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SCHEDULE 3
MODEL ARTICLES FOR PUBLIC COMPANIES

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PART 1
INTERPRETATION AND LIABILITIES

Defined terms

1. In the articles , unless the context otherwise—
- “alternate” or “alternate director” has the meaning given in article 25;
- “appointor” has the meaning given in article 25;
- “articles” means the company’s articles of association;
- “bankruptcy” includes individual insolvency in a jurisdiction other than England and Wales or Northern Ireland having an effect similar to that of bankruptcy;
- “call” has the meaning given in article 25;
- “call notice” has the meaning given in article 25;
- “certificate” means a paper certificate (other than a share warrant) evidencing a person’s title to specified shares;
- “certificated” in relation to a share means a share which is certificated and is current;
- “chairman” has the meaning given in article 31;
- “chairman of the meeting” has the meaning given in article 31;
- “Companies Acts” means the Companies Act 2006, in so far as it applies to the company;
- “company’s lien” has the meaning given in article 31;
- “director” means a director of the company, whether or not he occupies the position of director, by whatever name called;
- “distribution recipient” has the meaning given in article 72;
- “document” includes, unless otherwise stated, a document sent or supplied in electronic form;
- “electronic form” has the meaning given in section 8 of the Companies Act 2006;
- “fully paid” in relation to a share means a share to which no amount is to be paid to the company in respect of the share;
- “hard copy form” has the meaning given in section 8 of the Companies Act 2006;
- “holder” in relation to shares means a person whose name is entered in the register of members as the holder of the shares or, if a share warrant has been issued in respect of a share in respect of which the person is in possession of the warrant, the person named in the warrant;
- “instrument” means a document;
- “lien enforcement notice” has the meaning given in article 53;
- “member” has the meaning given in section 1 of the Companies Act 2006;
- “ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;
- “paid” means paid or credited to the company;
- “participate”, in relation to a dividend, has the meaning given in article 9;

“partly paid” in relation to a share means a share at which no premium has been paid in respect of any premium at which it was issued;

“proxy notice” has the meaning given by section 323 of the Companies Act 2006;

“securities seal” has the meaning given by section 693 of the Companies Act 2006;

“shares” means shares in the company;

“special resolution” has the meaning given by section 22 of the Companies Act 2006;

“subsidiary” has the meaning given by section 115 of the Companies Act 2006;

“transmittee” means a person to whom the transmission of shares by or in consequence of the bankruptcy of a shareholder or the death of a shareholder has been made;

“uncertificated” in relation to a share means a share which is not a certificated share within the meaning of section 778 of the Companies Act 2006 and transferred without a certificate or which has been transferred without a certificate;

“writing” means the representation of information in a visible form by whatever means or supplied in electronic form or otherwise;

Unless the context otherwise requires, the words and expressions used in these articles bear the same meaning as in the Companies Act 2006 when these articles become binding on the company.

Liability of members

2. The liability of the members of the company in respect of the shares held by them.

PART 2 DIRECTORS DIRECTORS’ POWERS AND DUTIES

Directors’ general authority

3. Subject to the articles, the directors have authority to manage the company’s business, for which purpose they may exercise all the powers of the company.

Members’ reserve power

4.—(1) The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.

(2) No such special resolution may be passed before the passing of the resolution.

Directors may delegate

5.—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles to—

- (a) to such person or committee as they may determine;
- (b) by such means (including by power of attorney) as they may determine;
- (c) to such an extent;
- (d) in relation to such matters or classes of matters as they may determine.

at share’s nominal value or premium paid in respect of the share to the company;

33 of the Companies Act

the Companies Act 2006;

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direct the directors to take, or

which the directors have done

delegate any of the powers which

(e) on such terms and conditions as they think fit.

(2) If the directors so specify, the delegation of the directors' powers by any resolution may authorise further delegation of the powers so delegated.

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

Committees

6.—(1) Committees to which any of their powers must follow procedures which are based on those provisions of the articles which govern the taking of decisions.

(2) The directors may make any decision which all or any committees, which may be constituted, not consistent with them.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

7. Decisions of the directors shall be made—
- (a) at a directors' meeting, or
 - (b) in the form of a directors' written resolution.

Calling a directors' meeting

- 8.—(1) Any director may call a directors' meeting if a director so requests.
- (2) The company secretary shall convene the meeting if a director so requests.
- (3) A directors' meeting is called by the company secretary on the meeting to the directors.
- (4) Notice of any directors' meeting shall specify—
- (a) its proposed date and time;
 - (b) where it is to take place; and
 - (c) if it is anticipated that directors will not be able to attend the meeting, how it is proposed that the meeting be conducted.
- (5) Notice of a directors' meeting shall be given in writing to each director, but need not be in writing.

(6) Notice of a directors' meeting shall be given to directors who waive their entitlement to notice of that meeting not more than 7 days after the meeting is held. Where such notice is given after the meeting has been held, it shall not affect the validity of the meeting, or of any business conducted at the meeting.

Participation in directors' meetings

- 9.—(1) Subject to the articles, any director may attend a directors' meeting, or part of a directors' meeting, when—
- (a) the meeting has been called in accordance with the articles, and
 - (b) they can each communicate with each other on any particular item of the business to be transacted at the meeting.

(2) In determining whether irrelevant where any director is

g in a directors' meeting, it is
te with each other.

(3) If all the directors participating in the meeting decide that the meeting is to be held in person, the meeting shall be held in person.

Quorum for directors' meeting

10.—(1) At a directors' meeting, no resolution shall be voted on, except a proposal

(2) The quorum for directors' decision of the directors, but fixed it is two.

Meetings where total number

11.—(1) This article applies if the number of directors is less than the quorum for directors.

(2) If there is only one director, he or she may make up a quorum or call a general meeting.

(3) If there is more than one class of shares, the directors may call a directors' meeting by written notice to the directors and at least two directors participating in person or by electronic means to make up a quorum or calling a general meeting if:

- (a) a directors' meeting may be called by the directors and at least two directors participating in person or by electronic means to make up a quorum or calling a general meeting if:
- (b) if a directors' meeting is called by the directors and at least two directors participating in person or by electronic means to make up a quorum or calling a general meeting if:

in accordance with the articles
appointing sufficient directors
so, and

attends at the appointed date
sufficient directors to make up a

Chairing directors' meetings

12.—(1) The directors may a

(2) The person so appointed

[illegible]

(4) The directors may terminate the appointment of the assistant chairman at any time.

(5) If neither the chairman nor the committee chair chairs meetings in the chairman's absence, the committee shall elect one of its members at the time at which it was to meet to chair the meeting in their stead.

Voting at directors' meetings

13.—(1) Subject to the article
majority of the votes of the par

(2) Subject to the articles, one vote.

(3) Subject to the articles, transaction or arrangement with

(a) that director and that director
it, but

(b) this does not preclude the a
arrangement on behalf of anot

Chairman's casting vote at directors' meeting

14.—(1) If the numbers of votes cast by the chairman or other director chairing the meeting are equal, the chairman or other director chairing the meeting has a casting vote.

(2) But this does not apply if the chairman or other director is not to be counted for quorum or voting purposes.

Alternates voting at directors' meeting

15. A director who is also a director of another company may, if authorised by each appointor who is—

- (a) not participating in a directors' meeting;
- (b) would have been entitled to participate in it.

Conflicts of interest

16.—(1) If a directors' meeting is concerned with an actual or proposed transaction in which a director is interested, that director is not to be counted for quorum or voting purposes.

(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement in which the company is to be counted as participating in a decision at a directors' meeting relating to it for quorum and voting purposes.

(3) This paragraph applies where—

- (a) the company by ordinary resolution has agreed that it would otherwise prevent a director from participating at a directors' meeting;
- (b) the director's interest cannot be regarded as a conflict of interest; or
- (c) the director's conflict of interest is not likely to give rise to a conflict of interest.

(4) For the purposes of this paragraph, a director's interest is not likely to give rise to a conflict of interest if—

- (a) a guarantee given, or to be given, by the company in respect of an obligation of the company or its subsidiaries;
- (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries;
- (c) arrangements pursuant to which the company or any of its subsidiaries is to make a loan or other financial assistance available to employees and former employees of the company or any of its subsidiaries.

(5) Subject to paragraph (6), a directors' meeting may, by resolution, permit a director to participate in the meeting (or part of the meeting) for voting purposes, before the conclusion of the meeting, before the chairman's ruling in relation to any question.

(6) If any question as to the validity of a resolution of the directors at the meeting should arise in respect of the question, the decision of the directors at the meeting (or part of the meeting) should be decided by a majority of the directors at the meeting (or part of the meeting) who are not interested in the question.

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For the purposes of this paragraph, a director's interest is not likely to give rise to a conflict of interest if—

a guarantee given, or to be given, by the company in respect of an obligation of the company or its subsidiaries;

subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries;

arrangements pursuant to which the company or any of its subsidiaries is to make a loan or other financial assistance available to employees and former employees of the company or any of its subsidiaries.

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counted as participating in the meeting for quorum purposes.

Proposing directors' written resolution

17.—(1) Any director may propose a resolution.

(2) The company secretary must give notice of the proposed resolution to the directors if a director so requests.

(3) A directors' written resolution must indicate—

(4) Notice of a proposed directors' written resolution must indicate—

(a) the proposed resolution, and

(b) the time by which it is proposed to be adopted.

(5) Notice of a proposed directors' written resolution must be given in writing to each director.

(6) Any decision which a proposed directors' written resolution takes regarding the company must be taken reasonably in good faith.

Adoption of directors' written resolution

18.—(1) A proposed directors' written resolution is adopted when all the directors who would have been entitled to vote at a directors' meeting have signed one or more copies of the resolution. A resolution is adopted if a quorum at such a meeting.

(2) It is immaterial whether a proposed directors' written resolution is adopted before or after the time by which the notice proposed to be adopted.

(3) Once a directors' written resolution is adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the articles.

(4) The company secretary must keep a record, in writing, of all directors' written resolutions adopted, and must retain it for ten years from the date of their adoption.

Directors' discretion to make rules

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

APPOINTMENT OF DIRECTORS

Methods of appointing directors

20. Any person who is willing to act as a director may be appointed to be a director if the appointment is permitted by law to do so,

(a) by ordinary resolution, or

(b) by a decision of the directors.

Retirement of directors by resolution

21.—(1) At the first annual general meeting, all directors must retire from office.

(2) At every subsequent annual general meeting, all directors must retire from office.

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directors—

(a) who have been appointed by the members at the last annual general meeting, or

(b) who were not appointed or re-appointed at any of the preceding two annual general meetings,

must retire from office and may be re-appointed by the members.

Termination of director's appointment

22. A person ceases to be a director if—

(a) that person ceases to be a director under any provision of the Companies Act 2006 or is prohibited from acting as a director;

(b) a bankruptcy order is made against that person;

(c) a composition is made with that person in satisfaction of that person's debts;

(d) a registered medical practitioner gives a written opinion to the company stating that the person is physically or mentally incapable of acting as a director for more than three months;

(e) by reason of that person's incapacity wholly or partly prevents that person from acting as a director and that person would otherwise have been acting as a director;

(f) notification is received by the company that the director is resigning from office as director and that resignation has taken effect in accordance with its terms.

Directors' remuneration

23.—(1) Directors may under the articles decide.

(2) Directors are entitled to remuneration as the directors determine—

(a) for their services to the company;

(b) for any other service which they provide to the company.

(3) Subject to the articles, a director's remuneration may—

(a) take any form, and

(b) include any arrangements for payment of a pension, allowance or gratuity, or any death, sickness or disability benefit, in or in respect of that director.

(4) Unless the directors decide otherwise, a director's remuneration accrues from day to day.

(5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration or benefits received by directors or other officers or employees of the company's subsidiary or any other body corporate in which the company is interested.

Directors' expenses

24. The company may pay or reimburse the expenses which the directors properly incur in connection with their duties.

(a) meetings of directors or committees of directors;

(b) general meetings, or

last annual general meeting,

the preceding two annual

appointment by the members.

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(c) separate meetings of the company,

or otherwise in connection with their responsibilities in relation to the company,

ALTERNATE DIRECTORS

Appointment and removal of alternate directors

25.—(1) Any director (the appointor), or any other person authorised by the directors, may appoint as an alternate any other person (the alternate), to—

(a) exercise that director's powers and the discharge of their

(b) carry out that director's responsibilities in relation to the taking of decisions

in relation to the taking of decisions on behalf of the company.

(2) Any appointment or removal must be effected by notice in writing to the company signed by the directors.

(3) The notice must—

(a) identify the proposed alternate;

(b) in the case of a notice of appointment, state the proposed alternate's name and the proposed alternate's appointment to act as the alternate of the director giving the notice.

Rights and responsibilities of alternate directors

26.—(1) An alternate director has the same rights and responsibilities as a director in relation to any directors' meeting or directors' written resolutions.

(2) Except as the articles specify, an alternate director—

(a) are deemed for all purposes to be a director;

(b) are liable for their own acts and omissions in relation to the company;

(c) are subject to the same restrictions as directors; and

(d) are not deemed to be agents of the company.

(3) A person who is an alternate director—

(a) may be counted as participating in a directors' meeting for the purposes of determining whether a quorum is participating (but only if the alternate is participating); and

(b) may sign a written resolution on behalf of the appointor's person's appointor).

No alternate may be counted as participating in a directors' meeting for the purposes of determining whether a quorum is participating.

(4) An alternate director is not entitled to any remuneration from the company for serving as an alternate director, but is entitled to such part of the alternate's remuneration as the appointor's remuneration as the company may determine by notice in writing made to the company.

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Termination of alternate director

27. An alternate director's appointment terminates—

- (a) when the alternate's appointment terminates by notice to the company in writing specifying when it is to take effect;
- (b) on the occurrence in relation to the alternate of the event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- (c) on the death of the alternate;
- (d) when the alternate's appointment terminates, except that an alternate's appointment as an alternate terminates when the appointor retires by rotation at a general meeting of the company at which the same general meeting.

PART 3 DECISION-MAKING ORGANISATION OF GENERAL MEETINGS

Members can call general meeting if insufficient directors

28. If—

- (a) the company has fewer than a quorum of directors;
 - (b) the director (if any) is unable to act;
- then two or more members may call a general meeting (or instruct the secretary to do so) for the purpose of appointing more directors.

Attendance and speaking at general meeting

29.—(1) A person is able to exercise the right to speak at a general meeting when that person is in a position to speak at the meeting, any information given by that person has on the business of the meeting.

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

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

(3) The directors may make arrangements to enable those attending a general meeting to exercise their rights to speak or vote at the meeting.

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

(5) Two or more persons who are acting as each other attend a general meeting if their circumstances are such that they have (or were to have) the right to speak and vote at the meeting.

ate terminates—

ment by notice to the company

event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's

director terminates, except that an alternate's appointment as an alternate terminates when the appointor retires by rotation at a general meeting of the company at which the same general meeting.

Members can call general meeting if insufficient directors

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place as each other attend a general meeting if their circumstances are such that they have (or were to have) the right to speak and vote at the meeting.

Quorum for general meeting

30. No business other than that specified in article 31 may be transacted at a general meeting unless a quorum is present.

Chairing general meetings

31.—(1) If the directors have not appointed a chairman, the chairman shall chair the general meetings if present and

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

(a) the directors present, or

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

must appoint a director or member to chair the meeting and the chairman of the meeting must

(3) The person chairing a meeting shall be referred to as “the chairman of the meeting”.

Attendance and speaking by members

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

(2) The chairman of the meeting shall ensure that the following persons who are not—

(a) members of the company, or

(b) otherwise entitled to exercise the right to vote at general meetings,

do not attend or speak at a general meeting.

Adjournment

33.—(1) If the persons attending a general meeting at which the meeting was due to start do not constitute a quorum, the meeting shall adjourn if a quorum ceases to be present during the meeting.

(2) The chairman of the meeting shall ensure that a quorum is present if—

(a) the meeting consents to an adjournment,

(b) it appears to the chairman that an adjournment is necessary to protect the safety of any person or to ensure that the business of the meeting is conducted in an orderly manner.

(3) The chairman of the meeting shall ensure that a quorum is present if directed to do so by the meeting.

(4) When adjourning a general meeting, the chairman shall—

(a) either specify the time and place to which the meeting is to continue at a time and place to be determined by the meeting,

(b) have regard to any directions given by the meeting in relation to any adjournment which has taken place.

(5) If the continuation of an adjourned meeting takes place more than 14 days after it was adjourned, the company shall give 7 clear days' notice of it (that

the chairman of the meeting is to attend and chair the meeting and if it is determined that it do not constitute a quorum, the meeting shall adjourn.

the chairman shall chair the meeting if present and

if the chairman is unwilling to chair the meeting or is not present at the time at which a meeting was due to start—

the directors present, or (if no directors are present) the members present, must appoint a director or member to chair the meeting and the appointment of the chairman of the meeting must

The person chairing a meeting shall be referred to as “the chairman of the meeting”.

Attendance and speaking by members

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

The chairman of the meeting shall ensure that the following persons who are not—

(a) members of the company, or

(b) otherwise entitled to exercise the right to vote at general meetings,

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The chairman of the meeting shall ensure that a quorum is present if—

(a) the meeting consents to an adjournment,

(b) it appears to the chairman that an adjournment is necessary to protect the safety of any person or to ensure that the business of the meeting is conducted in an orderly manner.

The chairman of the meeting shall ensure that a quorum is present if directed to do so by the meeting.

When adjourning a general meeting, the chairman shall—

(a) either specify the time and place to which the meeting is to continue at a time and place to be determined by the meeting,

(b) have regard to any directions given by the meeting in relation to any adjournment which has taken place.

If the continuation of an adjourned meeting takes place more than 14 days after it was adjourned, the company shall give 7 clear days' notice of it (that

is, excluding the day of the a
given)—

(a) to the same persons to who
required to be given, and

(b) containing the same inform

(6) No business may be tra
not properly have been transa
place.

VOTING AT GENERAL MEET

Voting: general

34. A resolution put to the
of hands unless a poll is duly c

Errors and disputes

35.—(1) No objection may b
general meeting except at th
objected to is tendered, and ev

(2) Any such objection mus
decision is final.

Demanding a poll

36.—(1) A poll on a resolutio

(a) in advance of the general r

(b) at a general meeting, eithe
immediately after the result of

(2) A poll may be demanded

(a) the chairman of the meetin

(b) the directors;

(c) two or more persons having

(d) a person or persons repres
of all the members having the

(3) A demand for a poll may

(a) the poll has not yet been ta

(b) the chairman of the meetin

Procedure on a poll

37.—(1) Subject to the arti
where and in such manner as

(2) The chairman of the r
members) and decide how and

(3) The result of a poll sh
resolution on which the poll wa

(4) A poll on—

(a) the election of the chairma

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ne day on which the notice is

y's general meetings is

s required to contain.

of general meeting which could
the adjournment had not taken

g must be decided on a show
with the articles.

tion of any person voting at a
d meeting at which the vote
at the meeting is valid.

airman of the meeting whose

out to the vote, or

on that resolution or
resolution is declared.

resolution; or

tenth of the total voting rights
ution.

wal.

meetings must be taken when,
ing directs.

crutineers (who need not be
oll is to be declared.

ne meeting in respect of the

(b) a question of adjournment, must be taken immediately.

(5) Other polls must be taken

(6) A demand for a poll does not prevent a general meeting from continuing, except as regards the question

(7) No notice need be given of a poll if the time and place at which it is to be taken are announced

(8) In any other case, at least 24 hours' notice must be given specifying the time and place at which the poll is to be taken

Content of proxy notices

38.—(1) Proxies may only be used if the notice (a "proxy notice") which—

(a) states the name and address of the person appointing the proxy;

(b) identifies the person appointed as proxy and the general meeting in relation to which the proxy is to be used;

(c) is signed by or on behalf of the person appointing the proxy, or is authenticated in such manner as the directors may determine;

(d) is delivered to the company in accordance with the provisions contained in the notice of the general meeting.

(2) The company may require a proxy notice to be delivered in a particular form, and may specify different forms for different meetings.

(3) Proxy notices may specify that the proxy is to abstain from voting on any resolution.

(4) Unless a proxy notice indicates otherwise, it shall be treated as—

(a) allowing the person appointing the proxy to exercise his discretion as to how to vote on any ancillary or procedural resolutions;

(b) appointing that person as a proxy for the meeting to which it relates as well as for any adjournment of the general meeting.

Delivery of proxy notices

39.—(1) Any notice of a general meeting (a "proxy notification address") shall specify the address or addresses to which proxy notices relating to that meeting shall be delivered, in hard copy or electronic form.

(2) A person who is entitled to attend and vote at a general meeting (either on a show of hands or on a poll) at a general meeting or adjournment of it, even though he is not a member of the company, may deliver a proxy notice to the company by or on behalf of the person appointing the proxy.

(3) Subject to paragraphs (4) and (5), a proxy notice must be delivered to a proxy notification address not less than 24 hours before the meeting to which it relates.

(4) In the case of a poll taken at a general meeting or adjournment of it, the proxy notice must be delivered to a proxy notification address not less than 24 hours before the time appointed for the taking of the poll.

being demanded.

general meeting from continuing, unless the meeting is adjourned or the poll is demanded.

immediately if the time and place at which it is demanded.

notice must be given specifying the time and place at which the poll is to be taken

a notice in writing (a "proxy notice") which—

appointing the proxy;

the person appointed as proxy and the general meeting in relation to which the proxy is to be used;

the proxy, or is authenticated in such manner as the directors may determine;

articles and any instructions contained in the notice of the general meeting to which they relate.

delivered in a particular form, and may specify different forms for different meetings.

nted under them is to vote (or abstain) on any resolution.

be treated as—

cretion as to how to vote on any ancillary or procedural resolutions;

adjournment of the general meeting.

specify the address or addresses to which proxy notices relating to that meeting shall be delivered, in hard copy or electronic form.

(either on a show of hands or on a poll) at a general meeting or adjournment of it, even though he is not a member of the company, may deliver a proxy notice to the company by or on behalf of the person appointing the proxy.

must be delivered to a proxy notification address not less than 24 hours before the meeting to which it relates.

fter it is demanded, the notice must be delivered to a proxy notification address not less than 24 hours before the time appointed for the taking of the poll.

(5) In the case of a poll not taken within 24 hours after it was demanded, the

(a) in accordance with paragraph

(b) at the meeting at which the director.

(6) An appointment under a writing given by or on behalf of the decedent, if notice was given to a proxy no

(7) A notice revoking a prior notice—

(a) the start of the meeting or a

(b) (in the case of a poll not taken at a meeting) the time appointed for the poll;

(8) If a proxy notice is not accompanied by written evidence, the agent shall not execute it on the appointor's behalf.

Amendments to resolutions

40.—(1) An ordinary resolution amended by ordinary resolution

(a) notice of the proposed amendment
a person entitled to vote at the meeting
than 48 hours before the meeting
of the meeting may determine)

(b) the proposed amendment of the meeting, materially alter the

(2) A special resolution to be an ordinary resolution, if—

(a) the chairman of the meeting
which the resolution is to be pr

(b) the amendment does not give rise to a non-substantive error or other non-substantive error

(3) If the chairman of the meeting puts a motion for amendment to a resolution is put to the vote on that resolution.

RESTRICTIONS ON MEMBER

No voting of shares on which

41. No voting rights attached at any adjournment of it, or on payable to the company in res

APPLICATION OF RULES TO

Class meetings

42. The provisions of the necessary modification

PART 4 SHARES AND DIS ISSUE OF SHARES

Powers to issue different cla

43.—(1) Subject to the artic
existing share, the company m
be determined by ordinary res

(2) The company may issue
redeemed at the option of
determine the terms, condition

Payment of commissions on

44.—(1) The company may
person—

- (a) subscribing, or agreeing to
- (b) procuring, or agreeing to p

(2) Any such commission m

- (a) in cash, or in fully paid or p
way and partly in the other, and
- (b) in respect of a conditional c

INTERESTS IN SHARES

Company not bound by less

45. Except as required by
holding any share upon any
articles, the company is not in
share other than the holder's a

SHARE CERTIFICATES

Certificates to be issued exc

46.—(1) The company mus
respect of the shares which th

(2) This article does not app

- (a) uncertificated shares;
- (b) shares in respect of which
- (c) shares in respect of which t
certificate.

(3) Except as otherwise spe
of charge.

(4) No certificate may be iss

(5) If more than one person
respect of it.

Contents and execution of s

47.—(1) Every certificate m

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e to the rights attached to any
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redeemed, or are liable to be
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recognised by the company as
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or recognise any interest in a
nd all the rights attaching to it.

th one or more certificates in

n issued; or

nit the company not to issue a

certificates must be issued free

of more than one class.

e certificate may be issued in

- (a) in respect of how many shares are issued;
- (b) the nominal value of those shares;
- (c) the amount paid up on them;
- (d) any distinguishing numbers.

(2) Certificates must—

- (a) have affixed to them the company's official seal or an official seal which is a facsimile of the company's corporate seal on its face of the word "Securities" (a "securities seal");
- (b) be otherwise executed in accordance with the Companies Acts.

Consolidated share certificates

48.—(1) When a member's holding of shares of a particular class increases, the company may issue that member—

- (a) a single, consolidated certificate representing all the shares of that class which that member holds, or
- (b) a separate certificate in respect of each increase in that member's holding has increased.

(2) When a member's holding of shares of a particular class is reduced, the company must ensure that the member is provided with one or more certificates in respect of the number of shares of that class held by the member after that reduction. But the company need not (in the absence of a request by the member) issue any new certificate if—

- (a) all the shares which the member holds of that class are represented by the same certificate, or
- (b) none of the shares which the member holds of that class were, immediately before the reduction, represented by a certificate.

(3) A member may request the company to replace—

- (a) the member's separate certificate, or
- (b) the member's consolidated certificate, with one or more separate certificates representing such proportion of the shares as the member may specify.

(4) When the company complies with a request it may charge such reasonable fee as the directors may determine.

(5) A consolidated certificate may be replaced only if any certificates which it is to replace have first been returned to the company for cancellation.

Replacement share certificates

49.—(1) If a certificate issued by a company in respect of a member's shares is—

- (a) damaged or defaced, or
 - (b) said to be lost, stolen or destroyed,
- the company must, if so requested by that member, issue to that member a replacement certificate in respect of the same shares.

(2) A member exercising a right to a replacement certificate—

- (a) may at the same time exercise a right to a replacement certificate with a single certificate or separate certificates;

issued;

or an official seal which is a facsimile of the company's corporate seal on its face of the word

Companies Acts.

particular class increases, the

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particular class is reduced, the company must ensure that the member is provided with one or more certificates in respect of the number of shares of that class held by the member after that reduction. But the company need not (in the absence of a request by the member) issue any new

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d with a single certificate or

(b) must return the certificate to the company if it is damaged or defaced; and

(c) must comply with such conditions as to indemnity and the payment of a reasonable fee as the directors may determine.

SHARES NOT HELD IN CERTIFICATE

Uncertificated shares

50.—(1) In this article, “the rules” means—

(a) any applicable provision of the law relating to the holding, evidencing of title to, or transfer of shares of the company; and

(b) any applicable legislation, regulation, or rule made under or by virtue of such provision.

(2) The provisions of this article shall be subject to the relevant rules.

(3) Any provision of the articles of association of the company that is inconsistent with the relevant rules must be disregarded, to the extent that it is inconsistent, whenever the relevant rules apply.

(4) Any share or class of shares may be issued or held on such terms, or in such a way, that—

(a) title to it or them is not, or need not be, evidenced by a certificate, or

(b) it or they may or must be transferred without a certificate.

(5) The directors have power to determine—

(a) the evidencing of and transfer of shares, in connection with the issue of such shares; and

(b) any records relating to the holding of such shares;

(c) the conversion of certificated shares into uncertificated shares; or

(d) the conversion of uncertificated shares into certificated shares.

(6) The company may by notice require that share—

(a) if it is uncertificated, to be converted into certificated form, and

(b) if it is certificated, to be converted into uncertificated form,

in order to enable it to be dealt with in accordance with the relevant rules.

(7) If—

(a) the articles give the directors power to take action, in order to sell, transfer, or otherwise dispose of shares, and

(b) uncertificated shares are subject to the terms which assume the use of certificates,

the directors may take such action as they may think expedient to achieve the same results when exercising that power in relation to uncertificated shares.

(8) In particular, the directors may take such action as they consider appropriate to achieve the sale, transfer, or otherwise disposal of an uncertificated share or otherwise dispose of the interest of a member in respect of it.

(9) Unless the directors otherwise determine, the interest of a member in uncertificated form must be treated as if it were the interest of a member which that member holds in certificated form.

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(10) A class of shares must not be created simply because some shares of that class are held in certificated form.

Share warrants

51.—(1) The directors may issue share warrants in respect of any fully paid share.

(2) Share warrants must be—

- (a) issued in such form, and
- (b) executed in such manner, as the directors decide.

(3) A share represented by a warrant is transferred by delivery of the warrant representing it.

(4) The directors may make any provision for payment of dividends in respect of any share represented by a share warrant.

(5) Subject to the articles, the directors may determine the conditions on which any share warrant is issued. In particular, they may—

- (a) decide the conditions on which share warrants may be issued in place of warrants which are damaged or defaced or lost, stolen or destroyed;
- (b) decide the conditions on which the bearer of a warrant is entitled to attend and vote at general meetings;
- (c) decide the conditions subject to which the bearer of a warrant may surrender their warrant in order to obtain a share in certificated form instead; and
- (d) vary the conditions of issue of share warrants from time to time, subject to the provisions and procedures in force in relation to it, whether or not the warrant was issued.

(6) Subject to the conditions of issue, the directors may issue share warrants from time to time, and the bearers of share warrants have the same privileges as they would if their names had been included in the register of members of the shares represented by their warrants.

(7) The company must not recognise any interest in a share represented by a share warrant other than the absolute right of the bearer of that warrant to that warrant.

PARTLY PAID SHARES

Company's lien over partly paid shares

52.—(1) The company has a lien (whether or not it is registered in the articles) over every share which is partly paid for any part of—

- (a) that share's nominal value, and
- (b) any premium at which it was issued.

The amount of the debt due to the company in respect of which the lien is payable immediately or at any time within such period as has been sent in respect of it.

(2) The company's lien over a share—

- (a) takes priority over any third party claim in respect of the share, and

(b) extends to any dividend or other payment made in respect of that share and (if the lien is enforced) to the proceeds of sale of that share.

(3) The directors may at any time require the shareholder to be subject to the company's lien in respect of any sum payable by him.

Enforcement of the company's lien

53.—(1) Subject to the provisions of the articles of association, (a) a lien enforcement notice may be given to the shareholder, and (b) the person to whom the notice is given, if he is not the shareholder, the company may sell that share.

(2) A lien enforcement notice (a) may only be given in respect of a sum payable by the shareholder in respect of which a sum is payable by him, and (b) must specify the share concerned, and (c) must require payment of the sum within a specified period, and (d) must be addressed either to the shareholder or to a person entitled to it by reason of the holder's death, and (e) must state the company's intention to enforce the lien if the notice is not complied with.

(3) Where shares are sold under a lien enforcement notice, (a) the directors may authorise the sale of the shares to the purchaser or a person acting on his behalf, and (b) the transferee is not bound to see to the validity of the transferee's title is not affected by any defect in the title leading to the sale.

(4) The net proceeds of any sale of shares under a lien enforcement notice, after payment of other costs of enforcing the lien, shall be paid (a) first, in payment of so much of the sum payable by the shareholder as is due on the date of the lien enforcement, and (b) second, to the person entitled to the shares on the date of the sale, but only after the certificate for the shares has been cancelled or a suitable indemnity has been given, and the shares are subject to a lien equivalent to the company's lien in respect of any money payable in respect of the shares on the date of the notice.

(5) A statutory declaration made 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 the company under a lien enforcement notice, and that the share has been sold to the company under a lien enforcement notice, shall be conclusive evidence of the fact that the share has been sold to the company under a lien enforcement notice, and shall be subject to compliance with any provisions of the articles of association or by law, constitutes a good title to the share.

(6) A statutory declaration made 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 the company under a lien enforcement notice, and that the share has been sold to the company under a lien enforcement notice, shall be conclusive evidence of the fact that the share has been sold to the company under a lien enforcement notice, and shall be subject to compliance with any provisions of the articles of association or by law, constitutes a good title to the share.

(7) A statutory declaration made 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 the company under a lien enforcement notice, and that the share has been sold to the company under a lien enforcement notice, shall be conclusive evidence of the fact that the share has been sold to the company under a lien enforcement notice, and shall be subject to compliance with any provisions of the articles of association or by law, constitutes a good title to the share.

(8) A statutory declaration made 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 the company under a lien enforcement notice, and that the share has been sold to the company under a lien enforcement notice, shall be conclusive evidence of the fact that the share has been sold to the company under a lien enforcement notice, and shall be subject to compliance with any provisions of the articles of association or by law, constitutes a good title to the share.

(9) A statutory declaration made 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 the company under a lien enforcement notice, and that the share has been sold to the company under a lien enforcement notice, shall be conclusive evidence of the fact that the share has been sold to the company under a lien enforcement notice, and shall be subject to compliance with any provisions of the articles of association or by law, constitutes a good title to the share.

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Call notices

54.—(1) Subject to the articles of association, the directors may send a notice (a call notice) to a member requiring the member to pay the company a specified sum in respect of shares which that member holds. The notice must contain a call notice.

(2) A call notice—

(a) may not require a member to pay more than the total sum unpaid on that member's shares (whether or not the sum is payable to the company by way of a dividend or otherwise);

(b) must state when and how a sum is to be paid; and

(c) may permit or require the company to accept payment by instalments.

(3) A member must comply with a call notice if a call notice is sent to him, but no member is obliged to pay any call before the date specified in the notice.

(4) Before the company has received payment of a call notice the directors may—

(a) revoke it wholly or in part, or

(b) specify a later time for payment.

The directors may also revoke or vary the call by a further notice in writing sent to the member.

Liability to pay calls

55.—(1) Liability to pay a call on shares in respect of which it is made is a liability of the member.

(2) Joint holders of a share are jointly and severally liable for that share.

(3) Subject to the terms on which the shares are issued, the directors may, when issuing shares, provide that the shares are to be paid for by instalments and require them—

(a) to pay calls which are not to be paid by instalments; and

(b) to pay calls at different times.

When call notice need not be given

56.—(1) A call notice need not be given to a member if the terms on which a share is issued provide that the share is to be paid for by instalments (whether in respect of the whole or part of the share) and the member has complied with those terms.

(a) on allotment;

(b) on the occurrence of a particular event;

(c) on a date fixed by or in accordance with the terms of issue.

(2) But if the due date for payment of a call has passed and it has not been paid, the holder of the share is liable to the company in respect of the call as if he had failed to comply with a call notice and is liable to the same consequences as regards the forfeiture of the share.

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(2) A call notice—
(a) may not require a member to pay more than the total sum unpaid on that member's shares (whether or not the sum is payable to the company by way of a dividend or otherwise);

(b) must state when and how a sum is to be paid; and

(c) may permit or require the company to accept payment by instalments.

(3) A member must comply with a call notice if a call notice is sent to him, but no member is obliged to pay any call before the date specified in the notice.

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(a) revoke it wholly or in part, or

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The directors may also revoke or vary the call by a further notice in writing sent to the member.

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(a) to pay calls which are not to be paid by instalments; and

(b) to pay calls at different times.

(1) A call notice need not be given to a member if the terms on which a share is issued provide that the share is to be paid for by instalments (whether in respect of the whole or part of the share) and the member has complied with those terms.

(c) on a date fixed by or in accordance with the terms of issue.

(2) But if the due date for payment of a call has passed and it has not been paid, the holder of the share is liable to the company in respect of the call as if he had failed to comply with a call notice and is liable to the same consequences as regards the forfeiture of the share.

Failure to comply with call notice

57.—(1) If a person is liable to do so by the call payment date—

- (a) the directors may issue a notice to that person, and
- (b) until the call is paid, that person shall not be entitled to any interest on the call from the call payment date at the relevant rate.

(2) For the purposes of this section—

(a) the “call payment date” is the date by which the call is payable, unless the directors give notice of a later date, in which case the “call payment date” is that later date;

(b) the “relevant rate” is—

- (i) the rate fixed by the terms of the instrument in respect of which the call is due, or the rate which would have been fixed if the call had been allotted;
- (ii) such other rate as was fixed by the terms of the instrument or has otherwise been determined by the directors;
- (iii) if no rate is fixed in either of the two cases above, the base rate.

(3) The relevant rate must not be less than the base rate or the base rate plus 5 percentage points the base rate as determined by the Monetary Policy Committee of the Bank of England in connection with its functions under the Bank of England Act 1998(2).

(4) The directors may waive compliance with this section in whole or in part.

Notice of intended forfeiture

58. A notice of intended forfeiture—

- (a) may be sent in respect of a share in respect of which a call has not been paid as required by a call notice;
- (b) must be sent to the holder of the share, or if the holder is deceased, to the holder's personal representatives, or if the holder is bankrupt, to the holder's trustee in bankruptcy;
- (c) must require payment of the call by a date which is not less than 14 days after the date of the notice;
- (d) must state how the payment is to be made;
- (e) must state that if the notice is not complied with, the call is payable will be liable to be forfeited.

Directors' power to forfeit shares

59. If a notice of intended forfeiture is sent in respect of a share, and payment of the call is required by the notice, the directors may decide that any share in respect of which a call is payable to include all dividends or other amounts payable in respect of the share and not paid before the forfeiture date.

Effect of forfeiture

60.—(1) Subject to the articles of association—

- (a) all interests in that share, and
- (b) all dividends or other amounts payable in respect of it, and

Consequences

the person liable to do so by the call payment date—

- (a) the directors may issue a notice to that person, and
- (b) until the call is paid, that person shall not be entitled to any interest on the call from the call payment date at the relevant rate.

(2) For the purposes of this section—

(a) the “call payment date” is the date by which the call is due

(b) the “relevant rate” is—

(i) the rate fixed by the terms of the instrument in respect of which the call is due, or the rate which would have been fixed if the call had been allotted;

(ii) such other rate as was fixed by the terms of the instrument or has otherwise been determined by the directors;

(iii) if no rate is fixed in either of the two cases above, the base rate.

(3) The relevant rate must not be less than the base rate or the base rate plus 5 percentage points the base rate as determined by the Monetary Policy Committee of the Bank of England in connection with its functions under the Bank of England Act 1998(2).

(4) The directors may waive compliance with this section in whole or in part.

(5) The directors may decide that any share in respect of which a call is payable to include all dividends or other amounts payable in respect of the share and not paid before the forfeiture date.

(6) Subject to the articles of association—

(a) all interests in that share, and

(b) all dividends or other amounts payable in respect of it, and

(c) all interests in that share, and

(b) all other rights and liabilities attaching to the share it was prior to the forfeiture;

(2) Any share which is forfeited—

(a) is deemed to have been forfeited by the company;

(b) is deemed to be the property of the company;

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

(3) If a person's shares have been forfeited—

(a) the company must send that person notice of the forfeiture in the register of members;

(b) that person ceases to be a member of the company;

(c) that person must surrender the share certificate for cancellation;

(d) that person remains liable to pay any amounts payable by that person under the articles at the date of forfeiture, together with any interest (whether accrued before or after the date of forfeiture); and

(e) the directors may waive payment of any amounts payable without any allowance for any consideration received by the company.

(4) At any time before the company decides to cancel the forfeiture, and on such other terms as the directors think fit—

Procedure following forfeiture

61.—(1) If a forfeited share is being transferred, the company may receive the consideration for the share and may require the person to execute the instrument of transfer.

(2) A statutory declaration made by a director or the company secretary that a share has been forfeited on a specified date—

(a) is conclusive evidence of the fact that the person was not entitled to the share, and

(b) subject to compliance with the provisions of the Act or by law, constitutes a good title to the share.

(3) A person to whom a forfeited share is transferred is not bound to see to the person's title to the share affected by any irregularity in or invalidity of the forfeiture or transfer of the share.

(4) If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive the proceeds of such sale, net of any commission, and excluding any costs incurred by the company.

(a) was, or would have become, a member of the company;

(b) had not, when that share was sold, been entitled to the share,

but no interest is payable to that person, and the company is not required to account to that person for any interest.

as between the person whose share is sold and the company—

the articles—

the directors decide that it is forfeited;

the directors think fit.

the forfeiture has occurred and record the same in the register of members;

those shares;

shares forfeited to the company

amounts payable by that person under the articles at the date of forfeiture, together with any interest (whether accrued before or after the date of forfeiture); and

wholly or in part or enforce payment of any amounts payable by that person at the time of forfeiture or

forfeited share, the directors may decide to cancel the forfeiture, and interest due in respect of it

being transferred, the company may receive the consideration for the share and may require the person to execute the instrument of transfer.

the company secretary that the share has been forfeited on a specified date—

against all persons claiming to be entitled to the share, and

transfer required by the articles of association.

ed is not bound to see to the person's title to the share affected by any irregularity in or invalidity of the forfeiture or transfer of the share.

erson who held it prior to its forfeiture is entitled to receive the proceeds of such sale, net of any commission, and excluding any costs incurred by the company.

y that person in respect of that share,

ect of such proceeds and the company is not required to account to that person for any interest.

Surrender of shares

62.—(1) A member may surrender a share—
(a) in respect of which the directors have resolved that it may be surrendered;
(b) which the directors may forfeit;
(c) which has been forfeited.

(2) The directors may accept the surrender of a share.

(3) The effect of surrender of a share is the same as the effect of forfeiture on that share.

(4) A share which has been surrendered has the same effect as a share which has been forfeited.

TRANSFER AND TRANSMISSION

Transfers of certificated shares

63.—(1) Certificated shares may be transferred by any usual form of transfer executed by or on behalf of—

- (a) the transferor, and
- (b) (if any of the shares is partly paid) the transferee.

(2) No fee may be charged for the execution of any instrument of transfer or other document relating to or affecting the transfer of a share.

(3) The company may retain the instrument of transfer of a share which is registered.

(4) The transferor remains the holder of a share until the transferee's name is entered in the register.

(5) The directors may refuse to register the transfer of a certificated share if—

- (a) the share is not fully paid;
- (b) the transfer is not lodged at the company's registered office or such other place as the directors have appointed for the lodgment of transfers of shares;
- (c) the transfer is not accompanied by such other evidence as the directors may require to show the transferor's right to make the transfer or the right of someone other than the transferor to make the transfer on his behalf;
- (d) the transfer is in respect of a partly paid share; or
- (e) the transfer is in favour of more than four transferees.

(6) If the directors refuse to register the transfer of a share, the instrument of transfer must be returned to the transferor with notice of refusal unless they suspect that the proposed transfer is fraudulent.

Transfer of uncertificated shares

64. A transfer of an uncertificated share is not valid unless it is registered if it is in favour of more than four transferees.

Transmission of shares

65.—(1) If title to a share devolves on a person by operation of law, the company may only recognise the transmittee as holder of the share if the share is registered in the name of the transmittee, the company may only recognise the transmittee as holder of the share if the share is registered in the name of the transmittee.

of intended forfeiture;

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y means of an instrument of transfer executed by the directors, which is

strument of transfer or other

er which is registered.

ed share until the transferee's name is entered in the register.

of a certificated share if—

ed office or such other place

the shares to which it relates, the directors may require to show the transferor's right to make the transfer or the right of someone other than the transferor to make the transfer on his behalf;

share; or

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of a share, the instrument of transfer must be returned to the transferor with notice of refusal unless they suspect that the proposed transfer is fraudulent.

e registered if it is in favour of

tee, the company may only recognise the transmittee as holder of the share if the share is registered in the name of the transmittee.

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a deceased member from any
t member.

Transmittees' rights

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of entitlement to shares as the

(a) may, subject to the articles
or to have them transferred to

be the holder of those shares


(b) subject to the articles, and has the same rights as the holder of the shares.

he shares to another person,

(2) But transmittes do not respect of shares to which the bankruptcy or otherwise, unless

or vote at a general meeting in
 person of the holder's death or
 ors of those shares

Exercise of transmittes' right



holders of shares to which they
g of that wish.

(2) If the share is a certificate, the company shall not be bound to register a transfer of the share unless the certificate is first presented to the company and is then surrendered to the company in exchange for a new certificate in the name of the transferee.

transmittee wishes to have it
execute an instrument of transfer

(3) If the share is an unce
transferred to another person,

transmittee wishes to have it

(a) procure that all appropriate

effect the transfer, or

(b) procure that the uncertificated party execute an instrument of transfer;

to certificated form and then

(4) Any transfer made or executed by the person in respect of the share, and as if occurred.

is to be treated as if it were
transmittee has derived rights in
se to the transmission had not

Transmittees bound by prior

68. If a notice is given to a person not entitled to those shares, the transfer is not valid until the member before the transmittal

of shares and a transmittee is
the notice if it was given to the
ed in the register of members.

CONSOLIDATION OF SHARE

Procedure for disposing of f

69.—(1) This article applies

(a) there has been a consolidation

, and

(b) as a result, members are e

res.

(2) The directors may—

(a) sell the shares representing the best price reasonably obtainable;

son including the company for

(b) in the case of a certificated
of transfer of the shares to the
and

Person to execute an instrument
dominated by the purchaser;

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by Shares

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(c) distribute the net proceeds of sale among the holders of the shares.

(3) Where any holder's entitlement to the proceeds of sale amounts to less than a minimum figure determined by the articles, that member's portion may be distributed to an organisation of the holder's choice for the purposes of the law of England and Wales, Scotland or Northern Ireland.

(4) The person to whom the proceeds of sale are paid is not obliged to ensure that the proceeds are distributed in proportion to the relevant fractions.

(5) The transferee's title to the proceeds of sale is not affected by any irregularity in or omission from the process leading to the payment of the proceeds.

DISTRIBUTIONS

Procedure for declaring dividends

70.—(1) The company may declare dividends, and the directors may decide to pay in respect of any financial year.

(2) A dividend must not be paid unless the directors have made a recommendation as to its amount, and the dividend must not exceed the amount recommended by the directors.

(3) No dividend may be declared or paid in accordance with members' resolutions if it would result in the company being in breach of its respective rights.

(4) Unless the members' resolution specifies otherwise, a dividend, or the terms on which it is to be paid, must be paid by reference to each member's holding of shares as at the date of the resolution or the date on which the directors decide to declare or pay it.

(5) If the company's shares are divided into different classes, no interim dividend may be paid on shares of a particular class unless, at the time of payment, any preference or special rights attached to those shares are exercisable in respect of dividends.

(6) The directors may pay an interim dividend if it appears to them that the profit of the company justifies the payment.

(7) If the directors act in good faith in paying an interim dividend on shares conferring preferred rights, they are not liable for any liability to the holders of those shares by reason of the payment of the dividend.

Calculation of dividends

71.—(1) Except as otherwise provided in the articles, all dividends must be—

(a) declared and paid according to the rights attached to the shares on which the dividend is paid, and

(b) apportioned and paid proportionately to the amounts paid up on the shares during the period in which the dividend is paid.

(2) If any share is issued on or after a particular date, that share ranks for dividend as from a particular date.

(3) For the purposes of calculating a dividend, no account is to be taken of any amount which has been paid on a share in or towards payment of that amount.

among the holders of the shares.

the proceeds of sale amounts to less than a minimum figure determined by the articles, that member's portion may be distributed to an organisation of the holder's choice for the purposes of the law of England and Wales, Scotland or Northern Ireland.

is not obliged to ensure that the proceeds are distributed in proportion to the relevant fractions.

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he directors have made a recommendation as to its amount, and the dividend must not exceed the amount recommended by the directors.

in accordance with members' resolutions if it would result in the company being in breach of its respective rights.

directors' decision to pay a dividend, or the terms on which it is to be paid, must be paid by reference to each member's holding of shares as at the date of the resolution or the date on which the directors decide to declare or pay it.

different classes, no interim dividend may be paid on shares of a particular class unless, at the time of payment, any preference or special rights attached to those shares are exercisable in respect of dividends.

d payable at a fixed rate if it appears to them that the profit of the company justifies the payment.

r any liability to the holders of those shares by reason of the payment of the dividend.

cles or the rights attached to the shares on which the dividend is paid, and

o on the shares on which the dividend is paid.

s paid up on the shares during the period in which the dividend is paid.

ranks for dividend as from a particular date.

account is to be taken of any amount which has been paid on a share in or towards payment of that amount.

Payment of dividends and other distributions

72.—(1) Where a dividend or other distribution is payable in respect of a share, it must be paid by the following means—

- (a) transfer to a bank or building society by standing order or otherwise either in writing or as the directors may otherwise decide;
- (b) sending a cheque made payable to the order of the distribution recipient at the distribution recipient's address (if the distribution recipient is a holder of the share) or to an address specified by the distribution recipient or otherwise decide;
- (c) sending a cheque made payable to the order of the distribution recipient at such address as the distribution recipient may otherwise decide;
- (d) any other means of payment as the directors may decide.

(2) In the articles, "the distribution recipient" means, in respect of a share in which a person is entitled to a dividend or other distribution—

- (a) the holder of the share; or
- (b) if the share has two or more holders, the person named first in the register of members; or
- (c) if the holder is no longer entitled to the share, the person entitled to the share otherwise by operation of law,

Deductions from distributions

73.—(1) If—

- (a) a share is subject to the company's lien in respect of a debt due to the company;
- (b) the directors are entitled to exercise the company's lien in respect of that debt; and
- (c) the company is entitled to require payment under a lien enforcement order in respect of that debt;

(2) Money so deducted must be paid to the company in respect of that share.

(3) The company must notify the distribution recipient in writing of—

- (a) the fact and amount of any deduction;
- (b) any non-payment of a dividend or other sum payable in respect of the share resulting from any such deduction;
- (c) how the money deducted has been applied.

No interest on distributions

74. The company may not pay interest on a dividend or other sum payable in respect of a share unless otherwise provided in the articles.

- (a) the terms on which the share was issued;
- (b) the provisions of another agreement entered into by the company.

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Where a distribution is payable in respect of a share, it must be paid by the following means—

(a) transfer to a bank or building society by standing order or otherwise either in writing or as the directors may otherwise decide;

(b) sending a cheque made payable to the order of the distribution recipient at the distribution recipient's address (if the distribution recipient is a holder of the share) or to an address specified by the distribution recipient or otherwise decide;

(c) sending a cheque made payable to the order of the distribution recipient at such address as the distribution recipient may otherwise decide;

(d) any other means of payment as the directors may decide.

In the articles, "the distribution recipient" means, in respect of a share in which a person is entitled to a dividend or other distribution—

(a) the holder of the share; or

(b) if the share has two or more holders, the person named first in the register of members; or

(c) if the holder is no longer entitled to the share, the person entitled to the share otherwise by operation of law,

(2) Money so deducted must be paid to the company in respect of that share.

(3) The company must notify the distribution recipient in respect of it, in writing of—

(a) the fact and amount of any deduction;

(b) any non-payment of a dividend or other sum payable in respect of the share resulting from any such deduction;

(c) how the money deducted has been applied.

The company may not pay interest on a dividend or other sum payable in respect of a share unless otherwise provided in the articles.

(a) the terms on which the share was issued;

Unclaimed distributions

75.—(1) All dividends or other distributions payable, (a) payable in respect of shares, (b) unclaimed after having been paid, may be invested or otherwise dealt with by the directors for the benefit of the company until claimed.

(2) The payment of any such sum into a separate account does not make the company a trustee.

(3) If—

- (a) twelve years have passed since the dividend or other sum became due for payment, and
- (b) the distribution recipient has died, the distribution recipient is no longer living, or the distribution recipient ceases to remain owing by the company,

Non-cash distributions

76.—(1) Subject to the terms of any share, by ordinary resolution on the recommendation of the directors, part of a dividend or other distribution may be paid in non-cash assets of equivalent value (including securities in any company).

(2) If the shares in respect of which a non-cash distribution is paid are uncertificated, any shares issued in respect of them are also issued as a non-cash distribution.

(3) For the purposes of paragraph (2), the directors may make whatever arrangements they think fit to overcome any difficulty arising regarding the distribution—

- (a) fixing the value of any assets to be distributed;
- (b) paying cash to any distribution recipient to adjust the rights of recipients; and
- (c) vesting any assets in trustees for the benefit of the recipients.

Waiver of distributions

77. Distribution recipients may waive their right to a dividend or other distribution payable in respect of shares by giving notice in writing to that effect, but if—

- (a) the share has more than one holder,
 - (b) more than one person is entitled to the distribution by reason of the death or bankruptcy of one or more joint holders, or
- the notice is not effective unless it is given, and signed, by all the holders or persons otherwise entitled to the distribution.

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CAPITALISATION OF PROFITS

Authority to capitalise and apply profits

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

(a) decide to capitalise any profits (whether or not they are available for distribution) which are not retained in the company's accounts and standing to the credit of the company or any reserve; and

(b) appropriate any sum which represents the profits available for distribution to the persons who would have been entitled to the dividend (the "persons entitled to the dividend").

(2) Capitalised sums must be applied—

(a) on behalf of the persons entitled to the dividend;

(b) in the same proportions as the dividend was distributed to them.

(3) Any capitalised sum may be used to pay up new shares of a nominal value equal to the capitalised sum or to allot new shares of a nominal value equal to the capitalised sum or as they think fit.

(4) A capitalised sum which represents profits available for distribution may be applied—

a) in or towards paying up any new shares of a nominal value equal to the capitalised sum or as they think fit;

(b) in paying up new debentures of a nominal value equal to the capitalised sum or as they think fit.

(5) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

(a) apply capitalised sums in any way and partly in another;

(b) make such arrangements as they think fit for the capitalised sums becoming distributable in fractional shares or debentures or by the issue of fractional certificates or the making of such other arrangements as they think fit;

(c) authorise any person to enter into any arrangements with the persons entitled which is binding on the company and debentures to them under the articles.

PART 5 MISCELLANEOUS PROVISIONS

Means of communication to members

79.—(1) Subject to the articles, any notice or document which is required to be sent or supplied to a member under the articles may be sent or supplied to him by any means authorised or required by any provision of that Act to be sent or supplied to him.

(2) Subject to the articles, any notice or document which is required to be sent or supplied to a member under the articles may be sent or supplied to him by any means authorised or required by any provision of that Act to be sent or supplied to him.

Capitalised sums

they are so authorised by an ordinary resolution—

whether or not they are available for distribution, or any sum standing to the credit of the company or any reserve; and

to capitalise (a "capitalised sum") to the persons who would have been entitled to the dividend by way of dividend.

been distributed to them.

up new shares of a nominal value equal to the capitalised sum or as they think fit.

profits available for distribution

ing shares held by the

are then allotted credited as

hs (3) and (4) partly in one

th shares or debentures including the issuing of fractional certificates or the making of such other arrangements as they think fit;

h the company on behalf of all the persons entitled to the allotment of shares

supplied by or to the company under the articles may be sent or supplied to him by any means authorised or required by any provision of that Act to be sent or supplied to him.

t to be sent or supplied to a member under the articles may also be sent or supplied to him by any means authorised or required by any provision of that Act to be sent or supplied to him.

(3) A director may agree with another director in a particular way at a specified time of their being seated at the table.

Failure to notify contact details

80.—(1) If—

- (a) the company sends two copies of the documents to the member at least 12 months, and
- (b) each of those documents is accompanied by a written notification that it has not been received by the member, or
- (c) that member ceases to be entitled to the shares.

(2) A member who has ceased to be a member of the association becomes entitled to receive such sum of money as the association may determine to be due to him.

- (a) a new address to be recorded
- (b) if the member has agreed to communication other than sent by company needs to use that method

ADMINISTRATIVE ARRANGEMENTS

Company seals

81.—(1) Any common seal in

(2) The directors may decide securities seal is to be used.

(3) Unless otherwise decided by the Commission, and it is affixed to a document, the seal shall be signed by an authorised person in the presence of the Commission.

(4) For the purposes of this

- (a) any director of the company;
(b) the company secretary; or
(c) any person authorised by the company in writing, in which the common seal is applied.

(5) If the company has an document if its use on that d has been authorised by a deci

(6) If the company has a secretary, the company secretary or a person authorized by the secretary.

(7) For the purposes of the to any document include the document by any mechanical directors in relation to that doc

Destruction of documents

82.—(1) The company is en

(a) all instruments of transfer of shares and documents on the basis of which they are registered, from six years after the date of registration;

(b) all dividend mandates, variations and notifications of change of address, and any others that they have been recorded;

(c) all share certificates which have been cancelled; and

(d) all paid dividend warrants and any others that have been recorded; and

(e) all proxy notices from one year after the date of the meeting to which the proxy notice relates.

(2) If the company destroys any of the documents mentioned in articles, and without notice of destruction, it is conclusively presumed in favour of the company.

(a) entries in the register purporting to be made on the basis of an instrument of transfer or other document so destroyed and properly made;

(b) any instrument of transfer so destroyed and properly registered;

(c) any share certificate so destroyed and properly cancelled; and

(d) any other document so destroyed in accordance with its recorded purpose.

(3) This article does not impose any liability which it would not otherwise have if it destroys any of the documents mentioned in this article permits it to do so.

(4) In this article, reference to its being disposed of includes its being destroyed.

No right to inspect accounts

83. Except as provided by any special resolution of the company, no member has any right to inspect or require the production of any accounting or other records or documents of the company.

Provision for employees on cessation of business

84. The directors may determine such provision for the benefit of persons employed or formerly employed by the company or a director or former director of the company in connection with the cessation or winding up of the company or the transfer to any person of the whole or substantially the whole of the undertaking of the company or that of any of its subsidiaries (other than in connection with the cessation or winding up of the company or the transfer to any person of the whole or substantially the whole of the undertaking of the company or that of any of its subsidiaries) as they think fit.

DIRECTORS' INDEMNITY AND EXEMPTION

Indemnity

85.—(1) Subject to paragraph 86, any director of the company or an associated company may be indemnified—

(a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company, or

in connection with any negligence, default, breach of duty or breach of trust in relation to the company, or

in connection with any negligence, default, breach of duty or breach of trust in relation to the company, or

in connection with any negligence, default, breach of duty or breach of trust in relation to the company, or

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in connection with any negligence, default, breach of duty or breach of trust in relation to the company, or

in connection with any negligence, default, breach of duty or breach of trust in relation to the company, or

(b) any liability incurred by that company or an associated company in connection with a pension scheme (as defined in section 241 of the Companies Act 2006),

(c) any other liability incurred by that company or an associated company.

(2) This article does not apply if the liability is rendered void by any provision of law.

(3) In this article—

(a) companies are associated if they are subsidiaries of the same body corporate;

(b) a “relevant director” means a director of the company or an associated company.

Insurance

86.—(1) The directors may, at the expense of the company, for the purpose of covering a relevant loss.

(2) In this article—

(a) a “relevant director” means a director of the company or an associated company,

(b) a “relevant loss” means any loss which has been or may be incurred by a relevant director in connection with the company, any associated company or any subsidiary of the company or associated company;

(c) companies are associated if they are subsidiaries of the same body corporate.

with the activities of the company or an associated company or a trustee of an occupational pension scheme (as defined in section 241 of the Companies Act 2006),

or a director of the company or an associated company.

which would be prohibited or rendered void by any provision of law.

the other or both are

director of the company or an associated company.

and maintain insurance, at the expense of the company, for the purpose of covering a relevant loss in respect of any relevant director.

director of the company or an associated company,

has been or may be incurred by a relevant director in connection with the company, any associated company or any subsidiary of the company or associated company;

the other or both are