

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
HERTS LIVING LIMITED  
Company number 10947722

**Adopted by special resolution on**

**2018**

**Introduction**

**1. INTERPRETATION**

1.1. The following definitions and rules of interpretation apply in these Articles:

**Act:** means the Companies Act 2006.

**Articles:** means the company's articles of association for the time being in force.

**Business Day:** means any day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.

**Controlled Company:** means a company within the meaning of Regulation 1(4) of the Local Authorities (Companies) Order 1995.

**Council:** means Hertfordshire County Council of County Hall, Pegs Lane, Hertford, Hertfordshire SG13 8DE.

**Eligible Director:** means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter).

**Executive Director:** means a director appointed in accordance with these Articles who is the managing director of the Company (and who is not, for the avoidance of doubt, an Officer Director).

**Model Articles:** means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*).

**Officer Director:** means a director who is an officer of the Council.

1.2. The Model Articles shall not apply to the Company.

1.3. Save as otherwise specifically provided in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.

- 1.4. Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.5. A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.6. Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as it is in force on the date when these Articles become binding on the Company.
- 1.7. A reference to a statute or statutory provision shall include all subordinate legislation made as at the date on which these Articles become binding on the Company under that statute or statutory provision.
- 1.8. Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9. Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

#### **Local authority company**

### **2. DIRECTORS' GENERAL AUTHORITY**

- 2.1. Subject to the Articles, (including but not limited to this article 2 and article 3), the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.
- 2.2. Any matters which require the consent of the Council pursuant to the delegation matrix from time to time shall not be carried out without the prior written consent of the Council and each of the directors shall use their respective rights and powers to procure, so far as they are each able, that no such matter is carried out unless the required consent has been given. In particular no amendment or variation to the delegation matrix which would reduce or limit those matters which require the consent of the Council shall be approved by the Company without the prior written consent of the Council.
- 2.3. The directors shall exercise the powers of the Company ensuring at all times that:
  - 2.3.1. for so long as the Company is a Controlled Company, the Company shall not engage in activities for party political purposes or publish, or arrange for the publication of, any material which, in whole or in part, appears to be designed to affect public support for a political party;
  - 2.3.2. for so long as the Company is a Controlled Company, the Company shall not give financial or other assistance to a person for the publication of material which the Company is prohibited by article 2.3.1 from publishing itself; and
  - 2.3.3. for as long as the Company is a Controlled Company, the Company shall have mentioned on all documents (being of any kind mentioned in section 82 of the Act) the facts that it is a company controlled by the Council, a local authority.

### **3. COUNCIL RESERVED POWER**

- 3.1. The Council may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- 3.2. No such special resolution invalidates anything which the directors have done in accordance with the powers available to them before the passing of the resolution.

#### **Decision-making by directors**

### **4. DIRECTORS TO MAKE DECISIONS COLLECTIVELY**

- 4.1. The general rule about decision-making by directors is that any decision of the directors must be a majority decision taken in one of the following ways:
  - 4.1.1. at a meeting of the directors;
  - 4.1.2. by written resolution, copies of which have been signed by a majority of the Eligible Directors or to which a majority of the Eligible Directors have otherwise indicated agreement in writing; or
  - 4.1.3. by a majority of the Eligible Directors indicating to each other, by any means, that they share a common view on a matter.
- 4.2. A decision may not be taken in accordance with articles 4.1.1 or 4.1.3 if the Eligible Directors purporting to take the decision would not have formed a quorum at such a meeting.

### **5. CALLING A DIRECTORS' MEETING**

- 5.1. Meetings of the directors will take place on a quarterly basis with the date of each quarterly meeting to be notified to each director on not less than 10 Business Days' notice (or such lesser notice as all the directors may agree).
- 5.2. In addition and without prejudice to article 5.1, any director may call a directors' meeting by giving not less than 5 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.
- 5.3. Notice of any directors' meeting must indicate:
  - 5.3.1. its proposed time and date;
  - 5.3.2. where it is to take place;
  - 5.3.3. an agenda for the meeting setting out in reasonable detail the items to be discussed at the meeting; and
  - 5.3.4. 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.
- 5.4. Notice of a directors' meeting shall be given to each director in writing (which includes by email).

## **6. PARTICIPATION IN DIRECTORS' MEETINGS**

Any or all of the directors may participate in a meeting of the directors by means of conference telephone or conference video or similar communications equipment so that all persons participating in the meeting can hear each other and participation in the meeting in this manner shall be deemed to constitute presence in person at such meeting and subject to these Articles and the Act, a director shall be entitled to vote and be counted in the quorum accordingly.

## **7. QUORUM FOR DIRECTORS' MEETINGS**

- 7.1. No business shall be transacted at any directors' meeting unless a quorum is present.
- 7.2. For as long as an Executive Member is appointed to the board, the quorum shall be three (3) directors consisting of two (2) Officer Directors and the Executive Director. If the Company does not for the time being have an Executive Director appointed to the board, the quorum shall be two Officer Directors.
- 7.3. For the purposes of any meeting (or part of a meeting) held pursuant to article 10.2 or 11.2 to authorise a director's conflict, if there is only one Eligible Director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 7.4. If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
  - 7.4.1. to appoint further directors; or
  - 7.4.2. to call a general meeting so as to enable the shareholders to appoint further directors.

## **8. CHAIRING OF DIRECTORS' MEETINGS**

- 8.1. The directors may appoint a director to chair their meetings. For as long as an Executive Director is appointed to the board, such Executive Director shall chair the meetings of directors. If the Company does not for the time being have an Executive Director appointed to the board, the directors may appoint an Officer Director to chair their meetings.
- 8.2. The person so appointed for the time being is known as the Chair.
- 8.3. The directors may with the consent of the Council terminate the Chair's appointment at any time and appoint a replacement.
- 8.4. If the Chair is not participating in a directors' meeting within fifteen minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

## **9. CASTING VOTE**

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

## **10. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

- 10.1. For the purposes of this article 10 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of that director.
- 10.2. Whenever a director has an interest in a matter to be discussed at a meeting of the directors, the director concerned shall declare such interest in accordance with the Act at or before discussions begin on the matter and unless either the board resolves otherwise or his interest in a matter arises solely as a result of his employment by the Council, the director shall:
  - 10.2.1. not be considered an Eligible Director for that item;
  - 10.2.2. not be counted in the quorum for that part of the meeting; and
  - 10.2.3. not be entitled to vote on the matter.
- 10.3. For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- 10.4. 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 chair whose ruling in relation to any director of than the chair is to be final and conclusive.
- 10.5. If any question as to the right to participate in the meeting (or part of the meeting should arise in respect of the chair, the question is to be decided by a decision of the directors at that meeting, for which purpose the chair is not to be counted as participating in the meeting (or that part of the meeting) for voting and quorum purposes.

## **11. DIRECTORS' CONFLICTS OF INTEREST**

- 11.1. The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (and "**Interested Director**") breaching his duty under section 175 of the Act to avoid conflicts of interest (a "**Conflict**").
- 11.2. Any authorisation under this article 11 will be effective only if:
  - 11.2.1. the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
  - 11.2.2. any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
  - 11.2.3. the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 11.3. For the purposes of sections 175 and 180(4) of the Act and for all other purposes, it is acknowledged that a director may be or become subject to a Conflict as a result of his also

being or having been (or being party to an agreement or arrangement or understanding or circumstances under which he may become) an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or a direct or indirect investor in and/or otherwise involved with or interested in, any of the Council, its subsidiaries, any of its holding companies or any subsidiary of any of its holding companies (as such terms are defined in section 1159 of the Act) or any of its shareholders.

- 11.4. No director shall be in breach of the duty to avoid conflicts of interest in section 175 of the Act as a result of, and no authorisation is required in respect of, any Conflict envisaged by article 11.3 having arisen or existing in relation to him.

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

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

## **13. NUMBER OF DIRECTORS**

Unless otherwise determined by special resolution, the number of directors shall not be less than four (4) but shall not exceed six (6).

## **14. APPOINTMENT OF DIRECTORS**

- 14.1. Notwithstanding any other provisions of these Articles, the Council may at any time and from time to time appoint any person (including, without limitation, an Executive Director) to be a director or remove any director from office. Every such appointment or removal shall be effected by notice in writing and signed by or on behalf of the Council. Such notice shall take effect immediately (or on such later date, if any, specified in the notice), upon deposit of the notice at the registered office of the Company marked for the attention of the directors.
- 14.2. Subject to the approval of the Council, the board of directors may appoint a person (including, without limitation, an Executive Director) who is willing to act as a director either to fill a vacancy or as an additional director including the appointment of a director for a fixed term.
- 14.3. No person may be appointed as a director in such circumstances such that he or she would have been disqualified from acting under the provisions of article 15.

## **15. TERMINATION OF DIRECTORS' APPOINTMENT**

- 15.1. A person ceases to be a director as soon as:
- 15.1.1. that person ceased to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
  - 15.1.2. a bankruptcy order is made against that person;
  - 15.1.3. a composition is made with that person's creditors generally in satisfaction of that person's debts;
  - 15.1.4. 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;

- 15.1.5. by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- 15.1.6. a director admits guilt to or is convicted by a court of competent jurisdiction of an offence involving dishonesty or for an offence that results in a custodial prison sentence;
- 15.1.7. 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;
- 15.1.8. in the case of an Executive Director, that person ceases to be engaged by the Company; or
- 15.1.9. in the case of an Officer Director, that person ceases to be an officer of the Council.

## **16. DIRECTORS' EXPENSES**

- 16.1. The Company may pay reasonable expenses which the directors properly and reasonably incur in connection with their attendance at:
  - 16.1.1. meetings of directors or committees of directors; or
  - 16.1.2. general meetings.
- 16.2. Directors' expenses shall be paid in accordance with any rules or procedures authorised by the Council.
- 16.3. For so long as the Company is a Controlled Company, the Company shall not pay a director who is an Officer Director expenses in respect of the carrying out of any duty on behalf of the Company in excess of the greatest amount which would for the time being be payable by the Council if the relevant duty were an approved duty for the purposes of section 174 of the Local Government Act 1972.

## **17. SECRETARY**

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

## **Shares and distributions**

### **18. ALL SHARES TO BE FULLY PAID UP**

- 18.1. 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.

## **19. POWER TO ISSUE DIFFERENT CLASSES OF SHARE**

- 19.1. 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.
- 19.2. The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company and the directors may determine the terms, conditions and manner of redemption of any such shares.

## **20. 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 shareholder's absolute ownership of it and all the rights attaching to it.

## **21. SHARE CERTIFICATES**

- 21.1. The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- 21.2. Every certificate must specify:
  - 21.2.1. in respect of how many shares, of what class, it is issued;
  - 21.2.2. the nominal value of those shares;
  - 21.2.3. that the shares are fully paid; and
  - 21.2.4. any distinguishing numbers assigned to them.
- 21.3. No certificate may be issued in respect of shares of more than one class.
- 21.4. If more than one person holds a share, only one certificate may be issued in respect of it.
- 21.5. Certificates must:
  - 21.5.1. have affixed to them the Company's common seal, or
  - 21.5.2. be otherwise executed in accordance with the Act

## **22. REPLACEMENT SHARE CERTIFICATE**

- 22.1. If a certificate issued in respect of a shareholder's shares is:
  - 22.1.1. damaged or defaced; or
  - 22.1.2. said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- 22.2. A shareholder exercising the right to be issued with such a replacement certificate:
  - 22.2.1. may at the same time exercise the right to be issued with a single certificate or separate certificates;
  - 22.2.2. must return the certificate which is to be replaced to the company if it is damaged or defaced; and



- 22.2.3. must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the director decide.

### **23. SHARE TRANSFERS**

- 23.1. 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.
- 23.2. No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 23.3. The Company may retain any instrument of transfer which is registered.
- 23.4. The transferor remains the holder of share until the transferee's name is entered in the register of members as holder of it.
- 23.5. The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

### **24. TRANSMISSION OF SHARES**

- 24.1. If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.
- 24.2. A transmittee who produces such evidence of entitlement to shares as the directors may properly require:
  - 24.2.1. may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person; and
  - 24.2.2. subject to the Articles, and pending any transfer of the shares to another person, has the same rights as the holder had
- 24.3. But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

### **25. EXERCISE OF TRANSMITTEES' RIGHTS**

- 25.1. Transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.
- 25.2. If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it and obtain approval from the directors.
- 25.3. Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

## **26. TRANSMITTEES BOUND BY PRIOR NOTICES**

- 26.1. If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

### **Dividends and other distributions**

## **27. PROCEDURE FOR DECLARING DIVIDENDS**

- 27.1. The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 27.2. 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.
- 27.3. No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 27.4. Unless the ordinary 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 ordinary resolution or decision to declare or pay it.
- 27.5. If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.
- 27.6. 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.
- 27.7. 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.

## **28. PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

- 28.1. 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:
- 28.1.1. transfer to a bank or building society account specified by the recipient either in writing or as the directors may otherwise decide;
- 28.1.2. sending a cheque made payable to the recipient by post at its registered address (if the recipient is a holder of the share), or (in any other case) to an address specified by the recipient either in writing or as the directors may otherwise decide;
- 28.1.3. sending a cheque made payable to such person by post to such person at such address as the recipient has specified either in writing or as the directors may otherwise decide; or
- 28.1.4. any other means of payment as the directors agree with the recipient either in writing or by such other means as the directors decide.

## **29. NO INTEREST ON DISTRIBUTIONS**

- 29.1. The Company may not pay interest on any dividend or other sum available in respect of a share unless otherwise provided by:
- 29.1.1. the terms on which the share was issued; or
  - 29.1.2. with the permission of the directors

## **30. UNCLAIMED DISTRIBUTIONS**

- 30.1. All dividends or other sums which are:-
- 30.1.1. payable in respect of shares; and
  - 30.1.2. unclaimed after having been declared or become payable,
- may be invested or otherwise made use of by the directors for the benefit of the Company until claimed.
- 30.2. The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.
- 30.3. If:
- 30.3.1. twelve years have passed from the date on which a dividend or other sum became due for payment; and
  - 30.3.2. the recipient has not claimed it,
- the recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

## **31. NON-CASH DISTRIBUTIONS**

- 31.1. Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).
- 31.2. For the purposes of paying a non-cash distribution, the directors may propose that the directors approve the:
- 31.2.1. fixing the value of any assets;
  - 31.2.2. paying cash to any recipient on the basis of that value in order to adjust the rights of the recipient; and
  - 31.2.3. vesting any assets in trustees.

## **32. WAIVER OF DISTRIBUTIONS**

- 32.1. A recipient may waive its entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect, but if:
- 32.1.1. the share has more than one holder; or

- 32.1.2. more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise, the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

### **Capitalisation of Profits**

#### **33. AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS**

- 33.1. Subject to the Articles and obtaining the prior written consent of the Council, the directors may, if they are so authorised by an ordinary resolution:
  - 33.1.1. 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
  - 33.1.2. appropriate any sum which they so decide to capitalise (a "Capitalised Sum") to the person who would have been entitled to it if it were distributed by way of dividend (the "Persons Entitled") and in the same proportions.
- 33.2. Capitalised Sums must be applied:
  - 33.2.1. on behalf of the persons entitled; and
  - 33.2.2. in the same proportions as a dividend would have been distributed to them.
- 33.3. 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.
- 33.4. 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 credit as fully paid to the persons entitled or as they may direct.
- 33.5. The directors may:
  - 33.5.1. apply Capitalised Sums in accordance with articles 31.3 partly in one way and partly in another;
  - 33.5.2. 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
  - 33.5.3. 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 share and debentures to them under this Article.

### **Decision-making by shareholders**

**34. SINGLE SHAREHOLDER COMPANY**

- 34.1. If at any time and for so long as the Company has a single shareholder all provisions of these Articles shall (in the absence of any expressed provision to the contrary) apply with such modifications as may be necessary in relation to a company with a single shareholder.

**35. GENERAL MEETINGS**

- 35.1. Notwithstanding the provisions of the Act, the Company shall hold an annual general meeting (an **AGM**) in addition to any other general meetings that may be called.
- 35.2. An AGM shall be called by at least twenty-one clear days' notice or such shorter notice period on the agreement of all shareholders entitled to attend and vote.
- 35.3. A notice called an AGM shall specify the time and place of the meeting and the general nature of the business to be transacted.

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

- 36.1. A person is able to exercise the right to speak at a general meeting when that person is in a position communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 36.2. A person is able to exercise the right to vote at a general meeting when:
- 36.2.1. that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
  - 36.2.2. that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 36.3. The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 36.4. In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 36.5. Two or more persons who are not in the same place as each attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

**37. QUORUM FOR GENERAL MEETINGS**

- 37.1. One person entitled to vote upon the business to be transferred, each being a member or a proxy for a member, shall be a quorum.
- 37.2. If and for so long as the Company has only one shareholder, then the sole shareholder or a duly authorised representative of the shareholder shall be a quorum.
- 37.3. The directors shall resolve to appoint a chairman of the meeting (the "Chair").

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

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

- 38.2. The Chair of the meeting may permit other persons who are not:
- 38.2.1. shareholders of the company; or
  - 38.2.2. otherwise entitled to exercise the rights of shareholders in relation to general meetings,
- to attend and speak at a general meeting, at his or her discretion.

### **39. ADJOURNMENT**

- 39.1. If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chair must adjourn it.
- 39.2. The Chair may adjourn a general meeting at which a quorum is present if:
- 39.2.1. the meeting consents to an adjournment; or
  - 39.2.2. it appears to the Chair 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.
- 39.3. The Chair must adjourn a general meeting if directed to do so by the meeting.
- 39.4. When adjourning a general meeting, the Chair must:-
- 39.4.1. 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
  - 39.4.2. have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 39.5. If the continuation of an adjourned meeting is to take place more than fourteen (14) days after it was adjourned, the company must give at least seven (7) clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):-
- 39.5.1. to the same persons to whom notice of the company's general meetings is required to be given; and
  - 39.5.2. containing the same information which such notice is required to contain.
- 39.6. No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

### **40. VOTING**

On a vote on a resolution on a show of hands, every shareholder who is present in person or (being a corporation) is present by a duly authorised representative shall have one vote only.

### **41. ERRORS AND DISPUTES**

- 41.1. No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to, is tendered, and every vote not disallowed at the meeting is valid.

41.2. Any such objection must be referred to the Chair whose decision is final.

## **42. POLL VOTES**

42.1. A poll on a resolution may be determined:-

42.1.1. In advance of the general meeting where it is to be put to the vote; or

42.1.2. at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

42.2. A poll may be demanded by:

42.2.1. the Chair;

42.2.2. the directors;

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

42.2.4. a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.

42.3. A demand for a poll may be withdrawn if:

42.3.1. the poll has not yet been taken; and

42.3.2. the Chair consents to the withdrawal.

42.4. Polls must be taken immediately and in such manner as the Chair directs.

## **Administrative arrangements**

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

43.1. Subject to the articles, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

43.1.1. if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

43.1.2. if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or

43.1.3. if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

43.1.4. if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or

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

43.1.6. if deemed receipt under the previous paragraphs of this article 43.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day

that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

- 43.2. To prove service, it is sufficient to prove that:
- 43.2.1. if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
  - 43.2.2. if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
  - 43.2.3. if sent by post the envelope containing the notice was properly addressed, paid for and posted; or
  - 43.2.4. if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

#### **44. INDEMNITY**

- 44.1. Subject to article 44.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 44.1.1. each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:
    - i. in the actual or purported execution and/or discharge of his duties, or in relation to them; and
    - ii. in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),  
  
including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and
  - 44.1.2. 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 44.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 44.2. This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 44.3. In this article:



- 44.3.1. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- 44.3.2. 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).

#### **45. INSURANCE**

- 45.1. The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.
- 45.2. In this article:
  - 45.2.1. 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);
  - 45.2.2. a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and
  - 45.2.3. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.