Guidance Note: Mo Comp

ssociation (Private ares)

Modifications to the Model Arti

Article 1 sets out the definition changed except where referen

Article 2 has no equivalent in memorandum of association o It indicates that a shareholder no further liability to contribute respect of that share.

Article 3 is equivalent to regular company the power to manage provisions of the Companies A

Article 4 is equivalent to regular shareholders to modify the ger

Article 5 is equivalent to regulate their authority to expower will not absolve the dire

Article 6 is equivalent to regular decisions must follow the article directors. The directors may a

Article 7 is equivalent to regurule that decisions made by unanimous decisions in other modified slightly to make it only one director.

Article 8 is equivalent to regul equivalent provision in Table manner, such as by email or for the sake of clarity so tha it may be passed if one or m

Article 9 is equivalent to regular and if the company has a coron his behalf. Under Table A, to a director outside the UK. See given to all directors. He receive notice of a particular rall meetings otherwise the stat

Article 10 has no equivalent companies permit directors to

association. It has not been concerned.

would have appeared in the er the earlier Companies Acts. nominal value of a share has mpany during a winding up in

his gives the directors of the ly basis subject always to the uties of directors.

reates a separate right for the ctors given by article 3.

ble A and allows directors to company. Any delegation of v.

general rule is that committee tion to decision-making by the

ticle 7(1) sets out the general ity decisions at a meeting or ding of article 7(2) has been of apply if the company has

s article has expanded on the to be made in a less formal ticle 8(2) has been modified ppies of a written resolution, each director.

ly director may call a meeting for can authorise him to call it eting did not need to be given ations are so fast, notice must choose to waive his right to a blanket waiver in respect of or may be infringed.

ne common practice whereby neetings remotely. This allows

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directors' meetings to take pla or in an internet chat room.

Article 11 is equivalent to requorum for a directors' mee modified to clarify that the director. They do not specify is specified in the articles, ther required, they may only make general meeting to enable the

Article 12 is equivalent to regu chairman. If the chairman is a is a deadlock at directors' me within 10 minutes of the start appoint another director as cha

Article 13 is equivalent to part vote if he is not entitled to form meeting.

Article 14 is equivalent to regine restrict the rights of a direct of transaction to participate in a limited circumstances. The C participating in directors' meet transaction. This article has of the quorum and vote concerning a proposed or ear a direct or indirect interest modified wording absolves company for any benefit he existed under Table A but we

Article 15 has its equivalent discretion to make further rule by the model articles. But it g directors only had the discretion

Article 16 is equivalent to regurequirement for all decisions Since decisions can be mademails or even text message These articles are modified These modified articles have keep records of all resolutio

Article 17 restates regulation ordinary resolution) and the bomodified articles have beer company has no sharehold been made bankrupt, then the made bankrupt may ap Secretary of State may appoin

ncluding by instant messaging

The general rule is that the These articles have been ply if a company has one minimum number of directors ectors is less than the quorum further directors or to call a further directors.

ontains the option to appoint a vill have a casting vote if there If the chairman is not present er directors have the right to e is a quorum.

airman will not have a casting ne is not entitled to vote at the

f Table A. The model articles erest in a proposed or actual pting purposes to a number of es not prohibit a director from erest in a proposed or existing it directors to count as part ectors on any resolutions rrangement in which he has scloses that interest. The liability to account to the ction or arrangement, which hodel articles.

ble A. It gives the directors in order to "fill in the gaps" left because under regulation 88, ating to meetings.

The model articles make it a g and retained for 10 years. ns, the requirement to keep ifficant administrative burden. of meetings need be kept. to that a sole director must years.

A, allowing shareholders (by nt additional directors. These uptcy situation so that, if a use they have died or have last shareholder to die or to a director. Otherwise, the

as no sharehold
bankrupt, then the sankrupt may ap
State may appoin

Article 18 is broadly similar to in which a director's appointm has been added to these more than the receives a notice signed cease to be a director.

Article 19 is equivalent to regularized directors to determine remune and as employees. All remularized articles allow alternates

Article 20 is equivalent to regular modified so that both direct expenses. The model article uncertainty has been removed

Articles 21 to 23 have beer adapted from the provisio Although they are equivale allowing directors to nomin model articles for private nominate alternate directors absent for a long period and A person may be an altern same rights in relation to a terminate if the appointer of appointment ceases, or if a would have terminated the relation to him.

Articles 24 to 34 have beer adapted from the model arti regulations 8 to 22 of Table not include any provisions fully paid for at the time of it the use of nil paid share s employees and the inclusio implemented. The companshares and may make call relation to those shares.

Article 35 is equivalent to reassociation have been m shareholders who have the attached to them. Section 5 that directors do not exercunder either section 550 cresolution of the sharehold Companies Act 2006, shar However, that nominal value classes of shares may be de Article 35(2) allows a condirectors to determine the te such shares.

It sets out the circumstances atically. A further paragraph a director can be removed if stors stating that he should

Table A. It allows the board of ir dual capacities as directors as to day. These modified erated.

he model articles have been all be paid their reasonable he right to refuse and so this

fied model articles and are cles for public companies. 69 of Table A, provisions were not included in the thought that the ability to rector knows that he will be

director and they have the ctors. His appointment will ppointment, the appointer's elation to the alternate that ent if they had occurred in

fied model articles and are lies. They are equivalent to is for private companies did issue shares that were not ease of the CGT rate to 18%, id method for incentivising allows such schemes to be any unpaid or partly paid to pay specified sums in

Table A. These articles of directors rather than the s and determine the rights act 2006 will apply to ensure the shares without authority at such as by an ordinary. Under section 542 of the with a fixed nominal value, in any currency and different currencies.

mable shares and for the nanner of redemption of any

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Article 36 is equivalent to re through a nominee or interme entered on the company's regi any notice of any direction b attached to shares by the nor contractual arrangements bety

Articles 37 and 38 are equives Since these modified artifequirement that all share contents are removed. A shareholder will damaged or defaced or said the loss, theft or destruction is not demand an indemnity against replacing that certificate.

Article 39 is equivalent to regulate transferred in any usual followording of article 39(5) has 771(1) of the Companies A register the transfer, they together with their reasons f

Article 40 is equivalent to reg rights of transmittees who wi shares prior to registration it produced.

Article 41 is equivalent to regular exercise his rights to be regist fact. A transfer executed by the member from whom he

Article 42 is equivalent to red bound by any notices sent transmittee derived title. The the transmittee is not subjection person has been registered

Article 43 is equivalent to reg shareholders the power to de interim dividends.

Article 44 is equivalent to regu whereby directors may declar want certainty as to how d articles have been modified determine how the dividend

Article 45 is equivalent to regularity interest.

Article 46 is equivalent to re dividends do not need to be rir

Investors often hold shares or intermediary's name will be ompany does not need to take manner of exercise of rights cause these are governed by t nominee or intermediary.

nd 7 of Table A respectively.

r partly paid shares, the
y are fully paid up has been
ent share certificate if theirs is
stroyed. Note that no proof of
give the directors the right to
the company as a result of

28. It states that shares may proved by the directors. The lude wording from section ctors that if they refuse to ree notice of their refusal

le A. The Article protects the as the original holder of the entitlement to the shares is

A. If a transmittee wishes to ust notify the company of that res is to be treated as if made

sble A. A transmittee will be shareholder from whom the has been modified so that of the article where another tres.

able A. This Article gives the directors the power to declare

ne Article sets out the methods pated that shareholders will are made. Therefore, these cretion of the directors to de.

d states that dividends do not

and clarifies that unclaimed o be owed after 12 years.

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Article 47 is equivalent to regular or part of dividends in assets on limitations provided that the

Article 48 has no equivalent in be useful for tax purposes. I than one person is entitled to all the holders or those entitled

Article 49 is equivalent to regu company profits and to use th shares to members or to paprovided that the capitalised a not apply to bonus shares, wh

Article 50 has no equivalent in is able to speak at a general long as they can communicat attending the meeting.

Article 51 is equivalent to regularized general meeting before any but

Article 52 is equivalent to regu chaired by the chairman but if the methods for appointing on

Article 53 is equivalent to shareholders have the right t chairman can permit any other

Article 54 is equivalent to regular of a general meeting to adjour permits the chairman to adjour discretion of the chairman to a in particular, to protect the saft orderly conduct of the meeting where it either becomes inquired time determine the time and place adjournment. Should he not with an appropriate time and place adjournment to be given where the more than 14 days after the daintroduced at the "continued" repending to been introduced at the original

Article 55 is equivalent to reg usually decided on a show of h

Article 56 is equivalent to regumember's qualification to vote meeting) itself.

allows the company to pay all securities, although there are value).

ends to be waived, which may ore than one person or more effective unless it is signed by

allows a company to capitalise up and issue fully paid bonus aid debentures to members, ributable reserves. This does definition of "distribution".

red communications, a person g to be physically present so nions at the meeting to those

quorum must be present at a

e A. General meetings will be inted, then the article sets out

A. Directors who are not tings but may not vote. The

le A. It requires the chairman d to do so by the meeting. It consent of the meeting. The so extended where necessary, ing the meeting and to ensure obliged to adjourn a meeting or is not quorate within 30 hairman has the initial right to g, whatever the cause of the termine that the directors shall ment for at least seven days' rned meeting is to take place ting. No new business can be business could properly have

otes at general meetings are nanded.

o objection may be raised to a neeting (or adjourned general

Article 57 is equivalent to regulate be demanded before the gene immediately after a show of his the categories of person will "qualifying persons" under Chairman and the directors overturn a decision that has demand a poll on the electical adjournment of the general Article has been modified a not invalidate the result of a made.

Article 58 is equivalent to represcribe a form of proxy. Si timing of delivery of proxy not Companies Act 2006, sections

Article 59 is equivalent to regulate that of his proxy, despite the proxy's appointment is only resolutions if received by the meeting) at which such resolut Where a proxy form is execute written authority of such personaccompany the form when it is

Article 60 has no equivalent i except in very limited circum chairman's proposal only, to Such a proposal by the chairm which the resolution is to be p proposed by any person entit such proposed amendment m (or a later time if the chairman

Article 61 is equivalent to reg the Companies Act 2006 apply

Article 62 is equivalent to reg the directors, if the company has document must also be sig authorised person in the prese

Article 63 is equivalent to registers (such as the register available to the shareholders of the company's accounting or a shareholder.

Article 64 has no equivalent in make provision for employee 2006" has been added to runder section 247(4)(b) of th

A. A poll on a resolution may neral meeting, either before or been modified by restricting and a poll to those who are Companies Act 2006. The ed to demand a poll to try to how of hands. The right to the general meeting or the xcluded. Furthermore, the a poll is withdrawn, it shall red before the demand was

Table A. The directors may not prescribe the manner or isions of section 327(2) of the that Act will apply.

nember's vote will prevail over pointed. The revocation of a o a particular resolution or pre the meeting (or adjourned to be moved.

nting member, evidence of the of the relevant member must

lutions may not be amended, permits amendment, on the rother non-substantive error. g the course of the meeting at o ordinary resolutions may be ant resolution. However, any 48 hours before the meeting

able A. Schedules 4 and 5 of contained in the articles.

Unless otherwise decided by t is affixed to a document, the company secretary or other ests the signature.

A. Various documents and er of directors) must be made on is entitled to inspect any of its merely by virtue of being a

ves the directors the power to ject to the Companies Act he provision is to be made

Article 65 is equivalent to recompany to indemnify its obligation to do so. It has and company secretaries. A

Article 66 is equivalent to re insurance for its directors and current or former manage articles.

The discretion given to a noved and replaced with an current or former managers uded from the indemnity.

A company may purchase ability has been extended to retaries in these modified