
PRIVATE COMPANY LIMITED BY SHARES

Company No []

THE COMPANIES ACT 2006
ARTICLES OF ASSOCIATION
of

[Medway Company]

Incorporated []

(Adopted by special resolution on [])

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1. **MODEL ARTICLES**

The Model Articles do not apply to the Company and these Articles alone are the articles of association of the Company.

2. **INTERPRETATION**

2.1 In the Articles, unless the context requires otherwise:-

“Act”	means the Companies Act 2006
“Alternate”	or “Alternate Director” has the meaning given to it in Article 25.1
“Appointor”	has the meaning given to it in Article 25.1
“Articles”	means the Company’s articles of association
“Bankruptcy”	includes individual insolvency proceedings in a jurisdiction other than England and Wales, Scotland or Northern Ireland which have an effect similar to that of bankruptcy
“Board”	means the board of Directors of the Company
“Business day”	means any day (other than a Saturday or Sunday) on which clearing banks in the City of London are open for the transaction of normal sterling banking business
“Capitalised Sum”	has the meaning given in Article 45.1.2
“Chair”	has the meaning given to it in Article 14
“Chairperson”	has the meaning given to it in Article 49
“Chairperson of the meeting”	Has the meaning given to it in Article 49
“Companies Acts”	means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the Company
“Council”	means Medway Council or any successor body thereto;
“Council Nominee Director”	means a Director of the Company employed by, an officer of, or an elected member of the Council
“Director”	means a director for the time being of the Company, and includes any person occupying the position of director, by whatever name called
“Distribution recipient”	has the meaning given in Article 40.2
“Document”	includes, unless otherwise specified, any document sent or supplied in electronic form
“Eligible Director”	means a Director who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors’ meeting (but excluding any Director whose vote is not to be counted in respect of a particular matter)

“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
“Holder”	in relation to shares means the person whose name is entered in the register of members as the holder of the shares
“Independent Director”	means a Director of the Company (who is not a Council Nominee Director)
“Instrument”	means a document in hard copy form
“Model Articles”	means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 as amended prior to the date of adoption of these Articles
“Paid”	means paid or credited as paid
“Participate”	in relation to a Directors’ meeting, has the meaning given in Article 12
“Persons entitled”	has the meaning in Article 45.1.2
“Proxy notice”	has the meaning given in Article 54.1
“Scheme of Delegation”	means the delegations document adopted and approved by the Council [at the date of adoption of these Articles] as amended from time to time by the Company
“Shareholder”	means a person who is the holder of a share
Shareholder nominee	Person appointed by the shareholders to receive notice of all board meetings and all reports, right to attend board meetings, convey to the board that the shareholders wish to provide a steer on one or more matters to be considered at the next board meeting
“shares”	means shares in the Company
“subsidiary”	has the meaning given in section 1159 of the Act
“Transmittee”	means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law
“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

2.2 References in these Articles to Shares being **“paid”** means those Shares being paid or credited as paid.

2.3 References in these Articles to **“writing”** means 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.

2.4 References in these Articles to a document includes, unless otherwise specified, any document sent or supplied in electronic form.

2.5 Unless the context otherwise requires:-

2.5.1 words in the singular include the plural and vice versa;

2.5.2 words in one gender include the other genders; and

2.5.3 words importing natural persons include corporations.

2.6 Words or expressions contained in these Articles which are defined in the Act have the same meaning as in the Act in force on the date of adoption of these Articles including the following words which are defined in the following sections of the Act:-

Word(s)/expression	Section Number in Act
electronic form	section 1168
equity share capital	section 548
hard copy form	section 1168
ordinary resolution	section 282
special resolution	section 283
working day	section 1173

2.7 A reference to an Article by number is to the relevant article of these Articles.

2.8 Headings used in these Articles do not affect their construction or interpretation.

2.9 References to a statute or statutory provision is a reference to it as it is in force as at the date of adoption of these Articles.

3. **LIMITATION OF LIABILITY**

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

4. **UNRESTRICTED OBJECTS AND OBJECTIVES**

4.1 Nothing in these Articles shall constitute a restriction on the objects of the Company to do (or omit to do) any act and, in accordance with section 31(1) of the Act, the Company's objects are unrestricted.

4.2 Without prejudice to Article 4.1, the Company shall have the following objectives:

4.2.1 To act as a general trading company to generate income (revenue and or capital) and or enable delivery of the strategic objectives of the local authority.

4.2.2 Delivery of the business plan approved by the shareholder.

5. **DIRECTORS' GENERAL AUTHORITY**

5.1 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.

5.2 The matters listed in the Scheme of Delegation which apply to the Company shall not be carried out without the prior written consent of the Council (save for those matters the Scheme of Delegation expressly states are decisions for the Company) and each of the Directors shall use their respective

rights and powers to procure, so far as they are each able, that no such matter is carried out unless the required consent has been given. In particular no amendment or variation to the Scheme of Delegation which would reduce or limit those matters which require the consent of the Council shall be approved by the Company without the prior written consent of the Council.

6. **SHAREHOLDERS' RESERVE POWER**

- 6.1 The shareholders may direct the Directors to take, or refrain from taking, specified action. The validity of any such communication conveyed by the shareholders nominee (orally or in writing) shall not be challenged.
- 6.2 No such direction invalidates anything which the Directors have done before the conveyance of the direction.

7. **DIRECTORS MAY DELEGATE**

- 7.1 Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles:-

- 7.1.1 to such person or committee;
- 7.1.2 by such means (including by power of attorney);
- 7.1.3 to such an extent;
- 7.1.4 in relation to such matters or territories; and
- 7.1.5 on such terms and conditions;

as they think fit.

- 7.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- 7.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

8. **COMMITTEES**

- 8.1 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.
- 8.2 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.

9. **DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

- 9.1 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 10.

- 9.2 If:-

- 9.2.1 the Company only has one Director for the time being; and
- 9.2.2 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.

9.3 All acts done by a meeting of Directors, or a committee of Directors or by any Director shall, even if it is discovered afterwards that:-

9.3.1 there was a defect in the appointment of any Director; or

9.3.2 any Director had been disqualified from holding office; or

9.3.3 any Director had vacated office or was not entitled to vote;

be valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

10. **UNANIMOUS DECISIONS**

10.1 In addition to (and without prejudice to) the ability of the Directors to take a decision by a majority decision at a meeting as set out in Article 9.1, a decision of the Directors may also be 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.

10.2 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.

10.3 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.

11. **CALLING A DIRECTORS' MEETING**

11.1 Any Director may call a Directors' meeting by giving not less than five (5) Business Days' notice of the meeting (or such lesser notice as at least two (2) Directors may agree in writing) to the Directors and the shareholder nominee or by authorising the Company secretary (if any) to give such notice.

11.2 Notice of any Directors' meeting must indicate:-

11.2.1 its proposed date and time;

11.2.2 where it is to take place;

11.2.3 the proposed business of the meetings;

11.2.4 if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

11.3 Notice of a Directors' meeting must be given to each Director, the shareholder nominee and must be in writing.

11.4 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 seven (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.

12. **PARTICIPATION IN DIRECTORS' MEETINGS**

12.1 Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when:-

12.1.1 the meeting has been called and takes place in accordance with the Articles; and

12.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

12.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.

12.3 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.

13. **QUORUM FOR DIRECTORS' MEETINGS**

13.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

13.2 Subject to Article 13.3, the quorum for the transaction of business at a meeting of the Directors shall be three Directors inclusive of the company chief executive or their nominee. If due to vacancies a quorum cannot be achieved the minimum shall be one director, the chief executive and the shareholders nominee (or their nominee).

13.3 For the purposes of any meeting (or part of a meeting) held pursuant to Article 20.1 to authorise a Director's conflict of interest, where there is only one Director in office who is not party to the relevant conflict, the quorum for such a meeting (or part of a meeting) shall be one Eligible Director.

13.4 If the total number of Directors in office for the time being is less than the quorum required, the Directors must not take any decision other than a decision:-

13.4.1 to appoint further Directors, to request that the Council appoint further Directors in accordance with the Articles; or

13.4.2 to call a general meeting so as to enable the shareholders to appoint further Directors.

14. **CHAIRING OF DIRECTORS' MEETINGS**

14.1 A Chair shall be appointed at the first Directors' meeting for a period of three (3) years, renewable annually. If the Chair can no longer serve in this role for whatever reason, the Board may appoint a Director to act as interim Chair on a temporary basis until such time as the Board appoints a replacement Chair.

14.2 The Council may terminate the Chair's appointment at any time.

14.3 If the Chair 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.

15. **CHAIR'S CASTING VOTE**

15.1 If the numbers of votes for and against a proposal at a meeting of Directors are equal, the Chair or other Director chairing the meeting shall have a casting vote.

16. **ALTERNATES VOTING AT DIRECTORS' MEETINGS**

16.1 A Director who is also an Alternate Director has an additional vote on behalf of each appointor who is:-

16.1.1 not participating in a Directors' meeting, and

16.1.2 would have been entitled to vote if they were participating in it.

17. **RECORDS OF DECISIONS TO BE KEPT**

17.1 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.

17.2 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form so that they may be read with the naked eye.

18. **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.

19. **DIRECTORS' INTERESTS IN TRANSACTIONS AND ARRANGEMENTS WITH THE COMPANY**

19.1 Subject to the provisions of the Act, to Article 20, and provided that he has disclosed to the Directors the nature and extent of any material interest in accordance with the requirements of the Companies Acts, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:-

19.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;

19.1.2 may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and

19.1.3 shall not, by reason of his office, be accountable to the Company for any benefit 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 such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

19.2 For the purposes of Article 19.1:-

19.2.1 a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and

19.2.2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

19.3 For the purposes of this Article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.

19.4 Subject to Article 19.5, if a question arises at a meeting of Directors or of a committee of Director 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 Chair whose ruling in relation to any Director other than the Chair is to be final and conclusive.

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

19.6 Subject to:-

19.6.1 the provisions of Sections 177 and 182 of the Act; and

19.6.2 to the terms of any authorisation of a conflict made in accordance with the provisions of Article 20

a Director may not vote at any meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty. The Director shall be

not counted in the quorum present at a meeting when any such resolution is under consideration and he shall not vote.

20. POWERS OF DIRECTORS TO AUTHORISE CONFLICTS OF INTEREST

20.1 The Directors may authorise, to the fullest extent permitted by law, any matter proposed to them which would, if not so authorised, result in a Director infringing his duty under section 175 of the Act 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.

20.2 Authorisation of a matter under Article 20.1:-

20.2.1 is effective only if the matter has been proposed to the Directors by its being submitted in writing for consideration at a meeting of the Directors or for the authorisation of the Directors by resolution in writing and in accordance with the Board's normal procedures or in such other manner as the Board may approve;

20.2.2 is effective only if the Director in question provides the other Directors with written details of the matter in respect of which authorisation is being sought (includes the nature and extent of his interest in such matter) or in such other manner as the other Directors may from time to time direct;

20.2.3 is effective only if any requirement as to quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director; and

20.2.4 is effective only if the matter has been agreed to without the Director in question and any other interested Director voting or would have been agreed to if their votes had not been counted.

20.2.5 may be given subject to any limits or conditions (including as to duration) as the Directors may expressly impose at the time of giving of the authorisation or subsequently; and

20.2.6 may be varied or terminated by the Directors at any time (but this will not affect anything done by the relevant Director prior to such variation or termination in accordance with the terms of such authority.)

20.3 Any authorisation of a matter under Article 20.1 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised but do not apply to any conflict of interest arising in relation to any transaction or arrangement with the Company.

20.4 The Board may vary the terms or duration of any authorisation given pursuant to the Articles (including any limits or conditions imposed on it) or revoke such authorisation. A Director shall comply with any obligations imposed on him by the Directors pursuant to any such authorisation.

20.5 Any terms imposed by the Board under Article 20.4 may include (without limitation):-

20.5.1 whether the Director may vote (or be counted in the quorum) at a meeting of the Board or any committee or sub-committee of the Board in relation to any resolution relating to the relevant matter;

20.5.2 whether the Director is to be given any documents or other information in relation to the relevant matter; and

20.5.3 whether the Director is to be excluded from discussions in relation to the relevant matter at a meeting of the Board or any committee or sub-committee of the Board or otherwise.

20.6 The Director shall not be required to disclose any confidential information obtained in relation to the relevant matter (other than through his position as a Director of the Company) to the Company or to

use or apply it in performing his duties as a Director if to do so would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter.

20.7 A Director does not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act if he acts in accordance with such terms, limits and conditions (if any) as the Board may impose in respect of its authorisation of the Director's conflict of interest or possible conflict of interest under Article 20.1.

20.8 A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Directors under Article 20.1 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

21. **NUMBER AND METHOD OF APPOINTING DIRECTORS**

21.1 Unless otherwise determined by ordinary resolution or the Council, the number of Directors (other than alternate Directors) shall [not be less than five (5) and no more than ten (10).]

21.2 Prior to advertising seeking applications for directors the board of directors shall obtain the agreement of the shareholders as to

21.2.1 the number of directors to be appointed,

21.2.2 the skills and expertise that they seek

21.2.3 the evaluation matrix to assess candidates (to be inclusive of a candidates local connections)

21.2.4 term of office for appointees

21.3 Following a recruitment exercise and prior to offering a role as a director, the board of directors shall consult with the shareholder and ensure that they have no well founded objection to the appointment. (Same well founded objection process to be followed as applicable to the appointment of senior officers in local authorities).

21.4 Subject to this article 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:-

21.4.1 by ordinary resolution; or

21.4.2 by a decision of the Directors.

21.5 The Council shall from time to time have the right, by notice in writing addressed to the Company, to:

21.5.1 appoint and to maintain in office any Director as the Council shall determine; and

21.5.2 remove any such person as a Director of the Company and to appoint a replacement.

21.6 Any appointment or removal of a Director in accordance with article 21.5 shall take immediate effect upon receipt (or deemed receipt) by the Company of such notice in writing, or the production of such notice in writing at a meeting of the Directors or, if later, the date (if any) specified in such notice.

21.7 Subject to article 22.1:

21.7.1 the first Directors of the Company (the "first Directors") being those in office at the date of appointment of these articles shall be appointed for a fixed term of twelve months, at the end of which each of the Directors shall retire from the board unless he is reappointed

- 21.7.2 any Directors appointed by the Directors pursuant to article 21.1.5 shall hold office only until the following annual general meeting and if such Directors are not re-appointed at such general meeting, he must vacate office at the end of the meeting;
- 21.7.3 any other Directors appointed shall be appointed for a period specified by the shareholder or a maximum fixed term of four years, save where a shorter term is set prior to appointment (the "fixed term"). The fixed term for any Directors appointed by the Directors who have been re-appointed at an annual general meeting shall commence from the date of the Directors' appointment by the Directors;
- 21.7.4 Directors shall retire from the board at the end of the fixed term but shall be eligible for re-appointment for one further term of four years, or such shorter term as is set prior to such re-appointment, at the end of which the Directors shall retire from the board and shall not be re-appointed as a Director; and

22. **TERMINATION OF DIRECTOR'S APPOINTMENT**

22.1 A person ceases to be a Director as soon as:-

- 22.1.1 that person ceases to be a Director by virtue of any provision of the Act or these Articles or is prohibited from being a Director by law;
- 22.1.2 that person is removed by the Council by a notice in writing to the Company;
- 22.1.3 in the case of a person who is an employee or elected member of the Council, that person ceases to be an employee or elected member of the Council;
- 22.1.4 that person is removed by the Council by a notice in writing to the Company;
- 22.1.5 that person is or becomes a person disqualified from being an elected councillor of a local authority;
- 22.1.6 a bankruptcy order is made against that person;
- 22.1.7 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 22.1.8 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;
- 22.1.9 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;
- 22.1.10 he is convicted of a criminal offence (other than a motoring offence or series of offences not resulting in disqualification) and the Directors resolve that his office be vacated; or
- 22.1.11 in the case of a person who is also an employee of the Company he ceases to be such an employee; or
- 22.1.12 he shall for more than six consecutive months have been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that his office be vacated; or
- 22.1.13 all the other Directors unanimously resolve that his office be vacated.

22.2 In addition and without prejudice to the provisions of section 168 of the Act, the Company may by ordinary resolution (whether at a general meeting or in writing and without special notice) remove

any Director before the expiration of his period of office and may by ordinary resolution (whether at a general meeting or in writing and without any special notice) appoint another Director in his place.

23. **DIRECTORS' REMUNERATION**

23.1 Directors may undertake any services for the Company that the Directors decide.

23.2 No Director shall be entitled to any remuneration from the Company in their capacity as a Director unless it is specified in a remuneration policy approved by the shareholder.

23.3 Subject to 23.2 , a Director's remuneration:-

23.3.1 may take any form; and

23.3.2 may 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

23.3.3 accrues from day to day.

23.4 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.

24. **DIRECTORS' AND OFFICERS' EXPENSES**

24.1 The Company may pay any reasonable expenses which the officers (including alternate Directors and the secretary) properly incur in connection with their attendance at:-

24.1.1 meetings of Directors or committees of Directors;

24.1.2 general meetings; or

24.1.3 separate meetings of the holders of any class of shares or of debentures of the Company

24.1.4 shareholder board meetings, meetings with the chair of the aforesaid, the shareholder nominee or the client representative

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

25. **ALTERNATE DIRECTORS AND SECRETARY**

25.1 Any Director (the "**Appointor**") may appoint as an alternate (the "**Alternate Director**") any Director, or any other person approved by resolution of the Directors, to:-

25.1.1 exercise that Director's powers, and

25.1.2 carry out that Director's responsibilities.

in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor .

25.2 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.

25.3 The notice must:-

25.3.1 identify the proposed alternate, and

25.3.2 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.

25.4 An alternate Director has the same rights, in relation to any Directors' meeting or Directors' written resolution, as the alternate's Appointor.

25.5 Alternate Directors:-

25.5.1 are liable for their own acts and omissions;

25.5.2 are subject to the same restrictions as their Appointors; and

25.5.3 are not deemed to be agents of or for their Appointors.

25.6 A person who is an alternate but not a Director:-

25.6.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating), and

25.6.2 may sign a written resolution (but only if it is not signed or to be signed by that person's Appointor).

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

25.7 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.

25.8 An alternate Director's appointment as an alternate terminates:-

25.8.1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

25.8.2 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;

25.8.3 on the death of the alternate's Appointor; or

25.8.4 when the alternate's Appointor's appointment as a Director terminates, except that an alternate's appointment as an alternate does not terminate when the Appointor retires by rotation at a general meeting and is then re-appointed as a Director at the same general meeting.

26. **SECRETARY**

The Companies Chief Executive shall act as the company secretary on such terms and conditions (including remuneration) as approved by the shareholders as part of the remuneration policy, as they may think fit.

27. **COMPANY'S LIEN OVER PARTLY PAID SHARES**

27.1 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount payable in respect of it.

27.2 The Company may sell in such manner as the shareholders determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid

within fourteen clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.

27.3 To give effect to a sale the Directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity or invalidity in the proceedings in reference to the sale.

27.4 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

28. **ALL SHARES TO BE FULLY PAID UP**

28.1 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.

28.2 This does not apply to shares taken on the formation of the Company by the subscribers to the Company's memorandum.

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

29.1 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.

29.2 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.

30. **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.

31. **DIRECTORS' AUTHORITY TO ALLOT SHARES**

Save to the extent authorised from time to time by an ordinary resolution of the shareholders, the Directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the Company.

32. **SHARE CERTIFICATES**

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

32.2 Every certificate must specify:-

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

32.2.2 the nominal value of those shares;

32.2.3 that the shares are fully paid; and

32.2.4 any distinguishing numbers assigned to them.

- 32.3 No certificate may be issued in respect of shares of more than one class.
- 32.4 If more than one person holds a share, only one certificate may be issued in respect of it.
- 32.5 Certificates must:-
- 32.5.1 have affixed to them the Company's common seal; or
 - 32.5.2 be otherwise executed in accordance with the Companies Acts.
33. **REPLACEMENT SHARE CERTIFICATES**
- 33.1 If a certificate issued in respect of a shareholder's shares is:-
- 33.1.1 damaged or defaced; or
 - 33.1.2 said to be lost, stolen or destroyed
- that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- 33.2 A shareholder exercising the right to be issued with such a replacement certificate:-
- 33.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - 33.2.2 must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
 - 33.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.
34. **SHARE TRANSFERS**
- 34.1 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.
- 34.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 34.3 The Company may retain any instrument of transfer which is registered.
- 34.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- 34.5 The Directors may refuse to register the transfer of a share, and 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.
35. **TRANSMISSION OF SHARES**
- 35.1 If title to a share passes to a transferee, the Company may only recognise the transferee as having any title to that share.
- 35.2 A transferee who produces such evidence of entitlement to shares as the Directors may properly require:-
- 35.2.1 may, subject to the Articles within 28 clear days of written notice to that effect, choose either to become the holder of those shares or to have them transferred to another person (and

if no choice is made by the transferee, he shall be deemed to have elected to become the holder of those shares); and

35.2.2 subject to the Articles, and pending any transfer of the shares to another person, has the same rights as the holder had save that the transmittee does 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 he is entitled, by reason of the holder's death or bankruptcy or otherwise, unless he becomes the holder of those shares.

35.3 Article 34 shall apply to the notice referred to in Article 35.2.1 as if it were an instrument of transfer executed by the shareholder and the event resulting in title to the share passing to the transmittee had not occurred.

35.4 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.

36. **EXERCISE OF TRANSMITTEES' RIGHTS**

36.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.

36.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

36.3 Any transfer made or executed under this Article is to be treated as if 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.

37. **TRANSMITTEES BOUND BY PRIOR NOTICES**

37.1 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 or the name of any person nominated by the transmittee in accordance with Article 47.2 has been entered in the register of members.

38. **PROCEDURE FOR DECLARING DIVIDENDS**

38.1 The Company may by ordinary resolution declare dividends (inclusive of interim).

38.2 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.

38.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

38.4 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.

38.5 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 arrears.

38.6 The Directors may recommend the payment at intervals that a dividend be payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

38.7 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.

39. **CALCULATION OF DIVIDENDS**

- 39.1 Except as otherwise produced by these Articles or the rights attached to the shares, all dividends must be declared and distributed amongst the holders of shares proportionately according to the number of shares held (irrespective of the amount paid up on such shares).
- 39.2 If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.

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

- 40.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by such means of payment as the shareholders may determine.
- 40.2 In the Articles, the “**distribution recipient**” means, in respect of a share in respect of which a dividend or other sum is payable:-
- 40.2.1 the holder of the share; or
 - 40.2.2 if the share has two or more joint holders, whichever of them is named first in the register of members; or
 - 40.2.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

41. **NO INTEREST ON DISTRIBUTIONS**

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

42. **UNCLAIMED DISTRIBUTIONS**

- 42.1 All dividends or other sums which are:-
- 42.1.1 payable in respect of shares; and
 - 42.1.2 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.
- 42.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.
- 42.3 If:-
- 42.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment; and
 - 42.3.2 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.

43. **NON-CASH DISTRIBUTIONS**

43.1 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).

43.2 For the purposes of paying a non-cash distribution, the Directors following approval of the shareholder may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:-

43.2.1 fixing the value of any assets;

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

43.2.3 vesting any assets in trustees.

44. **WAIVER OF DISTRIBUTIONS**

44.1 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 to that effect, but if:-

44.1.1 the share has more than one holder; or

44.1.2 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.

45. **CAPITALISATION OF PROFITS**

45.1 Subject to the Articles, the Directors may, if they are so authorised by an ordinary resolution:-

45.1.1 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

45.1.2 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.

45.2 Capitalised Sums must be applied:-

45.2.1 on behalf of the persons entitled; and

45.2.2 in the same proportions as a dividend would have been distributed to them.

45.3 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.

45.4 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 and credited as fully paid to the persons entitled or as they may direct.

- 45.5 Subject to the Articles the Directors may:-
- 45.5.1 apply Capitalised Sums in accordance with Articles 45.3 and 45.4 partly in one way and partly in another;
 - 45.5.2 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
 - 45.5.3 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.

46. **NOTICE OF GENERAL MEETINGS**

46.1 The notice of a general meeting of the Company must state:-

- 46.1.1 the time and date of the meeting;
- 46.1.2 the place of the meeting; and
- 46.1.3 the general nature of the business to be transacted.

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

47.1 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.

47.2 A person is able to exercise the right to vote at a general meeting when:-

- 47.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- 47.2.2 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.

47.3 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.

47.4 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.

47.5 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.

48. **QUORUM FOR GENERAL MEETINGS**

No business other than the appointment of the Chairperson of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum. Where there is only one shareholder, the presence of a duly authorised representative of that shareholder shall constitute a quorum. Where there are multiple shareholders, the presence of a representative of each shareholder shall constitute a quorum.

49. **CHAIRING GENERAL MEETINGS**

49.1 If a Chairperson has been appointed, the Chairperson shall chair general meetings if present and willing to do so.

49.2 If no Chairperson has been appointed, or if the Chairperson is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:-

49.2.1 the Directors present; or

49.2.2 (if no Directors are present), the meeting

must appoint a Director or shareholder to chair the meeting, and the appointment of the Chairperson of the meeting must be the first business of the meeting.

49.3 The person chairing a meeting in accordance with this Article is referred to as “**Chairperson of the meeting**”.

50. **ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS**

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

50.2 The Chairperson of the meeting may in his absolute discretion permit other persons who are not:-

50.2.1 shareholders of the Company; or

50.2.2 otherwise entitled to exercise the rights of shareholders in relation to general meetings to attend and speak at a general meeting.

51. **ADJOURNMENT**

51.1 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 Chairperson of the meeting must adjourn it.

51.2 The Chairperson of the meeting may adjourn a general meeting at which a quorum is present if:-

51.2.1 the meeting consents to an adjournment; or

51.2.2 it appears to the Chairperson 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.

51.3 The Chairperson of the meeting must adjourn a general meeting if directed to do so by the meeting.

51.4 When adjourning a general meeting, the Chairperson of the meeting must:-

51.4.1 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

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

51.5 If the continuation of an adjourned meeting is to take place more than fourteen (14) days after it was adjourned, the Company must give at least seven (7) clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):-

51.5.1 to the same persons to whom notice of the Company's general meetings is required to be given, and

51.5.2 containing the same information which such notice is required to contain.

51.6 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.

52. **VOTING AT GENERAL MEETINGS**

52.1 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.

52.2 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.

52.3 Any such objection must be referred to the Chairperson of the meeting, whose decision is final.

53. **POLL VOTES**

53.1 A poll on a resolution may be demanded:-

53.1.1 in advance of the general meeting where it is to be put to the vote; or

53.1.2 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.

53.2 A poll may be demanded by:-

53.2.1 the Chairperson of the meeting;

53.2.2 the Directors;

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

53.2.4 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.

53.3 A demand for a poll may be withdrawn if:-

53.3.1 the poll has not yet been taken, and

53.3.2 the Chairperson of the meeting consents to the withdrawal.

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

53.4 Polls must be taken immediately and in such manner as the Chairperson of the meeting directs.

54. **CONTENT OF PROXY NOTICES**

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

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

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

54.1.3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and

54.1.4 is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting 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

and a proxy notice which is not delivered in such manner shall be invalid unless the Directors in their absolute discretion, at any time before the start of the meeting (or adjourned meeting) and otherwise determine and accept the proxy notice.

- 54.2 In calculating the period of 48 hours referred to in Article 54.1, no account shall be taken of any part of a day that is not a working day.
- 54.3 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 54.4 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.
- 54.5 Unless a proxy notice indicates otherwise, it must be treated as:-
- 54.5.1 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
 - 54.5.2 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.

55. **DELIVERY OF PROXY NOTICES**

- 55.1 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.
- 55.2 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.
- 55.3 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.
- 55.4 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.

56. **AMENDMENTS TO RESOLUTIONS**

- 56.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:-
- 56.1.1 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 Chairperson of the meeting may determine); and
 - 56.1.2 the proposed amendment does not, in the reasonable opinion of the Chairperson of the meeting, materially alter the scope of the resolution.
- 56.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:-
- 56.2.1 the Chairperson of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
 - 56.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

56.3 If the Chairperson of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairperson's error does not invalidate the vote on that resolution.

57. NOTICES AND COMMUNICATIONS

57.1 The Company may send, supply or give any document, information or notice to a Shareholder by hard copy, electronic form or by making that document or information available on a website and giving notice of the availability of that document or information to the relevant Shareholder (provided that Shareholder has individually agreed (or is deemed to have agreed) to the Company sending or supplying documents or information generally or those documents or information in question to him by means of a website), in each case subject to the provisions of sections 1143 to 1148 and Schedule 5 of the Act.

57.2 A notice given by means of a website shall be deemed to have been sent, supplied or given when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

57.3 Any document, information or notice which is required to be sent or given to the Company shall be sent by hard copy or electronic form in each case, subject to the provisions of sections 1143 to 1148, Schedule 4 and Schedule 5 of the Act.

57.4 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:-

57.4.1 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 (5) 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 (5) business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

57.4.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

57.4.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

57.4.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

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

57.5 Proof that an envelope containing a document, notice or information was properly addressed, prepaid and posted shall be conclusive evidence that the document, notice or information was sent, supplied or given by post. A comprehensive transaction report or log generated by fax machine, suitably certified by or on behalf of the Company, shall be conclusive evidence that a document, notice or information was sent, supplied or given by fax. A copy of a record of the total number of recipients sent to or each recipient to whom an e-mail message was sent together with any notices of failed transmissions and copies of records of subsequent re-sending, suitably certified by or on behalf of the Company, shall be conclusive evidence that the document, notice or information was sent, supplied or given by e-mail.

57.6 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

57.7 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.

57.8 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.

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

The shareholders upon recommendations from 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.

59. **DIRECTORS' INDEMNITY AND INSURANCE**

59.1 Subject to Article 60.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:-

59.1.1 each relevant officer may be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer

(a) in the actual or purported execution and/or discharge of his duties, or in relation to them; and

(b) in relation to the Company's (or any associated Company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

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; and

59.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 60.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurred such expenditure.

59.2 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.

59.3 In this Article:-

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

59.3.2 a "**relevant officer**" means any Director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act, but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a Director or other officer), to the extent he acts in his capacity as auditor).

60. **INSURANCE**

60.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

60.2 In this Article:-

- 60.2.1 a “**relevant officer**” means any Director or other officer of the Company or an associated company (including any such company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act, but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a Director or other officer), to the extent he acts in his capacity as auditor)
- 60.2.2 a “**relevant loss**” means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer’s duties or powers in relation to the Company, any associated company or any pension fund or employees’ share scheme of the Company or associated company, and
- 60.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.