

Company No [COMPANY NUMBER]

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

[Aspire Land Developments Ltd]

Incorporated [DATE OF INCORPORATION]



Pinsent Masons

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1. **MODEL ARTICLES**

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

2. **INTERPRETATION**

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

"Act"	means the Companies Act 2006
"Articles"	means the Company's articles of association
"Bankruptcy"	includes individual insolvency proceedings in a jurisdiction other than England and Wales, Scotland or Northern Ireland which have an effect similar to that of bankruptcy
"Business"	shall have the meaning given to it under Article 4.1
"business day"	means any day (other than a Saturday or Sunday) on which clearing banks in the City of London are open for the transaction of normal sterling banking business
"Business Plan"	means the business plan approved and adopted by the Company from time to time pursuant to Article 4.2
"Cabinet"	means such elected members of the Council appointed to the cabinet from time to time
"Capitalised Sum"	has the meaning given in Article 34.1.2
"Chairman"	has the meaning given to it in Article 14
"chairman of the meeting"	Has the meaning given to it in Article 38
"Companies Acts"	means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the Company

"Council"	means [Uttlesford District Council, London Road, Saffron Walden, Essex, CB11 4ER]
"Deputy Leader"	means the person appointed to the position of deputy leader of the Council from time to time
"director"	means a director for the time being of the Company, and includes any person occupying the position of director, by whatever name called
"distribution recipient"	has the meaning given in Article 32.2
"document"	includes, unless otherwise specified, any document sent or supplied in electronic form
"Eligible Director"	means a director who would have been entitled to vote on the matter had it been proposed as a resolution at a board meeting (but excluding any director whose vote is not to be counted in respect of a particular matter)
"Fully Paid"	in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company
"Holder"	in relation to shares means the person whose name is entered in the register of members as the holder of the shares
"instrument"	means a document in hard copy form
"Leader"	means the person appointed to the position of leader of the Council from time to time
"Model Articles"	means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 as amended prior to the date of adoption of these Articles
"paid"	means paid or credited as paid
"participate"	in relation to a board meeting, has the meaning given in Article 12
"persons entitled"	has the meaning in Article 34.1.2
"Shareholder"	means a person who is the holder of a share who, at the date hereof, shall be the Council
"Shares"	means shares in the Company
"subsidiary"	has the meaning given in section 1159 of the Act
"writing"	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

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

2.3 References in these Articles to "**writing**" means representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 2.4 References in these Articles to a document includes, unless otherwise specified, any document sent or supplied in electronic form.
- 2.5 Unless the context otherwise requires:-
- 2.5.1 words in the singular include the plural and vice versa;
- 2.5.2 words in one gender include the other genders; and
- 2.5.3 words importing natural persons include corporations.
- 2.6 Words or expressions contained in these Articles which are defined in the Act have the same meaning as in the Act in force on the date of adoption of these Articles including the following words which are defined in the following sections of the Act:-

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

- 2.7 A reference to an Article by number is to the relevant article of these Articles.
- 2.8 Headings used in these Articles do not affect their construction or interpretation.
- 2.9 References to a statute or statutory provision is a reference to it as it is in force as at the date of adoption of these Articles.

3. **LIMITATION OF LIABILITY**

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

4. **THE BUSINESS OF THE COMPANY**

- 4.1 The Business of the Company shall be to:-
- 4.1.1 enter into agreements with landowners of potential development sites to acquire and purchase such sites in accordance with the terms of the prevailing Business Plan;
- 4.1.2 to secure the laying out and development of any acquired land in accordance with the Business Plan and other relevant plans and policies adopted by the Council;
- 4.1.3 to dispose of existing property and/or acquire new property in accordance with the terms of the prevailing Business Plan;
- 4.1.4 to develop commercial units and private residential units for private rental and/or sale;
- 4.1.5 carry out any other activities as the Shareholders may determine from time to time;
- 4.1.6 carry out the activities described in sub-articles 4.1.1 to 4.1.5 in the best interests of the Company and at all times in accordance with the Business Plan.

4.2 **Business Plan**

4.2.1 The Shareholders shall prepare a Business Plan for each and every scheme to be undertaken by the Company which shall be unanimously approved by the Shareholders.

4.2.2 The Business Plan which has been prepared in accordance with Article 4.2.1 shall remain in force as the Business Plan for the Company until such time as it is replaced by an updated Business Plan approved unanimously by the Shareholder from time to time.

5. **DIRECTORS' GENERAL AUTHORITY**

Subject to the Articles, the directors are responsible for the management of the Company's Business, for which purpose they may, with the exception of the matters requiring Shareholder consent and expressly reserved pursuant to Article 6 (Shareholder Reserved Matters), exercise all the powers of the Company.

6. **SHAREHOLDER RESERVE MATTERS**

The matters listed in Schedule 1 shall not be carried out without the prior written consent of the Shareholders.

7. **DIRECTORS MAY DELEGATE**

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

7.1.1 to such person or committee;

7.1.2 to such an extent;

7.1.3 in relation to such matters; and

7.1.4 on such terms and conditions;

as they think fit.

7.2 Any such delegation will automatically authorise further delegation of the directors' powers by any person to whom they are delegated, unless the directors specifically state otherwise within such delegation authority.

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

8. **COMMITTEES**

8.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by directors.

8.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

9. **DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

9.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with Article 10.

9.2 All acts done by a meeting of directors, or a committee of directors or by any director shall, even if it is discovered afterwards that:-

- 9.2.1 there was a defect in the appointment of any director; or
- 9.2.2 any director had been disqualified from holding office; or
- 9.2.3 any director had vacated office or was not entitled to vote;

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

10. **UNANIMOUS DECISIONS**

- 10.1 A decision of the directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they share a common view on a matter save to the extent otherwise provided for in any Business Plan.
- 10.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each Eligible Director or to which each Eligible Director has otherwise indicated agreement in writing.
- 10.3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at such a meeting.

11. **CALLING A BOARD MEETING**

- 11.1 Any director may call a board meeting by giving not less than 20 business days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors.
- 11.2 Notice of any board meeting must indicate:-
 - 11.2.1 its proposed date and time;
 - 11.2.2 where it is to take place;
 - 11.2.3 the proposed business of the meetings;
 - 11.2.4 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 11.3 Notice of a board meeting must be given to each director, and must be in writing.
- 11.4 Notice of a board meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

12. **PARTICIPATION IN BOARD MEETINGS**

- 12.1 Subject to the Articles, directors participate in a board meeting, or part of a board meeting, when:-
 - 12.1.1 the meeting has been called and takes place in accordance with the Articles; and
 - 12.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 12.2 In determining whether directors are participating in a board meeting, it is irrelevant where any director is or how they communicate with each other.
- 12.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

13. QUORUM FOR BOARD MEETINGS

- 13.1 At a board meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 13.2 The quorum for the transaction of business at a meeting of the directors is any 2 directors.
- 13.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision to call a shareholders meeting so as to enable the Shareholders to appoint further directors.

14. CHAIRING OF BOARD MEETINGS

- 14.1 The directors may appoint a director to chair their meetings.
- 14.2 The person so appointed for the time being is known as the Chairman.
- 14.3 The directors may terminate the Chairman's appointment at any time.
- 14.4 If the Chairman is not participating in a board meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

15. CHAIRMAN'S CASTING VOTE

- 15.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the Chairman or other director chairing the meeting shall have a casting vote.

16. RECORDS OF DECISIONS TO BE KEPT

The directors must ensure that the Company keeps a record, in writing, for at least 7 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

17. CONFLICTS OF INTEREST

- 17.1 If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.
- 17.2 But if Article 17.3 applies, a director who is interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in the decision-making process for quorum and voting purposes.
- 17.3 This paragraph applies when—
 - 17.3.1 the Company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process; or
 - 17.3.2 the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest.
- 17.4 For the purposes of this Article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- 17.5 Subject to Article 17.7, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

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

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

18.1 Unless otherwise determined by ordinary resolution, the number of directors shall not be less than 2 and the appointment or removal of a director shall be a matter to be approved by the Shareholders pursuant to Article 6 (Shareholder Reserved Matters).

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

19.1 A person ceases to be a director as soon as:-

19.1.1 that person ceases to be a director by virtue of any provision of the Act or these Articles or is prohibited from being a director by law;

19.1.2 a bankruptcy order is made against that person;

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

19.1.4 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;

19.1.5 notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;

19.1.6 he is convicted of a criminal offence (other than a motoring offence or series of offences not resulting in disqualification) and the directors resolve that his office be vacated; or

19.1.7 in the case of a person who is also an employee of the Company he ceases to be such an employee; or

19.1.8 he shall for more than six consecutive months have been absent without permission of the Shareholders from meetings of directors held during that period and the Shareholders resolve that his office be vacated; or

19.1.9 all the other Shareholders unanimously resolve that his office be vacated.

19.2 In addition and without prejudice to the provisions of section 168 of the Act, Shareholders may remove any director before the expiration of his period of office and appoint another director in his place.

20. **DIRECTORS' REMUNERATION**

20.1 Directors may undertake any services for the Company that the directors decide.

20.2 Directors are not entitled to any remuneration for their services to the Company.

20.3 Unless the directors decide otherwise, directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

21. **DIRECTORS' AND OFFICERS' EXPENSES**

21.1 The Company may pay any reasonable out-of-pocket expenses which the officers (including alternate directors and the secretary) properly incur in connection with their attendance at:-

21.1.1 meetings of directors or committees of directors;

21.1.2 shareholders meetings; or

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

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

22. **SECRETARY**

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

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

23.1 No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.

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

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

24.1 Subject to the Articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

24.2 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

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

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

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

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

27. **SHARE CERTIFICATES**

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

27.2 Every certificate must specify:-

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

27.2.2 the nominal value of those shares;

27.2.3 that the shares are fully paid; and

27.2.4 any distinguishing numbers assigned to them.

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

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

27.5 Certificates must:-

27.5.1 have affixed to them the Company's common seal; or

27.5.2 be otherwise executed in accordance with the Companies Acts.

28. **SHARE TRANSFERS**

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

28.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

28.3 The Company may retain any instrument of transfer which is registered.

28.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

29. **DIRECTORS' POWERS ON TRANSFER OF SHARES**

29.1 The directors must not register the transfer of any Share or any interest in any Share unless the transfer is approved by the Shareholders pursuant to Article 6 (Shareholder Reserved Matters).

29.2 The directors may at any time require any Shareholder or any person named as transferee in an instrument of transfer lodged for registration to give the directors such information and evidence as the directors believe is relevant to ensure that a transfer of Shares is being made in accordance with these Articles or that no circumstances have arisen which would result in a Transfer Notice being bound to be given or being deemed to have been given.

29.3 If the directors are not given such information or evidence within 20 days after they have requested it, the directors may in their absolute discretion give notice of refusal to register the transfer concerned together with reasons for the refusal to the person named as transferee or require the Shareholder by written notice to give a Transfer Notice in respect of the relevant Shares. If the information or evidence received by the directors discloses to their satisfaction that a Shareholder may be bound to give or is deemed to have given a Transfer Notice, the directors may in their absolute discretion by written notice to the relevant Shareholder require that a Transfer Notice be given in respect of the relevant Shares.

29.4 An obligation to transfer a Share under these Articles is an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or encumbrance.

30. **PROCEDURE FOR DECLARING DIVIDENDS**

30.1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

30.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

30.3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights and approved in the prevailing Business Plan.

- 30.4 Unless the Shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each Shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 30.5 If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 30.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 30.7 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

31. **CALCULATION OF DIVIDENDS**

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

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

- 32.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:-
- 32.1.1 transfer to a bank or building society account specified by the distribution recipient in writing;
 - 32.1.2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient in writing;
 - 32.1.3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified in writing; or
 - 32.1.4 any other means of payment as the directors agree with the distribution recipient in writing.
- 32.2 In the Articles, the "**distribution recipient**" means, in respect of a share in respect of which a dividend or other sum is payable:-
- 32.2.1 the holder of the share; or
 - 32.2.2 if the share has two or more joint holders, whichever of them is named first in the register of members; or
 - 32.2.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

33. **NO INTEREST ON DISTRIBUTIONS**

- 33.1 The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:-
- 33.1.1 the terms on which the share was issued; or

33.1.2 the provisions of another agreement between the holder of that share and the Company.

34. **CAPITALISATION OF PROFITS**

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

34.1.1 decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and

34.1.2 appropriate any sum which they so decide to capitalise (a "**Capitalised Sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (the "**persons entitled**") and in the same proportions.

34.2 Capitalised Sums must be applied:-

34.2.1 on behalf of the persons entitled; and

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

34.3 Any Capitalised Sum may be applied in paying up new shares of a nominal amount equal to the Capitalised Sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

34.4 A Capitalised Sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.

34.5 Subject to the Articles the directors may:-

34.5.1 apply Capitalised Sums in accordance with Articles 34.3 and 34.4 partly in one way and partly in another;

34.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments); and

34.5.3 authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this Article.

35. **NOTICE OF SHAREHOLDER MEETINGS**

35.1 The notice of a shareholder meeting of the Company must state:-

35.1.1 the time and date of the meeting;

35.1.2 the place of the meeting; and

35.1.3 the general nature of the business to be transacted.

36. **ATTENDANCE AND SPEAKING AT SHAREHOLDER MEETINGS**

36.1 A person is able to exercise the right to speak at a shareholder meeting when that person is a member of the Cabinet of the Council.

36.2 A person is only able to exercise the right to vote at a shareholder meeting if that person is a member of the Cabinet of the Council.

- 36.3 The directors may make whatever arrangements they consider appropriate to enable those attending a shareholder meeting to exercise their rights to speak or vote at it.
- 36.4 In determining attendance at a shareholder meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 36.5 Two or more persons who are not in the same place as each other attend a shareholder meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

37. **QUORUM FOR SHAREHOLDER MEETINGS**

- 37.1 No business other than the appointment of the chairman of the meeting is to be transacted at a shareholder meeting if the persons attending it do not constitute a quorum, pursuant to Article 37.2 below.
- 37.2 A quorum for the transaction of business at a meeting of the shareholders is:-
- 37.2.1 the Leader of the Council or the Deputy Leader of the Council; or
- 37.2.2 in the absence of the Leader of the Council or the Deputy Leader of the Council two other members of the Cabinet of the Council.

38. **CHAIRING SHAREHOLDER MEETINGS**

- 38.1 If the directors have appointed a chairman, the chairman shall chair shareholder meetings if present and willing to do so.
- 38.2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:-
- 38.2.1 the directors present; or
- 38.2.2 (if no directors are present), the meeting
- must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 38.3 The person chairing a meeting in accordance with this Article is referred to as "**the chairman of the meeting**".

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

- 39.1 Directors may attend and speak at shareholder meetings, whether or not they are shareholders.
- 39.2 The chairman of the meeting may in his absolute discretion permit other persons who are not:-
- 39.2.1 shareholders of the Company; or
- 39.2.2 otherwise entitled to exercise the rights of shareholders in relation to shareholder meetings
- to attend and speak at a shareholder meeting.

40. **ADJOURNMENT**

- 40.1 If the persons attending a shareholder meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

- 40.2 The chairman of the meeting may adjourn a shareholder meeting at which a quorum is present if:-
- 40.2.1 the meeting consents to an adjournment; or
 - 40.2.2 it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 40.3 The chairman of the meeting must adjourn a shareholder meeting if directed to do so by the meeting.
- 40.4 When adjourning a shareholder meeting, the chairman of the meeting must:-
- 40.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and
 - 40.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 40.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):-
- 40.5.1 to the same persons to whom notice of the Company's shareholder meetings is required to be given, and
 - 40.5.2 containing the same information which such notice is required to contain.
- 40.6 No business may be transacted at an adjourned shareholder meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

41. **VOTING AT SHAREHOLDER MEETINGS**

- 41.1 A resolution put to the vote of a shareholder meeting must be decided on a show of hands.
- 41.2 No objection may be raised to the qualification of any person voting at a shareholder meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 41.3 Any such objection must be referred to the chairman of the meeting, whose decision is final.

42. **AMENDMENTS TO RESOLUTIONS**

- 42.1 An ordinary resolution to be proposed at a shareholder meeting may be amended by ordinary resolution if:-
- 42.1.1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the shareholder meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
 - 42.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 42.2 A special resolution to be proposed at a shareholder meeting may be amended by ordinary resolution, if:-
- 42.2.1 the chairman of the meeting proposes the amendment at the shareholder meeting at which the resolution is to be proposed; and

42.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

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

43. **NOTICES AND COMMUNICATIONS**

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

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

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

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

43.4.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, on the second working day after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

43.4.2 if properly addressed and delivered by hand, the next working day after it was given or left at the appropriate address; and

43.4.3 if properly addressed and sent or supplied by electronic means, the next working day after the document or information was sent or supplied.

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

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

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

43.7 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

43.8 Any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.

44. **COMPANY SEALS**

44.1 Any common seal may only be used by the authority in writing of the directors.

44.2 The directors may decide by what means and in what form any common seal is to be used.

44.3 Unless otherwise decided by the directors in writing, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person.

44.4 An authorised person is:-

44.4.1 any director of the Company;

44.4.2 the Company secretary (if any); or

44.4.3 any person authorised by the directors in writing for the purpose of signing documents to which the common seal is applied.

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

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

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

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

47. **DIRECTORS' INDEMNITY AND INSURANCE**

47.1 Subject to Article 47.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:-

47.1.1 each relevant officer shall be indemnified out of the out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant office in the actual or purported execution and/or discharge of his duties, or in relation to them including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and

47.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 47.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurred such expenditure.

47.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

47.3 In this Article:-

- 47.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- 47.3.2 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act, but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

48. **PARENT COMPANY**

- 48.1 Whenever a company wherever incorporated (hereinafter called the "**Parent Company**") is the holder of not less than 90 per cent of the Shares of the Company the following provisions will apply and to the extent of any inconsistency will have overriding effect as against all other provisions of these Articles:-
- 48.1.1 the Parent Company may at any time and from time to time appoint any person to be a Director or remove from office any Director howsoever appointed and so that in the case of his removal from office will be deemed an act of the Company and will have effect without prejudice to any claim for damages in respect of the consequent termination of his office;
- 48.1.2 no securities or Shares may be issued or agreed to be issued or put under option without the consent of the Parent Company; and
- 48.1.3 any or all powers of the directors will be restricted in such respects and to such extent as the Parent Company may by notice to the Company from time to time prescribe.
- 48.2 Any such appointment, removal, consent or notice must be in writing served on the Company and signed on behalf of the Parent Company by any two of its directors or by any one of its directors and its secretary or some other person duly authorised for the purpose.
- 48.3 No person dealing with the Company will be concerned to see or enquire as to whether the powers of the directors have been in any way restricted under this Article or as to whether any requisite consent of the Parent Company has been obtained and no obligation incurred or security given or transaction effected by the Company to or with any third party will be invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the Directors.

SCHEDULE 1

Shareholder Reserve Matters

1. Approval and adoption of each Business Plan (and any amendments/variations) for each and every scheme.
2. Alteration in the nature/scope of the Business for each and every scheme, closing down/commencing any new business which is not ancillary or otherwise incidental to the business of the Company.
3. Taking any action outside the parameters of the Business Plans in a manner not reasonably contemplated within the scope of the Business Plan or which could not reasonably be expected to fall within the scope of the Business Plan including but not limited to contract expenditure or increasing any indebtedness of the Company outside the parameters of the Business Plans.
4. Acquiring, disposing or agreeing to acquire or dispose of any Company asset, any interest in any Company asset (including the exercise of an option) or any other land or buildings.
5. Declaring or paying any distribution in respect of profits, assets or reserves of the Company or in any other way reducing the reserves of the Company.
6. Forming any Company subsidiary or associated undertaking, acquiring shares in any other company or entity (subscription or transfer) such that the Company becomes a Subsidiary, entering into joint ventures or partnerships.
7. Alteration of authorised or issued partnership capital, or classification thereof, allotment of partnership capital or securities, granting options or rights to subscribe to the Company; issuing loan capital of the Company.
8. Granting or entering into any license agreement or arrangement concerning the trading names of the Company and goodwill attached thereto.
9. Waiving or delaying the rights of the Company and/or those of the Company to be exercised by the Company under any agreement to which the Company is a party.
10. Making any petition or passing any resolution to wind up the Company or making any application for an administration or winding up order or any order having similar effect in relation to the Company or giving notice of intention to appoint an administrator or file a notice of appointment of an administrator.
11. Changing the name of the Company.
12. Change in status of the Company.
13. Entry by the Company into any partnership or other profit share arrangement.
14. The admission of a new shareholder to the Company or the expulsion of any then existing shareholder.
15. Contracting and/or entering into a commitment to contract expenditure outside the parameters of activity (as set out in the budget) contemplated by the agreed Business Plans.
16. Giving a guarantee, suretyship or indemnity to secure the liabilities of any person or assume the obligations of any person.
17. Any other matters not covered within the Company's usual day-to-day business and within the scope of the Business Plans.

18. Entering into (or agreeing to enter into) any borrowing arrangement on behalf of the Company and giving any security in respect of any such borrowing (including creating any encumbrance over the whole or any part of the undertaking or assets of the Company or over any capital of the Company.
19. Agreeing to pay any remuneration to an employee of a Company other than out of pocket expenses.
20. The appointment or removal of any director.
21. Any other activity the Shareholders of the Company may determine from time to time.