasonably withheld or delayed) over a period of 6 consecutive months; or

18.1.6 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.

## **19. DIRECTORS' REMUNERATION**

19.1 Directors may undertake any services for the company that the directors decide.

19.2 Directors are entitled to such remuneration as the directors determine:

19.2.1 for their services to the company as directors; and

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

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

19.3.1 take any form; and



- 19.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- 19.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 19.5 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.

## 20. EXPENSES

- 20.1 The company may pay any reasonable expenses which the directors and the secretary properly incur in connection with their attendance at:
  - 20.1.1 meetings of directors or committees of directors;
  - 20.1.2 general meetings; or
  - 20.1.3 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.

## 21. 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 appoint a replacement, in each case by a decision of the directors.

# PART 3

## SHARES AND DISTRIBUTIONS

### SHARES

## 22. COMPANY'S LIEN OVER SHARES

- 22.1 The company has a lien (the "**company's lien**") over every share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the company, whether payable immediately or at some time in the future.
- 22.2 The company's lien over a share:
  - 22.2.1 takes priority over any third party's interest in that share; and
  - 22.2.2 extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.
- 22.3 The directors may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part.

**23. ENFORCEMENT OF THE COMPANY'S LIEN**

23.1 Subject to the provisions of this article, if:

23.1.1 a lien enforcement notice has been given in respect of a share; and

23.1.2 the person to whom the notice was given has failed to comply with it,

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

23.2 A lien enforcement notice:

23.2.1 may only be given in respect of a share which is subject to the company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;

23.2.2 must specify the share concerned;

23.2.3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);

23.2.4 must be addressed either to the holder of the share or to a transmittee of that holder; and

23.2.5 must state the company's intention to sell the share if the notice is not complied with.

23.3 Where shares are sold under this article:

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

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

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

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

23.4.2 second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation, or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the company's lien for any money payable (whether payable immediately or at some time in the future) as existed upon the shares before the sale in respect of all shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the lien enforcement notice.

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

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

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

## 24. **CALL NOTICES**

24.1 Subject to the articles and the terms on which shares are allotted, the directors may send a notice (a "**call notice**") to a shareholder requiring the shareholder to pay the company a specified sum of money (a "**call**") which is payable to the company at the date when the directors decide to send the call notice.

24.2 A call notice:

24.2.1 may not require a shareholder to pay a call which exceeds the total amount of his indebtedness or liability to the company;

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

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

24.3 A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent.

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

24.4.1 revoke it wholly or in part; or

24.4.2 specify a later time for payment than is specified in the notice,

by a further notice in writing to the shareholder in respect of whose shares the call is made.

## 25. **LIABILITY TO PAY CALLS**

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

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

25.3 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them:

25.3.1 to pay calls which are not the same; or

25.3.2 to pay calls at different times.

## 26. **WHEN CALL NOTICE NEED NOT BE ISSUED**

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

26.1.1 on allotment;

26.1.2 on the occurrence of a particular event; or

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

26.2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

## **27. FAILURE TO COMPLY WITH CALL NOTICE: AUTOMATIC CONSEQUENCES**

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

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

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

27.2 For the purposes of this article:

27.2.1 the "call payment date" is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "call payment date" is that later date; and

27.2.2 the "relevant rate" is:

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

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

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

## **28. NOTICE OF INTENDED FORFEITURE**

28.1 A notice of intended forfeiture:

28.1.1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;

28.1.2 must be sent to the holder of that share (or all the joint holders of that share) or to a transmittee of that holder;

28.1.3 must require payment of the call and any accrued interest and all expenses that may have been incurred by the company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);

28.1.4 must state how the payment is to be made; and

28.1.5 must state that, if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

## **29. DIRECTORS' POWER TO FORFEIT SHARES**

If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

## **30. EFFECT OF FORFEITURE**

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

30.1.1 all interests in that share, and all claims and demands against the company in respect of it; and

30.1.2 all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company.

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

30.2.1 is deemed to have been forfeited when the directors decide that it is forfeited;

30.2.2 is deemed to be the property of the company; and

30.2.3 may be sold, re-allotted or otherwise disposed of as the directors think fit.

30.3 If a person's shares have been forfeited:

30.3.1 the company must send that person notice that forfeiture has occurred and record it in the register of shareholders;

30.3.2 that person ceases to be a shareholder in respect of those shares;

30.3.3 that person must surrender the certificate for the shares forfeited to the company for cancellation;

30.3.4 that person remains liable to the company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and

30.3.5 the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

30.4 At any time before the company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest and expenses due in respect of it and on such other terms as they think fit.

## **31. PROCEDURE FOLLOWING FORFEITURE**

- 31.1 If a forfeited share is to be disposed of by being transferred, the company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.
- 31.2 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date:
- 31.2.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
- 31.2.2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.
- 31.3 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.
- 31.4 If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the company the proceeds of such sale, net of any commission, and excluding any amount which:
- 31.4.1 was, or would have become, payable; and
- 31.4.2 had not, when that share was forfeited, been paid by that person in respect of that share,
- but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.
- 31.5 Any sale of a forfeited share shall be subject to the pre-emption rights contained in article 38.

## **32. SURRENDER OF SHARES**

- 32.1 A shareholder may surrender any share:
- 32.1.1 in respect of which the directors may issue a notice of intended forfeiture;
- 32.1.2 which the directors may forfeit; or
- 32.1.3 which has been forfeited.
- 32.2 The directors may accept the surrender of any such share.
- 32.3 The effect of surrender on a share is the same as the effect of forfeiture on that share.
- 32.4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

**33. POWERS TO ISSUE DIFFERENT CLASSES OF SHARE**

33.1 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.

33.2 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.

**34. COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

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.

**35. SHARE CERTIFICATES**

35.1 The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

35.2 Every certificate must specify:

35.2.1 in respect of how many shares, of what class, it is issued;

35.2.2 the nominal value of those shares; and

35.2.3 any distinguishing numbers assigned to them.

35.3 No certificate may be issued in respect of shares of more than one class.

35.4 If more than one person holds a share, only one certificate may be issued in respect of it.

35.5 Certificates must:

35.5.1 have affixed to them the company's common seal; or

35.5.2 be otherwise executed in accordance with the Companies Acts.

**36. REPLACEMENT SHARE CERTIFICATES**

36.1 If a certificate issued in respect of a shareholder's shares is:

36.1.1 damaged or defaced; or

36.1.2 said to be lost, stolen or destroyed,

that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

36.2 A shareholder exercising the right to be issued with such a replacement certificate:

36.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;

- 36.2.2 must return the certificate which is to be replaced to the company if it is damaged or defaced; and
- 36.2.3 must comply with such conditions as to evidence and indemnity as the directors decide.

## 37. SHARE TRANSFERS

- 37.1 Subject to article 38, 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.
- 37.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 37.3 The company may retain any instrument of transfer which is registered.
- 37.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- 37.5 The directors may refuse to register the transfer of a share; if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal within two months unless they suspect that the proposed transfer may be fraudulent.

## 38. TRANSFER OF SHARES SUBJECT TO PRE-EMPTION RIGHTS

- 38.1 In this article, references to a transfer of a share include the transfer or assignment of a beneficial or other interest in that share or the creation of a trust or encumbrance over that share and reference to a share includes a beneficial or other interest in a share.
- 38.2 Any transfer of shares by a shareholder shall be subject to the pre-emption rights in this article.
- 38.3 A shareholder wishing to transfer some or all of his shares ("**Seller**") shall, before transferring or agreeing to transfer any shares, give a notice in writing to the company ("**Transfer Notice**") specifying:
  - 38.3.1 the number of the shares for sale ("**Sale Shares**");
  - 38.3.2 if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed transferee;
  - 38.3.3 the price (in cash) per share at which he wishes to transfer the Sale Shares subject to the directors being satisfied (and to that end being provided with such evidence as they may reasonably require) that the proposed price represents a fair value for the Sale Shares and, if the directors are not satisfied with the specified price, it shall be determined in accordance with article 38.4 ("**Transfer Price**"); and
  - 38.3.4 whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold ("**Minimum Transfer Condition**").
- 38.4 If the directors are not satisfied with the price specified in the Transfer Notice then within 10 days of the Transfer Notice being received:
  - 38.4.1 the Seller and the directors shall use all reasonable endeavours to agree the fair value of the Sale Shares; or



- 38.4.2 if no such agreement can be reached within the said 10 day period, fair value for the Sale Shares shall be determined by the auditors for the time being of the company or (if the Seller shall require) by some other chartered accountant to be nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales who shall act as an expert and not as an arbitrator, and whose determination as to the fair value of the Sale Shares shall be conclusive.
- 38.5 Within 48 hours of the fair value being determined in accordance with article 38.4.2 the directors shall notify the Seller of the fair value of the Sale Shares. If the Seller disputes the fair value, he may, by written notice to the directors within 48 hours of receiving notice of the same, withdraw the Transfer Notice. If the Seller does not withdraw the Transfer Notice within the 48 hour period or he indicates his agreement to the fair value during that time, the directors shall, as soon as practicable thereafter, offer the Sale Shares for sale to the shareholders in the manner set out in article 38.8. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 38.6 Otherwise than in accordance with article 38.5 once given (or deemed to have been given) under these articles, a Transfer Notice may not be withdrawn.
- 38.7 A Transfer Notice appoints the company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 38.8 The directors shall offer the Sale Shares to all shareholders other than the Seller ("**Continuing Shareholders**"), inviting them to apply in writing within 28 days of the date of the offer ("**First Offer Period**") for the maximum number of Sale Shares they wish to buy.

If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under this article 38.8 and article 38.9 shall be conditional on the fulfilment of the Minimum Transfer Condition.

If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.

If, at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the directors shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance ("**Initial Surplus Shares**") shall be dealt with in accordance with article 38.9.

- 38.9 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders, inviting them to apply in writing within 28 days of the date of the offer ("**Second Offer Period**") for the maximum number of Initial Surplus Shares they wish to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the directors shall allocate the remaining Initial Surplus Shares to each Continuing Shareholder who has applied for Initial Surplus Shares in the proportion that his existing holding of shares (including any Sale Shares) bears to the total number of shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded to the nearest

whole number. No allocation shall be made to a Continuing Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance ("**Second Surplus Shares**") shall be dealt with in accordance with articles 38.14 and 38.15.

38.10 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the company itself may, subject to compliance with all statutory requirements, purchase the Sale Shares not accepted by the Continuing Shareholders on the terms set out in the Transfer Notice. If the company does not purchase the Sale Shares, the directors shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 38.8 and article 38.9, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

38.11 If:

38.11.1 the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition; and

38.11.2 allocations under article 38.8 and, if necessary, article 38.9 have been made in respect of some or all of the Sale Shares,

the directors shall give written notice of allocation ("**Allocation Notice**") to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (including the company if it is willing to purchase any Sale Shares in accordance with article 38.10) ("**Applicant**"). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him ("**Consideration**") and the place and time for completion of the transfer of the Sale Shares (which shall be not more than the later of 28 days after the date of the Allocation Notice or, if the company is an Applicant, the date upon which the company complies, in full, with all statutory requirement in relation to the purchase of the Sale Share).

38.12 On the service of an Allocation Notice, the Seller shall, against payment of the Consideration, transfer the Sale Shares allocated in accordance with the requirements specified in the Allocation Notice.

38.13 If the Seller fails to comply with the requirements of the Allocation Notice:

38.13.1 the chairman of the company (or, failing him, one of the other directors, or some other person nominated by a resolution of the directors) may, on behalf of the Seller:

- (a) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
- (b) receive the Consideration and give a good discharge for it; and

- (c) (subject to the transfers being duly stamped) enter the Applicants in the register of shareholders as the holders of the shares purchased by them; and

38.13.2 the company shall pay the Consideration into a separate bank account in the company's name on trust (but without interest) for the Seller until he has delivered his certificate for the relevant shares (or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together with such other evidence (if any) as the directors may reasonably require to prove good title to those shares) to the company.

38.14 If an Allocation Notice does not relate to all of the Sale Shares then the company itself may, subject to compliance with all statutory requirements, purchase the remaining Sale Shares on the terms set out in the Transfer Notice.

38.15 If the company does not purchase the Sale Shares in accordance with article 38.14 then, subject to article 38.16 and within 4 weeks following service of the Allocation Notice, the Seller may transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price.

38.16 The Seller's right to transfer shares under article 38.15 does not apply if the directors, acting reasonably, are of the opinion that:

38.16.1 the transferee is a person (or a nominee for a person) who is a competitor with (or an associate of a competitor with) the business of the company or with an associated company (companies being associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate); or

38.16.2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or

38.16.3 the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the directors to enable them to form the opinion mentioned above.

38.17 The restrictions imposed by this article may be waived in relation to any proposed transfer of Shares with the consent of shareholders who, but for the waiver, would or might have been entitled to have such shares offered to them in accordance with this article.

## **39. TRANSMISSION OF SHARES**

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

39.2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:

39.2.1 may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person; and

39.2.2 subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

39.3 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.

**40. EXERCISE OF TRANSMITTEES' RIGHTS**

- 40.1 Transmittes who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- 40.2 If the transmittes wishes to have a share transferred to another person, the transmittes must execute an instrument of transfer in respect of it.
- 40.3 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 transmittes has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred and all the provisions of the articles relating to transfers of shares shall apply.

**41. TRANSMITTEES BOUND BY PRIOR NOTICES**

If a notice is given to a shareholder in respect of shares and a transmittes is entitled to those shares, the transmittes is bound by the notice if it was given to the shareholder before the transmittes's name, or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 40.2, has been entered in the register of members.

**DIVIDENDS AND OTHER DISTRIBUTIONS**

**42. PROCEDURE FOR DECLARING DIVIDENDS**

- 42.1 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 42.2 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.
- 42.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 42.4 Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be 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. However, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
- 42.5 If the company's share capital is divided into different classes, no dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 42.6 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.
- 42.7 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.

**43. PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

- 43.1 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:

- 43.1.1 transfer to a bank or building society account specified by the distribution recipient, either in writing or as the directors may otherwise decide;
  - 43.1.2 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;
  - 43.1.3 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
  - 43.1.4 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.
- 43.2 In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable:
- 43.2.1 the holder of the share; or
  - 43.2.2 if the share has two or more joint holders, whichever of them is named first in the register of members; or
  - 43.2.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

#### **44. NO INTEREST ON DISTRIBUTIONS**

- 44.1 The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:
- 44.1.1 the terms on which the share was issued; or
  - 44.1.2 the provisions of another agreement between the holder of that share and the company.

#### **45. UNCLAIMED DISTRIBUTIONS**

- 45.1 All dividends or other sums which are:
- 45.1.1 payable in respect of shares; and
  - 45.1.2 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.
- 45.2 The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.
- 45.3 If:
- 45.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment; and
  - 45.3.2 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.

**46. NON-CASH DISTRIBUTIONS**

46.1 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).

46.2 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:

46.2.1 fixing the value of any assets;

46.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

46.2.3 vesting any assets in trustees.

**47. WAIVER OF DISTRIBUTIONS**

47.1 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 by way of a deed to that effect, but if:

47.1.1 the share has more than one holder; or

47.1.2 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**

**48. AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS**

48.1 Subject to the articles, the directors may, if they are so authorised by an ordinary resolution:

48.1.1 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

48.1.2 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 and apply such sum on their behalf either towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively.

48.2 Capitalised sums must be applied:

48.2.1 on behalf of the persons entitled; and

- 48.2.2 in the same proportions as a dividend would have been distributed to them.
- 48.3 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.
- 48.4 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.
- 48.5 Subject to the articles the directors may:
- 48.5.1 apply capitalised sums in accordance with paragraphs 48.3 and 48.4 partly in one way and partly in another;
  - 48.5.2 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
  - 48.5.3 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**

##### **49. CALLING A GENERAL MEETING**

- 49.1 The directors may call general meetings of the company.
- 49.2 In accordance with the provisions of the Companies Act 2006, and on the requisition of shareholders representing at least 5% of the paid up capital of the company carrying the right to vote at general meetings, the directors shall forthwith convene a general meeting.

##### **50. NOTICE OF GENERAL MEETINGS**

- 50.1 General meetings (other than adjourned meetings) shall be called on at least 14 days' notice.
- 50.2 General meetings may be called by shorter notice if agreed to by a majority in number of the shareholders having the right to attend and vote at the meeting, being a majority who together hold not less than 90% in nominal value of the shares giving a right to attend and vote at the meeting.
- 50.3 Subject to the provisions of the articles and any restrictions imposed on any shares, the notice shall be given to all shareholders, to all transmittes and to the directors and auditors.
- 50.4 Subject to the provisions of the Companies Act 2006, the accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

- 50.5 Notice of a general meeting must be given:
- 50.5.1 in hard copy form;
  - 50.5.2 in electronic form; or
  - 50.5.3 subject to the provisions of the Companies Act 2006, by means of a website.
- 50.6 Notice of a general meeting must state:
- 50.6.1 the time and date of the meeting;
  - 50.6.2 the place of the meeting; and
  - 50.6.3 the general nature of the business to be transacted at the meeting.

**51. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

- 51.1 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.
- 51.2 A person is able to exercise the right to vote at a general meeting when:
- 51.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
  - 51.2.2 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.
- 51.3 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.
- 51.4 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.
- 51.5 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.

**52. QUORUM FOR GENERAL MEETINGS**

- 52.1 Save in the case where the company has a single shareholder, 2 persons entitled to vote on the business to be transacted at the meeting, each being a shareholder or a proxy for a shareholder or a duly authorised representative of a corporate shareholder, shall be a quorum.
- 52.2 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.

**53. CHAIRING GENERAL MEETINGS**

- 53.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.



53.2 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:

53.2.1 the directors present; or

53.2.2 (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.

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

#### 54. **ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS**

54.1 Directors may attend and speak at general meetings, whether or not they are shareholders.

54.2 The chairman of the meeting may permit other persons who are not:

54.2.1 shareholders of the company; or

54.2.2 otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting.

#### 55. **ADJOURNMENT**

55.1 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.

55.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:

55.2.1 the meeting consents to an adjournment; or

55.2.2 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.

55.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

55.4 When adjourning a general meeting, the chairman of the meeting must:

55.4.1 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

55.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

55.5 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):

- 55.5.1 to the same persons to whom notice of the company's general meetings is required to be given; and
  - 55.5.2 containing the same information which such notice is required to contain.
- 55.6 If at an adjourned meeting a quorum is not present within half an hour from the time appointed, then, provided that the shareholders present hold at least 75% in nominal value of the ordinary shares of the company in issue, any resolution agreed to by such members shall be valid and effectual as if it had been passed unanimously at a general meeting of the company duly convened and held.
- 55.7 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**

### **56. VOTING**

- 56.1 On a vote on a resolution on a show of hands at a meeting, each shareholder present in person has one vote.
- 56.2 Subject to article 56.3, on a vote on a resolution on a show of hands at a meeting, every proxy present who has been duly appointed by one or more shareholders entitled to vote on the resolution has one vote.
- 56.3 On a vote on a resolution on a show of hands at a meeting, a proxy has one vote for and one vote against the resolution if:
  - 56.3.1 the proxy has been duly appointed by more than one shareholder entitled to vote on the resolution; and
  - 56.3.2 the proxy has been instructed by one or more of those shareholders to vote for the resolution and by one or more other of those shareholders to vote against it.
- 56.4 On a poll taken at a meeting of the company all or any of the voting rights of a shareholder may be exercised by one or more duly appointed proxies.
- 56.5 Where a shareholder appoints more than one proxy, article 56.3 does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the shareholder in person.

### **57. ERRORS AND DISPUTES**

- 57.1 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.
- 57.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

### **58. POLL VOTES**

- 58.1 A poll on a resolution may be demanded:
  - 58.1.1 in advance of the general meeting at which that resolution is to be put to the vote; or

58.1.2 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.

58.2 A poll may be demanded by:

58.2.1 the chairman of the meeting;

58.2.2 the directors;

58.2.3 two or more persons having the right to vote on the resolution;

58.2.4 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; or

58.2.5 a person or persons holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the shares conferring the right to vote on the resolution,

and a demand by a person as proxy for a shareholder shall be the same as a demand by the shareholder.

58.3 A demand for a poll may be withdrawn if:

58.3.1 the poll has not yet been taken; and

58.3.2 the chairman of the meeting consents to the withdrawal.

58.4 A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

58.5 Polls must be taken immediately upon demand (subject to being withdrawn in accordance with article 58.3) and in such manner as the chairman of the meeting directs.

## **59. RIGHT TO APPOINT PROXIES**

59.1 A shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and speak and vote at a meeting of the company.

59.2 A shareholder may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him.

## **60. CONTENT OF PROXY NOTICES**

60.1 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:

60.1.1 states the name and address of the shareholder appointing the proxy;

60.1.2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;

60.1.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine;

- 60.1.4 is delivered to the company in accordance with the articles not less than 48 hours before the time appointed for holding the meeting at which the right to vote is being exercised and in accordance with any instructions contained in the notice of the general meeting or adjourned meeting to which they relate;
  - 60.1.5 in the case of a poll taken more than 48 hours after it is demanded, is delivered to the company after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; and
  - 60.1.6 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, is delivered at the meeting at which the poll was demanded to the chairman or any director or the company secretary.
- 60.2 A proxy notice which is not delivered in accordance with article 60.1 shall be invalid unless the directors, in their discretion, accept the notice at any time before the meeting.
- 60.3 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 60.4 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.
- 60.5 Unless a proxy notice indicates otherwise, it must be treated as:
- 60.5.1 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
  - 60.5.2 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.

## **61. DELIVERY OF PROXY NOTICES**

- 61.1 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.
- 61.2 An appointment under a proxy notice may be revoked by delivering to the company a notice given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 61.3 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.
- 61.4 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.

## **62. AMENDMENTS TO RESOLUTIONS**

- 62.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- 62.1.1 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

- 62.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 62.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
  - 62.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
  - 62.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 62.3 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**

#### **63. MEANS OF COMMUNICATION TO BE USED**

- 63.1 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.
- 63.2 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.
- 63.3 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.

#### **64. COMPANY SEALS**

- 64.1 Any common seal may only be used by the authority of the directors.
- 64.2 The directors may decide by what means and in what form any common seal is to be used.
- 64.3 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.
- 64.4 For the purposes of this article, an authorised person is:
  - 64.4.1 any director of the company;
  - 64.4.2 the company secretary (if any); or

- 64.4.3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

**65. NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

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.

**66. PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS**

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**

**67. INDEMNITY**

67.1 Subject to paragraph 67.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled, a relevant officer of the company or an associated company may be indemnified out of the company's assets against:

67.1.1 any liability incurred by that relevant officer in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company;

67.1.2 any liability incurred by that relevant officer 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); and

67.1.3 any other liability incurred by that relevant officer as an officer of the company or an associated company,

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs.

67.2 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.

67.3 In this article:

67.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

67.3.2 a "relevant officer" means any director or secretary or former director or secretary of the company or an associated company.

**68. INSURANCE**

- 68.1 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.
- 68.2 In this article:
- 68.2.1 a “relevant officer” means any director or secretary or former director or secretary of the company or an associated company;
  - 68.2.2 a “relevant loss” means any loss or liability which has been or may be incurred by a relevant director in connection with that relevant 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 an associated company; and
  - 68.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.