Draft model articles of association

Draft “front end” of The Companies (Model Articles) Regulations 2007
Draft model articles for private companies limited by shares
Draft model articles for public companies
Draft model articles for private companies limited by guarantee

Comparison between the draft model articles and the 1985 (1986 in Northern Ireland) Table A
The Secretary of State makes the following Regulations in exercise of the powers conferred by section 19 of the Companies Act 2006—

Citation and Commencement

1. These Regulations may be cited as the Companies (Model Articles) Regulations 2007 and come into force on 1st October 2008.

Model articles for private companies limited by shares

2. Schedule 1 to these Regulations prescribes the model articles of association for private companies limited by shares.

Model articles for private companies limited by guarantee

3. Schedule 2 to these Regulations prescribes the model articles of association for private companies limited by guarantee.

Model articles for public companies

4. Schedule 3 to these Regulations prescribes the model articles of association for public companies.

Saving

5. Nothing in these Regulations affects the application to any company existing immediately before 1st October 2008 of—

(a) Table B in the Joint Stock Companies Act 1856, or
(b) Table A in—
   (i) the Companies Act 1862,
   (ii) the Companies (Consolidation) Act 1908.
(iii) the Companies Act 1929(a),
(iv) the Companies Act (Northern Ireland) 1932(b),
(v) the Companies Act 1948(c),
(vi) the Companies Act (Northern Ireland) 1960(d),
(vii) the Companies (Tables A to F) Regulations 1985(e), or
(viii) the Companies (Tables A to F) Regulations (Northern Ireland) 1986(f).

Name
Parliamentary Under Secretary of State,

Date

Department

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(a) 1929 c.23.
(b) 1932 c.7.
(c) 1948 c.38.
(d) 1960 c.22.
(e) S.I. 1985/805, as amended by S.I. 1985/1052 and article 32(1) of, and Schedule 1 to, S.I. 2000/3373.
(f) S.R. 1986 No. 264, as amended by Article 29(1) of, and Schedule 1 to, S.R. 2003 No. 3.
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PART 1
DEFINITIONS AND INTERPRETATION

Defined terms
1. In the articles, unless the context requires otherwise—
   “articles” means the company’s articles of association;
“bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales and Northern Ireland which have an effect similar to that of bankruptcy;
“chairman” has the meaning given in article 11;
“chairman of the meeting” has the meaning given in article 37;
“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;
“director” means a director of the company, and includes any person occupying the position of director, by whatever name called;
“distribution recipient” has the meaning given in article 29;
“document” includes, unless otherwise specified, any document sent or supplied in electronic form;
“electronic form” has the meaning given in section 1168 of the Companies Act 2006;
“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;
“hard copy form” has the meaning given in section 1168 of the Companies Act 2006;
“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;
“majority decision” has the meaning given in article 8;
“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;
“paid” means paid or credited as paid;
“proxy notice” has the meaning given in article 43;
“securities seal” has the meaning given in article 23;
“shareholder” means a person who is the holder of a share;
“shares” means shares in the company;
“special resolution” has the meaning given in section 283 of the Companies Act 2006;
“subsidiary” has the meaning given in section 1159 of the Companies Act 2006;
“transmittee” means a person entitled to a share by reason of the death or bankruptcy of the share’s holder or otherwise by operation of law;
“unanimous decision” has the meaning given in article 7; and
“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.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

PART 2
DIRECTORS
DIRECTORS’ POWERS AND RESPONSIBILITIES

Directors’ general authority

2. Subject to the articles, the directors are responsible for the management of the company’s business, for which purpose they may exercise all the powers of the company.
Shareholders’ reserve power

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

(2) No such special resolution invalidates anything which the directors have already done.

Directors may delegate

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

(a) to such persons;
(b) by such means (including by power of attorney);
(c) to such an extent;
(d) in relation to such matters or territories; and
(e) on such conditions or subject to such restrictions,
as they think fit.

(2) If the directors so specify, any such delegation may authorise further delegation of the directors’ powers by any person to whom they are delegated.

(3) The directors may revoke any delegation in whole or part, or alter its terms.

Committees

5.—(1) Committees to which the directors delegate any of their powers must follow procedures which are based as closely as possible on those provisions of the articles which govern the taking of decisions by directors.

(2) The directors may make rules of procedure for committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

6.—(1) The general rule about decision-making by directors is that any decision of the directors must be either a unanimous decision or a majority decision.

(2) If—

(a) the company only has one director, and
(b) no provision of the articles or rule made by the directors requires it to have more than one director (either generally or for the purposes of taking decisions other than majority decisions),

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors’ decision-making.

(3) Subject to the articles, the directors—

(a) may take either a unanimous decision or a majority decision on any matter, and
(b) may, but need not, take any decision at a directors’ meeting.

Unanimous decisions

7.—(1) The directors take a unanimous decision when they all indicate to each other that they share a common view on a matter.

(2) A unanimous decision—

(a) may be taken without any discussion between directors, and
(b) may, but need not, take the form of a resolution in writing, copies of which have been signed by each director.

Majority decisions without directors’ meeting

8.—(1) This article applies where a majority decision is not taken in a directors’ meeting.
(2) The directors take a majority decision if—
(a) a director has become aware of a matter on which the directors need to take a decision;
(b) that director has made the other directors aware of the matter and the decision;
(c) the directors have had a reasonable opportunity to communicate their views on the matter and the decision to each other; and
(d) a majority of those directors vote in favour of a particular decision on that matter.
(3) But if a director is aware that consultation with another director will make it impossible to take a particular decision as soon as the company’s business requires, that director—
(a) may decide not to communicate with that other director in relation to that decision before it is taken, but
(b) must communicate any such decision not to communicate to all the other directors as soon as is practicable, explaining the reasons for it.
(4) And if a director states that he does not wish to discuss or vote on a particular matter, the directors may choose not to communicate with that director in relation to decisions to be taken on that matter.
(5) Directors participating in the taking of a majority decision otherwise than at a directors’ meeting—
(a) may be in different places, and may participate at different times, and
(b) may communicate with each other by any means.

Calling a directors’ meeting

9.—(1) Any director may call a directors’ meeting by giving notice of the meeting to the directors.
(2) Notice of any directors’ meeting must indicate—
(a) its proposed date, time and subject matter;
(b) where it is to take place; and
(c) 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.
(3) Notice of a directors’ meeting—
(a) need not be given in writing, but
(b) must be communicated to each director.
(4) In fixing the date and time of any directors’ meeting, the director calling it must try to ensure, subject to the urgency of any matter to be decided by the directors, that as many directors as practicable are likely to be available to participate in it.
(5) Notice of a directors’ meeting need not be given to directors who waive their entitlement to notice, prospectively or retrospectively.
(6) Directors are to be treated as having waived their entitlement to notice of a meeting if they have not supplied the company with the information necessary to ensure that they receive the notice before the meeting takes place.
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Quorum for majority decisions

10.—(1) No majority decision (other than a decision to call a directors’ meeting or a general meeting) shall be taken by the directors unless a quorum participates in the decision-making process.

(2) The quorum for directors’ decision-making may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

(3) If the total number of directors for the time being is less than the quorum required for directors’ majority decision-making, the directors must not take any majority decision other than a decision—

(a) to appoint further directors, or

(b) to call a general meeting so as to enable the shareholders to appoint further directors.

Chairing of majority decision making processes

11.—(1) The directors may appoint a director to chair—

(a) all of the processes by which a majority decision may be taken, or

(b) a particular process, or processes of a particular type (such as directors’ meetings), by which a majority decision may be taken.

(2) The person so appointed for the time being is known as the chairman.

(3) The directors may terminate the chairman’s appointment at any time.

(4) If the chairman is not participating in a directors’ meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

Casting vote

12.—(1) The directors may make a rule (a “casting vote rule”) that if—

(a) a majority decision is to be taken on a matter, and

(b) equal numbers of directors hold differing views on the matter,

the views of the chairman or some other specified director shall determine the majority decision which is taken on that matter.

(2) But a casting vote rule does not apply if the views of the specified director are to be disregarded as a result of an actual or potential conflict of interest.

Conflicts of interest

13.—(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 voting or quorum purposes.

(2) But if paragraph (3) below applies, a director who is interested in an actual or proposed transaction or arrangement with the company—

(a) is to be counted as participating in the decision-making process, and

(b) is entitled to vote on a proposal relating to it.

(3) This paragraph applies when—

(a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in, or voting at, a directors’ meeting;

(b) the director’s interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or

(c) the director’s conflict of interest arises from a permitted cause.

(4) For the purposes of this article, the following are permitted causes—
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(a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;

(b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and

(c) a contract about benefits for employees and directors or former employees and directors of the company or any of its subsidiaries which does not provide special benefits for directors or former directors.

(5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors’ meeting or part of a directors’ meeting.

(6) If a question arises at a meeting of directors or of a committee as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting whose ruling in relation to any director other than the chairman is to be final and conclusive.

Records of decisions to be kept

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

Directors’ discretion to make further rules

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

APPOINTMENT OF DIRECTORS

Methods of appointing directors

16. Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

(a) by ordinary resolution, or

(b) by a decision of the directors.

Termination of director’s appointment

17. A person ceases to be a director as soon as—

(a) that person ceases to be or is prohibited from being a director by law;

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

(c) a composition is made with that person’s creditors generally in satisfaction of that person’s debts (whether by means of an individual voluntary arrangement or otherwise);

(d) 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;

(e) 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;

(f) a notification to the company that that person is resigning or retiring from office as director takes effect in accordance with its terms;

(g) that person receives notice signed by all the other directors stating that that person should cease to be a director.
Directors’ remuneration

18.—(1) Directors may undertake any services for the company that the directors decide.

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

(a) for their services to the company as directors, and

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

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

(a) take any form, and

(b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

(4) Unless the directors decide otherwise, directors’ remuneration accrues from day to day.

(5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors of the company’s subsidiaries.

Directors’ expenses

19. The company must pay any reasonable expenses which the directors properly incur in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

PART 3
SHARES AND DISTRIBUTIONS

SHARES

All shares to be fully paid up

20. No share shall 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.

Powers to issue different classes of share

21.—(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.

(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.

Company not bound by less than absolute interests

22. Except as otherwise required by law or the articles, the company shall not in any way 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.

Share certificates

23.—(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

(2) Every certificate must specify—

(a) in respect of how many shares, of what class, it is issued;

(b) the nominal value of those shares;
(c) the amount paid up on them; and
(d) any distinguishing numbers assigned to them.

(3) No certificate may be issued in respect of shares of more than one class.

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

(5) Certificates must—
   (a) have affixed to them the company’s common seal or an official seal which is a facsimile of the company’s common seal with the addition on its face of the word “Securities” (a “securities seal”), or
   (b) be otherwise executed in accordance with the Companies Acts.

Share transfers

24.—(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.

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

(3) The company may retain any instrument of transfer which is registered.

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

(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.

Transmission of shares

25.—(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.

(2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—
   (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
   (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

(3) But transmittees do not have the right to attend or vote at a general meeting in respect of shares to which they are entitled by reason of the holder’s death or bankruptcy or otherwise unless the shares are transferred to them.

Exercise of transmittees’ rights

26.—(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.

(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.

(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 transferee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

Transmittees bound by prior notices

27. 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

Procedure for declaring dividends

28.—(1) The directors may decide to declare and pay such dividends to shareholders as—
   (a) appear to the directors to be justified by the company’s profits, and
   (b) are in accordance with shareholders’ respective rights.

   (2) The shareholders may by ordinary resolution decide to pay such dividends in accordance
   with a recommendation of the directors.

Payment of dividends and other distributions

29.—(1) Where a dividend or other sum is payable in respect of a share, it must be paid by one
   or more of the following means—
   (a) transfer to a bank account specified by the distribution recipient in writing or by such
       other means as the directors decide;
   (b) 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 or by such other means as the directors decide;
   (c) 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 by such other means as the directors
       decide; or
   (d) any other means of payment (including by the allotment or transfer of further shares in
       accordance with the articles) as the directors agree with the distribution recipient in
       writing or by such other means as the directors decide.

   (2) In the articles, “the distribution recipient” means, in respect of a share in respect of which a
   dividend or other sum is payable—
       (a) the holder of the share; or
       (b) if the share has two or more joint holders, whichever of them is named first in the register
          of members (the “senior holder”); or
       (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or
          otherwise by operation of law, the transmittee.

No interest on distributions

30. The company may not pay interest on any dividend or other sum payable in respect of a
   share unless otherwise provided by—
   (a) the terms on which the share was issued, or
   (b) the provisions of another agreement between the holder of that share and the company.

Unclaimed distributions

31.—(1) All dividends or other sums which are—
   (a) payable in respect of shares, and
   (b) 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.

   (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.

   (3) If—
(a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
(b) the distribution recipient has not claimed it,
the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

Non-cash distributions

32.—(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 sum payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

(2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including—

(a) fixing the value of any assets;
(b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
(c) vesting any assets in trustees.

Waiver of distributions

33. Distribution recipients may waive their entitlement to a dividend or other sum payable in respect of a share by giving the company notice in writing to that effect, but if—

(a) the share has more than one holder, or
(b) 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

Authority to capitalise and appropriation of capitalised sums

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

(a) 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
(b) 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.

(2) Capitalised sums must be applied—

(a) on behalf of the persons entitled, and
(b) in the same proportions as a dividend would have been distributed to them.

(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.

(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.

(5) Subject to the articles the directors may—
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(a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;
(b) 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
(c) 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.

PART 4
DECISION-MAKING BY SHAREHOLDERS
ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

35.—(1) In determining attendance at a general meeting, it is immaterial whether any two or more shareholders attending it are in the same place as each other.

(2) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

(3) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

(4) A person is able to exercise the right to vote at a general meeting when—
(a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
(b) that person’s vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

(5) 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.

(6) In making such arrangements, directors shall have regard to the legitimate interests of the company, individual shareholders and others attending the meeting in the efficient despatch of the business of the meeting.

Quorum for general meetings

36.—(1) No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

(2) The quorum for general meetings is as provided under the Companies Acts.

Chairing of general meetings

37.—(1) If the directors have appointed a chairman, the chairman must chair general meetings at which he is present.

(2) If the directors have not appointed a chairman, or if the chairman is not present within ten minutes of the time at which a meeting was due to start—
(a) the directors present, or
(b) (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.

(3) The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

**Attendance and speaking by directors and non-shareholders**

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

(2) The chairman of the meeting may permit other persons who are not—

(a) shareholders of the company, or

(b) otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

**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, the chairman of the meeting must adjourn it.

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

(a) the meeting consents to an adjournment, or

(b) 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.

(3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

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

(a) 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

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

(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—

(a) to the same persons to whom notice of the company’s general meetings is required to be given, and

(b) containing the same information which such notice is required to contain.

(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.

**Voting: general**

40.—(1) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is taken on it in accordance with the articles.

(2) If equal numbers of votes are cast for and against a resolution, whether on a show of hands or on a poll, the chairman of the meeting has a casting vote in addition to any other votes he is otherwise entitled to cast on that resolution.
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.

(2) Any such objection must be referred to the chairman of the meeting whose decision is final and binding.

Poll votes

42. (1) A poll on a resolution may be demanded—
(a) in advance of the general meeting where it is to be put to the vote, or
(b) 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.

(2) A poll may be demanded by—
(a) the chairman of the meeting;
(b) the directors;
(c) two or more persons having the right to vote on the resolution; or
(d) 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.

(3) A demand for a poll may be withdrawn if—
(a) the poll has not yet been taken, and
(b) the chairman of the meeting consents to the withdrawal.

(4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

43. (1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—
(a) states the name and address of the shareholder appointing the proxy;
(b) identifies the person appointed to be that shareholder’s proxy and the general meeting in relation to which that person is appointed;
(c) is executed by or on behalf of the shareholder appointing the proxy; and
(d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

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

(3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

(4) Unless a proxy notice indicates otherwise, it must be treated as—
(a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
(b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

Delivery of proxy notices

44. (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
(2) An appointment under a proxy notice may be revoked by delivering to the company a notice given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

(3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

(4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor’s behalf.

**Amendments to resolutions**

45.—(1) An ordinary resolution may be amended if—

(a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed 48 hours before the meeting is to take place (or at such time as the chairman of the meeting may direct), and

(b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

(2) A special resolution may be amended by ordinary resolution, if—

(a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

(b) the amendment does not go beyond what is necessary to correct an obvious error in the resolution.

(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.

**PART 5
ADMINISTRATIVE ARRANGEMENTS**

**Means of communication to be used**

46.—(1) Subject to the articles—

(a) anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information to be sent or supplied by or to the company for the purposes of the Companies Acts, and

(b) 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.

(2) 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.

**Addresses and other contact details**

47.—(1) Anything sent to a shareholder under the articles may be sent to that shareholder’s address as registered in the register of members, unless—

(a) the shareholder and the company have agreed that another means of communication is to be used, and

(b) the shareholder has supplied the company with the information it needs in order to be able to use that other means of communication.

(2) Any notice or document sent to a director may be sent to that director’s address as registered in the register of directors, unless—
(a) the director and the company have agreed that another means of communication is to be used, and
(b) the director has supplied the company with the information it needs in order to be able to use that other means of communication.

Company seals

48.—(1) If the company has a common seal and it is affixed to a document, the document must also be signed by one authorised person in the presence of a witness who attests the signature.

(2) For the purposes of this article, an authorised person is—
(a) any director of the company;
(b) the company secretary (if any); or
(c) any other person authorised by the directors for the purpose of signing documents to which a company seal is applied.

(3) If the company has an official seal for use abroad, it may only be affixed to a document if its use on that document, or documents of a class to which it belongs, has been authorised by a decision of the directors.

(4) If the company has a securities seal, it may only be affixed to securities by an authorised person.

(5) For the purposes of the articles, references to the securities seal being affixed to any document include the reproduction of the image of that seal on or in a document by any mechanical or electronic means which has been approved by the directors in relation to that document or documents of a class to which it belongs.

No right to inspect accounts and other records

49. 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.

Provision for employees on cessation of business

50. 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.
ANNEX to Companies Act 2006 Implementation Consultative Document February 2007: Draft Model Articles of Association

SCHEDULE 2

DRAFT MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED
BY GUARANTEE

[Note: These model articles are designed for use by, and as a default for, companies formed and registered under the Companies Act 2006. Other companies wishing to adopt all or part of these model articles should check their compatibility with the legislation under which they were formed.]

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PART 1
INTERPRETATION

Defined terms
1. In the articles, unless the context requires otherwise—
   “articles” means the company’s articles of association;
   “bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales and Northern Ireland which have an effect similar to that of bankruptcy;
   “chairman” has the meaning given in article 11;
   “chairman of the meeting” has the meaning given in article 24;
   “Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;
   “director” means a director of the company, and includes any person occupying the position of director, by whatever name called;
   “document” includes, unless otherwise specified, any document sent or supplied in electronic form;
   “electronic form” has the meaning given in section 1168 of the Companies Act 2006;
   “majority decision” has the meaning given in article 8;
“member” has the meaning given in section 112 of the Companies Act 2006;
“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;
“proxy notice” has the meaning given in article 30;
“special resolution” has the meaning given in section 283 of the Companies Act 2006;
“subsidiary” has the meaning given in section 1159 of the Companies Act 2006;
“transmittee” means a person entitled to a share by reason of the death or bankruptcy of the share’s holder or otherwise by operation of law;
“unanimous decision” has the meaning given in article 7; and
“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.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

PART 2
DIRECTORS
DIRECTORS’ POWERS AND RESPONSIBILITIES

Directors’ general authority

2. Subject to the articles, the directors are responsible for the management of the company’s business, for which purpose they may exercise all the powers of the company.

Members’ reserve power

3.—(1) The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.
   (2) No such special resolution invalidates anything which the directors have already done.

Directors may delegate

4.—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—
   (a) to such persons;
   (b) by such means (including by power of attorney);
   (c) to such an extent;
   (d) in relation to such matters or territories; and
   (e) on such conditions or subject to such restrictions,
   as they think fit.
   (2) If the directors so specify, any such delegation may authorise further delegation of the directors’ powers by any person to whom they are delegated.
   (3) The directors may revoke any delegation in whole or part, or alter its terms.

Committees

5.—(1) Committees to which the directors delegate any of their powers must follow procedures which are based as closely as possible on those provisions of the articles which govern the taking of decisions by directors.
(2) The directors may make rules of procedure for committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

6.—(1) The general rule about decision-making by directors is that any decision of the directors must be either a unanimous decision or a majority decision.

(2) If—
(a) the company only has one director, and
(b) no provision of the articles or rule made by the directors requires it to have more than one director (either generally or for the purposes of taking decisions other than majority decisions),

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors’ decision-making.

(3) Subject to the articles, the directors—
(a) may take either a unanimous decision or a majority decision on any matter, and
(b) may, but need not, take any decision at a directors’ meeting.

Unanimous decisions

7.—(1) The directors take a unanimous decision when they all indicate to each other that they share a common view on a matter.

(2) A unanimous decision—
(a) may be taken without any discussion between directors, and
(b) may, but need not, take the form of a resolution in writing, copies of which have been signed by each director.

Majority decisions without directors’ meeting

8.—(1) This article applies where a majority decision is not taken in a directors’ meeting.

(2) The directors take a majority decision if—
(a) a director has become aware of a matter on which the directors need to take a decision;
(b) that director has made the other directors aware of the matter and the decision;
(c) the directors have had a reasonable opportunity to communicate their views on the matter and the decision to each other; and
(d) a majority of those directors vote in favour of a particular decision on that matter.

(3) But if a director is aware that consultation with another director will make it impossible to take a particular decision as soon as the company’s business requires, that director—
(a) may decide not to communicate with that other director in relation to that decision before it is taken, but
(b) must communicate the decision not to communicate to all the other directors as soon as is practicable, explaining the reasons for it.

(4) And if a director states that he does not wish to discuss or vote on a particular matter, the directors may choose not to communicate with that director in relation to decisions to be taken on that matter.

(5) Directors participating in the taking of a majority decision otherwise than at a directors’ meeting—
(a) may be in different places, and may participate at different times, and
(b) may communicate with each other by any means.
Calling a directors’ meeting

9.—(1) Any director may call a directors’ meeting by giving notice of the meeting to the directors.

(2) Notice of any directors’ meeting must indicate—
   (a) its proposed date, time and subject matter;
   (b) where it is to take place; and
   (c) 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.

(3) Notice of a directors’ meeting—
   (a) need not be given in writing, but
   (b) must be communicated to each director.

(4) In fixing the date and time of any directors’ meeting, the director calling it must try to ensure, subject to the urgency of any matter to be decided by the directors, that as many directors as practicable are likely to be available to participate in it.

(5) Notice of a directors’ meeting need not be given to directors who waive their entitlement to notice, prospectively or retrospectively.

(6) Directors are to be treated as having waived their entitlement to notice of a meeting if they have not supplied the company with the information necessary to ensure that they receive the notice before the meeting takes place.

Quorum for majority decisions

10.—(1) No majority decision (other than a decision to call a directors’ meeting or a general meeting) shall be taken by the directors unless a quorum participates in the decision-making process.

(2) The quorum for directors’ decision-making may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

(3) If the total number of directors for the time being is less than the quorum required for directors’ majority decision-making, the directors must not take any majority decision other than a decision—
   (a) to appoint further directors, or
   (b) to call a general meeting so as to enable the members to appoint further directors.

Chairing of majority decision making processes

11.—(1) The directors may appoint a director to chair—
   (a) all of the processes by which a majority decision may be taken, or
   (b) a particular process, or processes of a particular type (such as directors’ meetings), by which a majority decision may be taken.

(2) The person so appointed for the time being is known as the chairman.

(3) The directors may terminate the chairman’s appointment at any time.

(4) If the chairman is not participating in a directors’ meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

Casting vote

12.—(1) The directors may make a rule (a “casting vote rule”) that if—
   (a) a majority decision is to be taken on a matter, and
   (b) equal numbers of directors hold differing views on the matter,
the views of the chairman or some other specified director shall determine the majority decision which is taken on that matter.

(2) But a casting vote rule shall not apply if the views of the specified director are to be disregarded as a result of an actual or potential conflict of interest.

**Conflicts of interest**

13.—(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 voting or quorum purposes.

(2) But if paragraph (3) below applies, a director who is interested in an actual or proposed transaction or arrangement with the company—

(a) is to be counted as participating in the decision-making process, and

(b) is entitled to vote on a proposal relating to it.

(3) This paragraph applies when—

(a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in, or voting at, a directors’ meeting;

(b) the director’s interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or

(c) the director’s conflict of interest arises from a permitted cause.

(4) For the purposes of this article, the following are permitted causes—

(a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;

(b) subscription, or an agreement to subscribe, for securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such securities; and

(c) a contract about benefits for employees and directors or former employees and directors of the company or any of its subsidiaries which does not provide special benefits for directors or former directors.

(5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors’ meeting or part of a directors’ meeting.

(6) If a question arises at a meeting of directors or of a committee as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting whose ruling in relation to any director other than the chairman is to be final and conclusive.

**Records of decisions to be kept**

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

**Directors’ discretion to make further rules**

15. Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.
APPOINTMENT OF DIRECTORS

Methods of appointing directors

16. Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—
   (a) by ordinary resolution, or
   (b) by a decision of the directors.

Termination of director’s appointment

17. A person ceases to be a director as soon as—
   (a) that person ceases to be or is prohibited from being a director by law;
   (b) a bankruptcy order is made against that person;
   (c) a composition is made with that person’s creditors generally in satisfaction of that person’s debts (whether by means of an individual voluntary arrangement or otherwise);
   (d) 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;
   (e) 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;
   (f) a notification to the company that that person is resigning or retiring from office as director takes effect in accordance with its terms;
   (g) that person receives notice signed by all the other directors stating that that person should cease to be a director.

Directors’ remuneration

18.—(1) Directors may undertake any services for the company that the directors decide.
   (2) Directors are entitled to such remuneration as the directors determine—
      (a) for their services to the company as directors, and
      (b) for any other service which they undertake for the company.
   (3) Subject to the articles, a director’s remuneration may—
      (a) take any form, and
      (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
   (4) Unless the directors decide otherwise, directors’ remuneration accrues from day to day.
   (5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors of the company’s subsidiaries.

Directors’ expenses

19. The company must pay any reasonable expenses which the directors properly incur in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.
PART 3
MEMBERS
BECOMING AND CEASING TO BE A MEMBER

Applications for membership

20. No person shall become a member of the company unless—
   (a) that person has completed an application for membership in a form approved by the directors, and
   (b) the directors have approved the application.

Termination of membership

21.—(1) A member may withdraw from membership of the company by giving 7 days’ notice to the company in writing.
   (2) Membership is not transferable.
   (3) A person’s membership terminates when that person dies or ceases to exist.

ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

22.—(1) 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.
   (2) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.
   (3) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
   (4) A person is able to exercise the right to vote at a general meeting when—
      (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
      (b) that person’s vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
   (5) 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.
   (6) In making such arrangements, directors shall have regard to the legitimate interests of the company, individual members and others attending the meeting in the efficient despatch of the business of the meeting.

Quorum for general meetings

23.—(1) No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
   (2) The quorum for general meetings is as provided under the Companies Acts.

Chairing of general meetings

24.—(1) If the directors have appointed a chairman, the chairman must chair general meetings at which he is present.
(2) If the directors have not appointed a chairman, or if the chairman is not present within ten minutes of the time at which a meeting was to start—
(a) the directors present, or
(b) (if no directors are present), the meeting,
must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
(3) The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

Attendance and speaking by directors and non-members

25.—(1) Directors may attend and speak at general meetings, whether or not they are members.
(2) The chairman of the meeting may permit other persons who are not—
(a) members of the company, or
(b) otherwise entitled to exercise the rights of members in relation to general meetings,
to attend and speak at a general meeting.

Adjournment

26.—(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, the chairman of the meeting must adjourn it.
(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—
(a) the meeting consents to an adjournment, or
(b) 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.
(3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
(4) When adjourning a general meeting, the chairman of the meeting must—
(a) 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
(b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
(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—
(a) to the same persons to whom notice of the company’s general meetings is required to be given, and
(b) containing the same information which such notice is required to contain.
(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.

VOTING AT GENERAL MEETINGS

Voting: general

27.—(1) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is taken on it in accordance with the articles.
(2) If equal numbers of votes are cast for and against a resolution, whether on a show of hands or on a poll, the chairman of the meeting has a casting vote in addition to any other votes he is otherwise entitled to cast on that resolution.
Errors and disputes

28.—(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.

(2) Any such objection must be referred to the chairman of the meeting whose decision is final and binding.

Poll votes

29.—(1) A poll on a resolution may be demanded—

(a) in advance of the general meeting where it is to be put to the vote, or

(b) 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.

(2) A poll may be demanded by—

(a) the chairman of the meeting;

(b) the directors;

(c) two or more persons having the right to vote on the resolution; or

(d) a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.

(3) A demand for a poll may be withdrawn if—

(a) the poll has not yet been taken, and

(b) the chairman of the meeting consents to the withdrawal.

(4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

30.—(1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—

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

(b) identifies the person appointed to be that member’s proxy and the general meeting in relation to which that person is appointed;

(c) is executed by or on behalf of the member appointing the proxy; and

(d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

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

(3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

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

(a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

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

Delivery of proxy notices

31.—(1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
(2) An appointment under a proxy notice may be revoked by delivering to the company a notice given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

(3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

(4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor’s behalf.

Amendments to resolutions

32.—(1) An ordinary resolution may be amended if—

(a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed 48 hours before the meeting is to take place (or at such other time as the chairman of the meeting may direct), and

(b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

(2) A special resolution may be amended by ordinary resolution, if—

(a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

(b) the amendment does not go beyond what is necessary to correct an obvious error in the resolution.

(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.

PART 4
ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

33.—(1) Subject to the articles—

(a) anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information to be sent or supplied by or to the company for the purposes of the Companies Acts, and

(b) 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.

(2) 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.

Addresses and other contact details

34.—(1) Anything sent to a member under the articles may be sent to that member’s address as registered in the register of members, unless—

(a) the member and the company have agreed that another means of communication is to be used, and

(b) the member has supplied the company with the information it needs in order to be able to use that other means of communication.

(2) Any notice or document sent to a director may be sent to that director’s address as registered in the register of directors, unless—
(a) the director and the company have agreed that another means of communication is to be used, and
(b) the director has supplied the company with the information it needs in order to be able to use that other means of communication.

Company seals

35.—(1) If the company has a common seal and it is affixed to a document, the document must also be signed by one authorised person in the presence of a witness who attests the signature.

(2) For the purposes of this article, an authorised person is—
(a) any director of the company;
(b) the company secretary (if any); or
(c) any other person authorised by the directors for the purpose of signing documents to which a company seal is applied.

(3) If the company has an official seal for use abroad, it may only be affixed to a document if its use on that document, or documents of a class to which it belongs, has been authorised by a decision of the directors.

(4) If the company has a securities seal, it may only be affixed to securities by an authorised person.

(5) For the purposes of the articles, references to the securities seal being affixed to any document include the reproduction of the image of that seal on or in a document by any mechanical or electronic means which has been approved by the directors in relation to that document or documents of a class to which it belongs.

No right to inspect accounts and other records

36. 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 member.

Provision for employees on cessation of business

37. 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.
SCHEDULE 3

DRAFT MODEL ARTICLES FOR PUBLIC COMPANIES

[Note: These model articles are designed for use by, and as a default for, companies formed and registered under the Companies Act 2006. Other companies wishing to adopt all or part of these model articles should check their compatibility with the legislation under which they were formed.]

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PART 1

DEFINITIONS AND INTERPRETATION

Defined terms

1. In the articles, unless the context requires otherwise—
“alternate” or “alternate director” has the meaning given in article 24;
“appointor” has the meaning given in article 24;
“articles” means the company’s articles of association;
“bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales and Northern Ireland which have an effect similar to that of bankruptcy;
“call” has the meaning given in article 53;
“call notice” has the meaning given in article 53;
“certificate” means a paper certificate (other than a share warrant) evidencing a person’s title to specified shares or other securities;
“certificated” in relation to a share, means that it is not an uncertificated share or a share in respect of which a share warrant has been issued and is current;
“chairman” has the meaning given in article 11;
“chairman of the meeting” has the meaning given in article 30;
“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;
“company’s lien” has the meaning given in article 51;
“director” means a director of the company, and includes any person occupying the position of director, by whatever name called;
“distribution recipient” has the meaning given in article 72;
“document” includes, unless otherwise specified, any document sent or supplied in electronic form;
“electronic form” has the meaning given in section 1168 of the Companies Act 2006;
“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;
“hard copy form” has the meaning given in section 1168 of the Companies Act 2006;
“holder” in relation to shares means the person whose name is entered in the register of members as the holder of the shares, or, in the case of a share in respect of which a share warrant has been issued (and not cancelled), the person in possession of that warrant;
“instrument” means a document in hard copy form;
“lien enforcement notice” has the meaning given in article 52;
“member” has the meaning given in section 112 of the Companies Act 2006, and includes, subject to section 145 of that Act, any person nominated in accordance with the articles to enjoy or exercise a member’s rights in relation to the company;
“nomination notice” has the meaning given in article 79;
“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;
“paid” means paid or credited as paid;
“participate” in relation to a directors’ meeting has the meaning given in article 8;
“partly paid” in relation to a share means that part of that share’s nominal value or any premium at which it was issued has not been paid to the company;
“proxy notice” has the meaning given in article 37;
“securities seal” has the meaning given in article 46;
“shares” means shares in the company;

(a) 1998 c.11.

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“special resolution” has the meaning given in section 283 of the Companies Act 2006;
“subsidiary” has the meaning given in section 1159 of the Companies Act 2006;
“transmittee” means a person entitled to a share by reason of the death or bankruptcy of the share’s holder or otherwise by operation of law;
“uncertificated” in relation to a share means that, by virtue of legislation (other than section 778 of the Companies Act 2006) permitting title to shares to be evidenced and transferred without a certificate, title to that share is evidenced and may be transferred without a certificate;
“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; and
“working day” has the meaning given in section 1173(1) of the Companies Act 2006.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

PART 2
DIRECTORS
DIRECTORS’ POWERS AND RESPONSIBILITIES

Directors’ general authority

2. Subject to the articles, the directors are responsible for the management of the company’s business, for which purpose they may exercise all the powers of the company.

Members’ reserve power

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

(2) No such special resolution invalidates anything which the directors have already done.

Directors may delegate

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

(a) to such persons;
(b) by such means (including by power of attorney);
(c) to such an extent;
(d) in relation to such matters or territories; and
(e) on such conditions or subject to such restrictions,
as they think fit.

(2) If the directors so specify, any such delegation may authorise further delegation of the directors’ powers by any person to whom they are delegated.

(3) The directors may revoke any delegation in whole or part, or alter its terms.
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Committees

5.—(1) Committees to which the directors delegate any of their powers must follow procedures which are based as closely as possible on those provisions of the articles which govern the taking of decisions by directors.

(2) The directors may make rules of procedure for committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

6. Subject to the articles, decisions of the directors must be taken—

(a) at a directors’ meeting, or

(b) in the form of a directors’ written resolution.

Calling a directors’ meeting

7.—(1) Any director may call a directors’ meeting.

(2) The company secretary must call a directors’ meeting if a director so requests.

(3) A director’s meeting is called by giving notice of the meeting to the directors.

(4) Notice of any directors’ meeting must indicate—

(a) its proposed date, time and subject matter;

(b) where it is to take place; and

(c) 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) Notice of a directors’ meeting—

(a) need not be given in writing, but

(b) must be communicated to each director.

(6) In fixing the date and time of any directors’ meeting, the person calling it must try to ensure, subject to the urgency of any matter to be decided by the directors, that as many directors as practicable are likely to be available to participate in it.

(7) Notice of a directors’ meeting need not be given to directors who waive their entitlement to notice, prospectively or retrospectively.

(8) Directors are to be treated as having waived their entitlement to notice of a meeting if they have not supplied the company with the information necessary to ensure that they receive the notice before the meeting takes place.

Participation in directors’ meetings

8.—(1) Subject to the articles, directors participate in a directors’ meeting, or part of a director’s meeting, when—

(a) the meeting has been called and takes place in accordance with the articles, and

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

(2) In determining whether directors are participating in a directors’ meeting, it is irrelevant where any director is or how they communicate with each other.

(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.
Quorum for directors’ meetings

9.—(1) At a directors’ meeting, unless a quorum is participating, no proposal shall be voted on, except a proposal to call another meeting.

(2) The quorum for directors’ meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

Meetings where total number of directors less than quorum

10.—(1) This article applies where the total number of directors for the time being is less than the quorum for directors’ meetings.

(2) If there is only one director, that director may appoint sufficient directors to make up a quorum or call a general meeting to do so.

(3) If there is more than one director—

(a) a directors’ meeting may take place, if it is called in accordance with the articles and at least two directors participate in it, with a view to appointing sufficient directors to make up a quorum or calling a general meeting to do so, and

(b) if a director’s meeting is called but only one director attends at the appointed date and time to participate in it, that director may appoint sufficient directors to make up a quorum or call a general meeting to do so.

Chairing of directors’ meetings

11.—(1) The directors may appoint a director to chair their meetings.

(2) The person so appointed for the time being is known as the chairman.

(3) The directors may appoint other directors as deputy or assistant chairmen to chair directors’ meetings in the chairman’s absence.

(4) The directors may terminate the chairman’s appointment at any time.

(5) If neither the chairman nor any director appointed generally to chair directors’ meetings in the chairman’s absence is participating in a meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

Voting at directors’ meetings: general rules

12.—(1) Subject to the articles, a decision is taken at a directors’ meeting when a majority of the participating directors vote in favour of a proposal.

(2) Subject to the articles, each director participating in such a decision has one vote.

(3) Subject to the articles, if a director has an interest in an actual or proposed transaction or arrangement with the company—

(a) that director and that director’s alternate may not vote on any proposal relating to it, but

(b) this does not preclude the alternate from voting in relation to that transaction or arrangement on behalf of another appointor who does not have such an interest.

Chairman’s casting vote at directors’ meetings

13. If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

Alternates voting at directors’ meetings

14. A director who is also an alternate director has an additional vote on behalf of each appointor who is—

(a) not participating in a directors’ meeting, and
(b) would have been entitled to vote if they were participating in it.

Conflicts of interest

15.—(1) If a directors’ meeting, or part of a directors’ meeting, 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 that meeting, or part of a meeting, for voting or quorum purposes.

(2) But if paragraph (3) below applies, a director who is interested in an actual or proposed transaction or arrangement with the company—

(a) is to be counted as participating in a decision at a directors’ meeting, or part of a directors’ meeting, relating to it, and

(b) is entitled to vote on a proposal relating to it.

(3) This paragraph applies when—

(a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in, or voting at, a directors’ meeting;

(b) the director’s interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or

(c) the director’s conflict of interest arises from a permitted cause.

(4) For the purposes of this article, the following are permitted causes—

(a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;

(b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and

(c) a contract about benefits for employees and directors or former employees and directors of the company or any of its subsidiaries which does not provide special benefits for directors or former directors.

(5) If a question arises at a meeting of directors or of a committee as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting whose ruling in relation to any director other than the chairman is to be final and conclusive.

Proposing directors’ written resolutions

16.—(1) Any director may propose a directors’ written resolution.

(2) The company secretary must propose a directors’ written resolution if a director so requests.

(3) A director’s written resolution is proposed by giving notice of the proposed resolution to the directors.

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

(a) the proposed resolution, and

(b) the time by which it is proposed that the directors should adopt it.

(5) Notice of a proposed directors’ written resolution must be given in writing and communicated to each director by a method which the person calling the meeting considers likely to ensure that that director will receive it before the time by which it is proposed that the directors should adopt it.

(6) In fixing the time by which it is proposed that the directors should adopt a proposed directors’ written resolution, the person giving notice of it must try to ensure, subject to the urgency of any matter to be decided by the directors, that as many directors as practicable are likely to be able to sign and return the notice before that time.
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(7) Notice of a proposed directors’ written resolution need not be given to directors—
(a) who waive their entitlement to notice, prospectively or retrospectively, or
(b) in respect of whom the person giving notice of the proposed resolution considers that they will not be able to receive it before the time by which it is proposed that the directors should adopt the proposed resolution.

(8) Directors are to be treated as having waived their entitlement to notice of a proposed written resolution if they have not supplied the company with the information necessary to ensure that they receive the notice before the time by which it is proposed that the resolution should be adopted.

(9) Any decision which a person giving notice of a proposed directors’ written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith.

Adoption of directors’ written resolutions

17.—(1) A proposed directors’ written resolution is adopted when all the directors who have received notice of it have—
(a) signed one or more copies of it, or
(b) otherwise indicated their agreement to it in writing.

(2) It is immaterial whether any director signs the resolution before or after the time by which the notice proposed that it should be adopted.

(3) A directors’ written resolution is not adopted if the number of directors who have signed it is less than the quorum for directors’ meetings.

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

(5) The company secretary must ensure that the company keeps a record, in writing, of all directors’ written resolutions for at least ten years from the date of their adoption.

Directors’ discretion to make further rules

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

APPOINTMENT OF DIRECTORS

Methods of appointing directors

19. Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—
(a) by ordinary resolution, or
(b) by a decision of the directors.

Retirement of directors by rotation

20.—(1) At the first annual general meeting all the directors must retire from office.
(2) At every subsequent annual general meeting any directors—
(a) who have been appointed by the directors since the last annual general meeting, or
(b) who were not appointed at one of the preceding two annual general meetings, must retire from office and may offer themselves for reappointment by the members.

Termination of director’s appointment

21. A person ceases to be a director as soon as—
(a) that person ceases to be or is prohibited from being a director by law;
(b) a bankruptcy order is made against that person;
(c) a composition is made with that person’s creditors generally in satisfaction of that person’s debts (whether by means of an individual voluntary arrangement or otherwise);
(d) 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;
(e) 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;
(f) a notification to the company that that person is resigning or retiring from office as director takes effect in accordance with its terms;
(g) that person receives notice signed by all the other directors stating that that person should cease to be a director.

Directors’ remuneration

22.—(1) Directors may undertake any services for the company that the directors decide.
(2) Directors are entitled to such remuneration as the directors determine—
   (a) for their services to the company as directors, and
   (b) for any other service which they undertake for the company.
(3) Subject to the articles, a director’s remuneration may—
   (a) take any form, and
   (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
(4) Unless the directors decide otherwise, directors’ remuneration accrues from day to day.
(5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors of the company’s subsidiaries.

Directors’ expenses

23. The company must pay any reasonable expenses which the directors properly incur in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

ALTERNATE DIRECTORS

Appointment and removal of alternates

24.—(1) An alternate director (or “alternate”) is a person appointed by a director (the alternate’s “appointor”) to—
   (a) exercise that director’s powers, and
   (b) carry out that director’s responsibilities,
in relation to the taking of decisions by the directors.
(2) Any director who wishes to appoint an alternate must give the company notice of the proposed appointment.
(3) The notice must—
   (a) identify the proposed alternate, and
   (b) contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.
(4) If the proposed alternate is not a director, the appointment only takes effect when the directors have decided to approve it.

Rights and responsibilities of alternate directors

25.—(1) Except as the articles specify otherwise, an alternate director has the same rights, in relation to any directors’ meeting or directors’ written resolution, as the alternate’s appointor.

(2) Alternate directors—
(a) are deemed for all purposes to be directors;
(b) are liable for their own acts and omissions;
(c) are subject to the same restrictions as their appointors; and
(d) are not deemed to be agents of or for their appointors.

(3) A person who is an alternate director but not a director must be counted as participating for the purposes of determining whether a quorum is participating, but only if that person’s appointor is not participating. No alternate may be counted as more than one director for such purposes.

(4) An alternate director is not entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate’s appointor’s remuneration as the appointor may direct by notice in writing made to the company.

Termination of alternate directorship

26. An alternate director’s appointment as an alternate terminates—
(a) when the alternate’s appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
(b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate’s appointor, would result in the termination of the appointor’s appointment as a director;
(c) on the death of the alternate’s appointor; or
(d) when the alternate’s appointor’s appointment as a director terminates, except that an alternate’s appointment as an alternate does not terminate when the appointor retires by rotation at a general meeting and is then re-appointed as a director at the same general meeting.

PART 3
DECISION-MAKING BY MEMBERS
ORGANISATION OF GENERAL MEETINGS

When members can call a general meeting

27. If—
(a) the company has fewer than two directors, and
(b) the director (if any) is unable or unwilling to call a general meeting to appoint further directors,
then two or more members may call a general meeting (or instruct the company secretary to do so).

Attendance and speaking at general meetings

28.—(1) 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.
(2) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

(3) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

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

(a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

(b) that person’s vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

(5) 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.

(6) In making such arrangements, directors shall have regard to the legitimate interests of the company, individual members and others attending the meeting in the efficient despatch of the business of the meeting.

Quorum for general meetings

29.—(1) No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

(2) The quorum for general meetings is as provided under the Companies Acts.

Chairing of general meetings

30.—(1) The chairman must chair general meetings at which he is present.

(2) If the chairman is not present within ten minutes of the time at which a meeting was due to start—

(a) the directors present, or

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

must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

(3) The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

Attendance and speaking by directors and non-members

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

(2) The chairman of the meeting may permit other persons who are not—

(a) members of the company, or

(b) otherwise entitled to exercise the rights of members in relation to general meetings,

to attend and speak at a general meeting.

Adjournment

32.—(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, the chairman of the meeting must adjourn it.

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

(a) the meeting consents to an adjournment, or
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(b) 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.

(3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

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

(a) 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

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

(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—

(a) to the same persons to whom notice of the company’s general meetings is required to be given, and

(b) containing the same information which such notice is required to contain.

(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.

VOTING AT GENERAL MEETINGS

Voting: general

33.—(1) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is taken on it in accordance with the articles.

(2) If equal numbers of votes are cast for and against a resolution, whether on a show of hands or on a poll, the chairman of the meeting has a casting vote in addition to any other votes he is otherwise entitled to cast on that resolution.

Errors and disputes

34.—(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.

(2) Any such objection must be referred to the chairman of the meeting whose decision is final and binding.

Demanding a poll

35.—(1) A poll on a resolution may be demanded—

(a) in advance of the general meeting where it is to be put to the vote, or

(b) 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.

(2) A poll may be demanded by—

(a) the chairman of the meeting;

(b) the directors;

(c) two or more persons having the right to vote on the resolution; or

(d) a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.

(3) A demand for a poll may be withdrawn if—

(a) the poll has not yet been taken, and

(b) the chairman of the meeting consents to the withdrawal.
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**Procedure on a poll**

36.—(1) Subject to the articles, polls at general meetings must be taken as and when the chairman of the meeting directs.

(2) The chairman of the meeting may appoint scrutineers (who need not be members) and decide how and when the result of the poll is to be declared.

(3) The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.

(4) A poll on—
   
   (a) the election of the chairman of the meeting, or
   
   (b) a question of adjournment,
must be taken immediately.

(5) Other polls must be taken within 30 days of their being demanded.

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

(7) No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded.

(8) In any other case, at least seven days’ notice must be given specifying the time and place at which the poll is to be taken.

**Content of proxy notices**

37.—(1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—

   (a) states the name and address of the member appointing the proxy;
   
   (b) identifies the person appointed to be that member’s proxy and the general meeting in relation to which that person is appointed;
   
   (c) is executed by or on behalf of the member appointing the proxy; and
   
   (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

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

(3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

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

   (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
   
   (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

**Delivery of proxy notices**

38.—(1) Any notice of a general meeting must specify the address or addresses (“proxy notification address”) at which the company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.

(2) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.

(3) If a proxy notice is given in relation to a general meeting or adjourned meeting, it must be delivered to a proxy notification address not less than 48 hours before the general meeting or adjourned meeting to which it relates.
(4) If a proxy notice is given in relation to a poll taken more than 48 hours after it was demanded, the notice must be delivered to a proxy notification address not less than 24 hours before the time appointed for the taking of the poll.

(5) If a proxy notice is given in relation to a poll taken not more than 48 hours after it was demanded, the notice must be delivered to a proxy notification address before the end of the meeting at which it was demanded.

(6) In calculating when a proxy notice is to be delivered, no account is to be taken of any part of a day that is not a working day.

(7) An appointment under a proxy notice may be revoked by delivering a notice given by or on behalf of the person by whom or on whose behalf the proxy notice was given to a proxy notification address.

(8) A notice revoking a proxy appointment only takes effect if it is delivered before—

(a) the start of the meeting or adjourned meeting to which it relates, or

(b) (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll to which it relates.

(9) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor’s behalf.

Amendments to resolutions

39.—(1) An ordinary resolution to be proposed at a general meeting may be amended if—

(a) notice of the proposed amendment is given to the company secretary in writing by a person entitled to vote at the general meeting at which it is to be proposed 48 hours before the meeting is to take place (or at such time as the chairman of the meeting may direct), and

(b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

(2) A special resolution may be amended by ordinary resolution, if—

(a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

(b) the amendment does not go beyond what is necessary to correct an obvious error in the resolution.

(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.

RESTRICTIONS ON MEMBERS’ RIGHTS

No voting of shares on which money owed to company

40. No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, unless all amounts payable to the company in respect of that share have been paid.

APPLICATION OF RULES TO CLASS MEETINGS

Class meetings

41. The provisions of the articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of shares.
PART 4
SHARES AND DISTRIBUTIONS
ISSUE OF SHARES

Powers to issue different classes of share

42.—(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.

(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.

Payment of commissions on subscription for shares

43.—(1) The company may pay any person a commission in consideration for that person—

(a) subscribing, or agreeing to subscribe, for shares, or
(b) procuring, or agreeing to procure, subscriptions for shares.

(2) Any such commission may be paid—

(a) in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other, and
(b) in respect of a conditional or an absolute subscription.

INTERESTS IN SHARES

Company not bound by less than absolute interests

44. Except as otherwise required by law or the articles, the company shall not in any way 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.

SHARE CERTIFICATES

Certificates to be issued except in certain cases

45.—(1) The company must issue each member with one or more certificates in respect of the shares which that member holds.

(2) This article does not apply to—

(a) uncertificated shares;
(b) shares in respect of which a share warrant has been issued; or
(c) shares in respect of which the Companies Acts permit the company not to issue a certificate.

(3) Except as otherwise specified in the articles, all certificates must be issued free of charge.

(4) No certificate may be issued in respect of shares of more than one class.

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

Contents and execution of share certificates

46.—(1) Every certificate must specify—

(a) in respect of how many shares, of what class, it is issued;
(b) the nominal value of those shares;
(c) the amount paid up on them; and
(2) Certificates must—
(a) have affixed to them the company’s common seal or an official seal which is a facsimile of the company’s common seal with the addition on its face of the word “Securities” (a “securities seal”), or
(b) be otherwise executed in accordance with the Companies Acts.

Consolidated share certificates

47.—(1) When a member’s holding of shares of a particular class increases, the company may issue that member with—
(a) a single, consolidated certificate in respect of all the shares of a particular class which that member holds, or
(b) a separate certificate in respect of only those shares by which that member’s holding has increased.

(2) When a member’s holding of shares of a particular class is reduced, the company must ensure that the member is issued with one or more certificates in respect of the number of shares held by the member after that reduction. But the company need not (in the absence of a request from the member) issue any new certificate if—
(a) all the shares which the member no longer holds as a result of the reduction, and
(b) none of the shares which the member retains following the reduction, were, immediately before the reduction, represented by the same certificate.

(3) A member may request the company, in writing, to replace—
(a) the member’s separate certificates with a consolidated certificate, or
(b) the member’s consolidated certificate with two or more separate certificates representing such proportion of the shares as he may specify.

(4) When the company complies with such a request it may charge such reasonable fee as the directors may decide for doing so.

(5) A consolidated certificate must not be issued unless any certificates which it is to replace have first been returned to the company for cancellation.

Replacement share certificates

48.—(1) If a certificate issued in respect of a member’s shares is—
(a) damaged or defaced, or
(b) said to be lost, stolen or destroyed,
that member is entitled to be issued with a replacement certificate in respect of the same shares.

(2) A member exercising the right to be issued with such a replacement certificate—
(a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
(b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
(c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

SHARES NOT HELD IN CERTIFICATED FORM

Uncertificated shares

49.—(1) In this article, “the relevant rules” means—
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(a) any applicable provision of the Companies Acts about the holding, evidencing of title to, or transfer of shares other than in certificated form, and
(b) any applicable legislation, rules or other arrangements made under or by virtue of such provision.

2. The provisions of this article have effect subject to the relevant rules.

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

4. Any share or class of shares of the company may be issued or held on such terms, or in a such a way, that—
   (a) title to it or them is not, or must not be, evidenced by a certificate, or
   (b) it or they may or must be transferred wholly or partly without a certificate.

5. The directors have power to take such steps as they think fit in relation to—
   (a) the evidencing of and transfer of title to uncertificated shares (including in connection with the issue of such shares);
   (b) any records relating to the holding of uncertificated shares;
   (c) the conversion of certificated shares into uncertificated shares; or
   (d) the conversion of uncertificated shares into certificated shares.

6. The company may by notice to the holder of a share require that share—
   (a) if it is uncertificated, to be converted into certificated form, and
   (b) if it is certificated, to be converted into uncertificated form,

to enable it to be dealt with in accordance with the articles.

7. If—
   (a) the articles give the directors power to take action, or require other persons to take action, in order to sell, transfer or otherwise dispose of shares, and
   (b) uncertificated shares are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument,

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

8. In particular, the directors may take such action as they consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it.

9. Unless the directors otherwise determine, shares which a member holds in uncertificated form must be treated as separate holdings from any shares which that member holds in certificated form.

10. A class of shares must not be treated as two classes simply because some shares of that class are held in certificated form and others are held in uncertificated form.

Share warrants

50.—(1) The directors may issue a share warrant in respect of any fully paid share.

(2) Share warrants must be—
   (a) issued in such form, and
   (b) executed in such manner,
as the directors decide.

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

(4) The directors may make provision for the payment of dividends in respect of any share represented by a share warrant.
(5) Subject to the articles, the directors may decide the conditions on which any share warrant is issued. In particular, they may—

(a) decide the conditions on which new warrants are to be issued in place of warrants which are damaged or defaced, or said to have been lost or destroyed;

(b) decide the conditions on which bearers of warrants are entitled to attend and vote at general meetings;

(c) decide the conditions subject to which bearers of warrants may surrender their warrant so as to hold their shares in certificated or uncertificated form instead; and

(d) vary the conditions of issue of any warrant from time to time,

and the bearer of a warrant is subject to the conditions and procedures in force in relation to it, whether or not they were decided or specified before the warrant was issued.

(6) Subject to the conditions on which the warrants are issued from time to time, bearers of share warrants have the same rights and privileges as they would if their names had been included in the register as holders of the shares represented by their warrants.

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

PARTLY PAID SHARES

Company’s lien over partly paid shares

51.—(1) The company has a lien (“the company’s lien”) over every share which is partly paid for any part of—

(a) that share’s nominal value, and

(b) any premium at which it was issued,

which has not been paid to the company, and which is payable (whether presently or not, at a fixed time or otherwise, and whether or not a call notice has been sent in respect of it).

(2) The company’s lien over a share—

(a) takes priority over any third party’s interest in that share, and

(b) extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.

(3) The directors may at any time decide that a share which is or would otherwise be subject to the company’s lien shall not be subject to it, either wholly or in part.

Enforcement of the company’s lien

52.—(1) Subject to the provisions of this article, if—

(a) a lien enforcement notice has been given in respect of a share, and

(b) the person to whom the notice was given has failed to comply with it,

the company may sell that share in such manner as the directors decide.

(2) A lien enforcement notice—

(a) may only be given in respect of a share which is subject to the company’s lien, in respect of which a sum is payable and the due date for payment of that sum has passed;

(b) must specify the share concerned;

(c) must require payment of the sum payable within fourteen days of the notice;

(d) must be addressed either to the holder of the share or to a person entitled to it by reason of the holder’s death or bankruptcy; and

(e) must state the company’s intention to sell the share if the notice is not complied with.
(3) Where shares are sold under this article—
   (a) the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and
   (b) the transferee is not bound to see to the application of the consideration, and the transferee’s title is not affected by any irregularity in or invalidity of the process leading to the sale.

(4) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied—
   (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice,
   (b) second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the company’s lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice.

(5) A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been sold to satisfy the company’s lien on a specified date—
   (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
   (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

Call notices

53.—(1) Subject to the articles and the terms on which shares are allotted, the directors may send a notice (a “call notice”) to a member requiring the member to pay the company a specified sum of money (a “call”) which is payable in respect of shares which that member holds at the date when the directors decide to send the call notice.

(2) A call notice—
   (a) may not require a member to pay a call which exceeds the total sum unpaid on that member’s shares (whether as to the share’s nominal value or any amount payable to the company by way of premium);
   (b) must state when and how any call to which it relates it is to be paid; and
   (c) may permit or require the call to be paid by instalments.

(3) A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 14 days have passed since the notice was sent.

(4) Before the company has received any call due under a call notice the directors may—
   (a) revoke it wholly or in part, or
   (b) specify a later time for payment than is specified in the notice, by a further notice in writing to the member in respect of whose shares the call is made.

Liability to pay calls

54.—(1) Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.

(2) Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.

(3) Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them—
   (a) to pay calls which are not the same, or
(b) to pay calls at different times.

When call notice need not be issued

55.—(1) A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the company in respect of that share (whether in respect of nominal value or premium)—

(a) on allotment;
(b) on the occurrence of a particular event; or
(c) on a date fixed by or in accordance with the terms of issue.

(2) But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

Failure to comply with call notice: automatic consequences

56.—(1) If a person is liable to pay a call and fails to do so by the call payment date—

(a) the directors may issue a notice of intended forfeiture to that person, and
(b) until the call is paid, that person must pay the company interest on the call from the call payment date at the relevant rate.

(2) For the purposes of this article—

(a) the “call payment date” is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the “call payment date” is that later date;
(b) the “relevant rate” is—

(i) the rate fixed by the terms on which the share in respect of which the call is due was allotted;
(ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
(iii) if no rate is fixed in either of these ways, 5 per cent per annum.

(3) The relevant rate must not exceed Bank of England base rate by more than five percentage points.
(4) The directors may waive any obligation to pay interest on a call wholly or in part.

Notice of intended forfeiture

57. A notice of intended forfeiture—

(a) may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;
(b) must be sent to the holder of that share;
(c) must require payment of the call and any accrued interest by a date which is not less than fourteen days after the date of the notice;
(d) must state how the payment is to be made; and
(e) must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

Directors’ power to forfeit shares

58. If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in
respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

**Effect of forfeiture**

59.—(1) Subject to the articles, the forfeiture of a share extinguishes—

(a) all interests in that share, and all claims and demands against the company in respect of it, and

(b) all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company.

(2) Any share which is forfeited in accordance with the articles—

(a) is deemed to have been forfeited when the directors decide that it is forfeited;

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

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

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

(a) the company must send that person notice that forfeiture has occurred and record it in the register of members;

(b) that person ceases to be a member in respect of those shares;

(c) that person must surrender the certificate for the shares forfeited to the company for cancellation;

(d) that person remains liable to the company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and

(e) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

(4) At any time before the company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.

**Procedure following forfeiture**

60.—(1) If a forfeited share is to be disposed of by being transferred, the company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.

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

(a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and

(b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

(3) A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person’s title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.

(4) If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the company the proceeds of such sale, net of any commission, and excluding any amount which—

(a) was, or would have become, payable, and

(b) had not, when that share was forfeited, been paid by that person in respect of that share,
but no interest is payable to such a person in respect of such proceeds and the company is not required to account for any money earned on them.

Surrender of shares

61. — (1) A member may surrender any share—
(a) in respect of which the directors may issue a notice of intended forfeiture;
(b) which the directors may forfeit; or
(c) which has been forfeited.
(2) The directors may accept the surrender of any such share.
(3) The effect of surrender on a share is the same as the effect of forfeiture on that share.
(4) A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

Advance payment of sums unpaid in respect of shares

62. — (1) A member may pay the company all or part of any sum which is unpaid in respect of that member’s shares before it becomes payable.
(2) Such a payment extinguishes the member’s liability on the share in respect of which it is made to the extent of the payment.
(3) The company may pay interest on the amount of any such payment, but it may not pay any interest in respect of any such amount—
(a) in respect of any period after the date on which it would have become payable if it had not already been paid, or
(b) at a rate which is more than 5 percentage points higher than Bank of England base rate.

TRANSFER AND TRANSMISSION OF SHARES

Transfers of certificated shares

63. — (1) Certificated 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—
(a) the transferor, and
(b) (if any of the shares is partly paid) the transferee.
(2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
(3) The company may retain any instrument of transfer which is registered.
(4) The transferor remains the holder of a certificated share until the transferee’s name is entered in the register as holder of it.
(5) The directors may refuse to register the transfer of a certificated share if—
(a) the share is not fully paid;
(b) the transfer is not lodged at the company’s registered office or such other place as the directors have appointed;
(c) the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor’s right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor’s behalf; or
(d) the transfer is in respect of more than one class of share or in favour of more than four transferees.
(6) If the directors refuse to register the transfer of a share, the instrument of transfer must be
returned to the transferee with the notice of refusal unless they suspect that the proposed transfer
may be fraudulent.

Transfer of uncertificated shares

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

Transmission of shares

65.—(1) If title to a share passes to a transmittee, the company may only recognise the
transmittee as having any title to that share.

(2) Nothing in these articles releases the estate of a deceased member from any liability in
respect of a share solely or jointly held by that member.

Transmittees’ rights

66.—(1) A transmittee who produces such evidence of entitlement to shares as the directors may
properly require—

(a) may, subject to the articles, choose either to become the holder of those shares or to have
them transferred to another person, and

(b) subject to the articles, and pending any transfer of the shares to another person, has the
same rights as the holder had.

(2) But transmittees do not have the right to attend or vote at a general meeting in respect of
shares to which they are entitled by reason of the holder’s death or bankruptcy unless the shares
are transferred to them.

Exercise of transmittees’ rights

67.—(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.

(2) If the share is a certificated share and a transmittee wishes to have it transferred to another
person, the transmittee must execute an instrument of transfer in respect of it.

(3) If the share is an uncertificated share and the transmittee wishes to have it transferred to
another person, the transmittee must—

(a) procure that all appropriate instructions are given to effect the transfer, or

(b) procure that the uncertificated share is changed into certificated form and then execute an
instrument of transfer in respect of it.

(4) 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 transferee has derived rights in respect of the share, and as
if the event which gave rise to the transmission had not occurred.

Transmittees bound by prior notices

68. If a notice is given to a member 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 member before the
transmittee’s name has been entered in the register of members.

CONSOLIDATION OF SHARES

Procedure for disposing of fractions of shares

69.—(1) This article applies where—

(a) there has been a consolidation or division of shares, and
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(b) as a result, members are entitled to fractions of shares.

(2) The directors may—
(a) sell the shares representing the fractions to any person including the company for the best price reasonably obtainable;
(b) in the case of a certificated share, authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
(c) distribute the net proceeds of sale in due proportion among the holders of the shares.

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

(4) The person to whom the shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.

(5) The transferee’s title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale.

DISTRIBUTIONS

Procedure for declaring dividends

70.—(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

(2) A dividend must not be declared by ordinary resolution unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

(3) No dividend may be declared or paid unless—
(a) it appears to the directors that the profits available for distribution justify the payment, and
(b) it is in accordance with members’ respective rights.

(4) Unless the members’ resolution or directors’ decision to declare or pay a dividend, or the terms on which shares are issued specify otherwise, it must be paid by reference to each member’s holding of shares on the date of the resolution or decision to declare or pay it.

(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.

(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.

(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.

Calculation of dividends

71.—(1) Except as otherwise provided by the articles or the rights attached to shares, all dividends must be—
(a) declared and paid according to the amounts paid up on the shares on which the dividend is paid, and
(b) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

(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.
(3) For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

**Payment of dividends and other distributions**

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

(a) transfer to a bank account specified by the distribution recipient in writing or by such other means as the directors decide;

(b) 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 or by such other means as the directors decide;

(c) 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 by such other means as the directors decide; or

(d) any other means of payment (including by the allotment or transfer of further shares in accordance with the articles) as the directors agree with the distribution recipient in writing or by such other means as the directors decide.

(2) In the articles, “the distribution recipient” means, in respect of a share in respect of which a dividend or other sum is payable—

(a) the holder of the share; or

(b) if the share has two or more joint holders, whichever of them is named first in the register of members (the “senior holder”); or

(c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

**Deductions from distributions in respect of sums owed to the company**

73.—(1) If—

(a) a share is subject to the company’s lien, and

(b) the directors are entitled to issue a lien enforcement notice in respect of it,

they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the company in respect of that share to the extent that they are entitled to require payment under a lien enforcement notice.

(2) Money so deducted must be used to pay any of the sums payable in respect of that share.

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

(a) the fact and amount of any such deduction;

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

(c) how the money deducted has been applied.

**No interest on distributions**

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

(a) the terms on which the share was issued, or

(b) the provisions of another agreement between the holder of that share and the company.
Unclaimed distributions

75.—(1) All dividends or other sums which are—
(a) payable in respect of shares, and
(b) 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.

(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.

(3) If—
(a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
(b) the distribution recipient has not claimed it,
the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

Non-cash distributions

76.—(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 sum payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

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

(3) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including—
(a) fixing the value of any assets;
(b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
(c) vesting any assets in trustees.

Waiver of distributions

77. Distribution recipients may waive their entitlement to a dividend or other sum payable in respect of a share by giving the company notice in writing to that effect, but if—
(a) the share has more than one holder, or
(b) 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

Authority to capitalise and appropriation of capitalised sums

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

(2) Capitalised sums must be applied—
   (a) on behalf of the persons entitled, and
   (b) in the same proportions as a dividend would have been distributed to them.

(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.

(4) A capitalised sum which was appropriated from profits available for distribution may be applied—
   (a) in or towards paying up any amounts unpaid on existing shares held by the persons entitled, or
   (b) 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.

(5) Subject to the articles the directors may—
   (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;
   (b) 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
   (c) 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.

PART 5
MISCELLANEOUS PROVISIONS
EXERCISE OF MEMBERS’ RIGHTS

Nomination notices

79.—(1) A member may send the company notice in writing that another person is entitled to enjoy or exercise all or any specified rights of that member in relation to the company (a “nomination notice”).

(2) The company may prescribe the form and content of nomination notices. Unless the company prescribes otherwise, a nomination notice must—
   (a) state whether it relates to all the shares which the member concerned holds, or only some of them (and, if so, to which shares it relates);
   (b) state the name and address of the person nominated;
   (c) specify how the company is to communicate with the person nominated and include any further information which the company will need in order to use the means of communication specified;
   (d) specify whether the person nominated is entitled to enjoy or exercise all the member’s rights in relation to the company, and, if not, which rights the person nominated is to be entitled to enjoy or exercise;
   (e) indicate whether the specified rights are to be exercised or enjoyed only by the person nominated, or whether the member giving the notice may also continue to exercise or enjoy them;
   (f) specify the date from which it is to take effect;
(g) specify when it is to cease to have effect, or that it is to have effect until further notice or until the member concerned ceases to hold the shares to which it relates; and
(h) be executed by or on behalf of the member and the person nominated.

Effect of nomination notices

80.—(1) Subject to the articles, if the company receives a nomination notice, the company must give effect to that notice in accordance with its terms.
(2) A nomination notice ceases to have effect—
(a) in accordance with its terms, or
(b) when the member concerned, or the person nominated, dies or ceases to exist.
(3) The company must not give effect to a nomination notice to the extent that it is expressed to take effect before the date on which it is received by the company.
(4) If the company receives a document which purports to be a nomination notice but which does not contain the required information or which is not given in the form prescribed by the company, the company—
(a) must not give effect to it, and
(b) must notify the person that it is defective (and in what respect it is defective), and that the company cannot give effect to it in its present form.
(5) If—
(a) a nomination notice states that the member in relation to whom it is given may continue to exercise or enjoy the rights specified in it, and
(b) that member and the person nominated in the notice both seek to exercise such a right in relation to a particular matter,
then, unless the effect of what each of them does in relation to that right would be the same, it is to be treated as not having been exercised by either of them.

Company to keep records of nominations

81.—(1) The company must keep a record of all nomination notices which are in force or have been in force within the preceding 12 months.
(2) The company must provide any member, on request, with a copy of its records of nomination notices given in relation to that member.
(3) The company must provide any person nominated in a nomination notice with a copy of its records of nomination notices in which that person is nominated.

Means of communication to be used

82.—(1) Subject to the articles—
(a) anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information to be sent or supplied by or to the company for the purposes of the Companies Acts, and
(b) 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.
(2) 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.
Addresses and other contact details

83.—(1) Anything sent to a member under the articles may be sent to that member’s address as registered in the register of members, unless—

(a) the member and the company have agreed that another means of communication is to be used, and

(b) the member has supplied the company with the information it needs in order to be able to use that other means of communication.

(2) Any notice or document sent to a director may be sent to that director’s address as registered in the register of directors, unless—

(a) the director and the company have agreed that another means of communication is to be used, and

(b) the director has supplied the company with the information it needs in order to be able to use that other means of communication.

Failure to notify contact details

84.—(1) If—

(a) the company sends two consecutive documents to a member over a period of at least 12 months, and

(b) each of those documents is returned undelivered, or the company receives notification that it has not been delivered,

that member ceases to be entitled to receive notices from the company.

(2) A member who has ceased to be entitled to receive notices from the company shall become entitled to receive such notices again by sending the company—

(a) a new address to be recorded in the register of members, or

(b) if the member has agreed that the company should use a means of communication other than sending things to such an address, the information that the company needs to use that means of communication effectively.

ADMINISTRATIVE ARRANGEMENTS

Company seals

85.—(1) The directors may determine by what means and in what form any common seal or securities seal is to be used.

(2) If the company has a common seal and it is affixed to a document, the document must also be signed by one authorised person in the presence of a witness who attests the signature.

(3) For the purposes of this article, an authorised person is—

(a) any director of the company;

(b) the company secretary; or

(c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

(4) If the company has an official seal for use abroad, it may only be affixed to a document if its use on that document, or documents of a class to which it belongs, has been authorised by a decision of the directors.

(5) If the company has a securities seal, it may only be affixed to securities by the company secretary or a person authorised to apply it to securities by the company secretary.

(6) For the purposes of the articles, references to the securities seal being affixed to any document include the reproduction of the image of that seal on or in a document by any mechanical or electronic means which has been approved by the directors in relation to that document or documents of a class to which it belongs.
Destruction of documents

86.—(1) The company is entitled to destroy—

(a) all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entries are made in the register of members, from six or more years after the date of registration;
(b) all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address, from two years after they have been recorded;
(c) all share certificates which have been cancelled from one year after the date of the cancellation;
(d) all paid dividend warrants and cheques from one year after the date of actual payment; and
(e) all proxy appointments from one year after the end of the meeting to which the proxy appointment relates.

(2) If the company destroys a document in good faith, in accordance with the articles, and without notice of any claim to which that document may be relevant, it is conclusively presumed in favour of the company that—

(a) entries in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed were duly and properly made;
(b) any instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
(c) any share certificate so destroyed was a valid and effective certificate duly and properly cancelled; and
(d) any other document so destroyed was a valid and effective document in accordance with its recorded particulars in the books or records of the company.

(3) This article does not impose on the company any liability which it would not otherwise have if it destroys any document before the time at which this article permits it to do so.

(4) In this article, references to the destruction of any document include a reference to its being disposed of in any manner.

No right to inspect accounts and other records

87. 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 member.

Provision for employees on cessation of business

88. 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.
EXPLANATORY NOTE
(This note is not part of the Regulations)

Text
### COMPARISON OF 1985 (1986 IN NORTHERN IRELAND) TABLE A WITH THE DRAFT MODEL ARTICLES

[Note: this table indicates which provisions of each set of model articles correspond to each regulation of the 1985 (1986 in Northern Ireland) Table A. In some cases, the draft model articles provisions are not identical in substance with the Table A provisions to which they correspond.]

<table>
<thead>
<tr>
<th>TABLE A REG.</th>
<th>SUBJECT MATTER</th>
<th>PCLS MODEL ARTICLE</th>
<th>PLC MODEL ARTICLE</th>
<th>CLG MODEL ARTICLE</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Definitions</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>SHARE CAPITAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Company may determine rights of shares</td>
<td>21(1)</td>
<td>42(1)</td>
<td>N/a</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Power to issue redeemable shares</td>
<td>21(2)</td>
<td>42(2)</td>
<td>N/a</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Power to pay commissions</td>
<td>Omitted</td>
<td>43</td>
<td>N/a</td>
<td>Unlikely to be relevant to most small private companies</td>
</tr>
<tr>
<td>5</td>
<td>Company not to recognise holding of shares on trust etc</td>
<td>22</td>
<td>44</td>
<td>N/a</td>
<td>See also Companies Act 2006, s.126 and consdoc para 123.</td>
</tr>
<tr>
<td></td>
<td><strong>SHARE CERTIFICATES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Issue of share certificates</td>
<td>23</td>
<td>45-47</td>
<td>N/a</td>
<td>Pcls provisions simplified. See also consdoc paras 124-126.</td>
</tr>
<tr>
<td>7</td>
<td>Replacement of share certificates</td>
<td>Omitted</td>
<td>48</td>
<td>N/a</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>LIEN</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Company's lien on partly paid shares</td>
<td>Omitted</td>
<td>51</td>
<td>N/a</td>
<td>Pcls model articles have been drafted on the assumption that most small private companies will not issue partly paid shares and will therefore not need to make provision for the company to have a lien on such shares.</td>
</tr>
<tr>
<td>9</td>
<td>Power to sell shares subject to lien</td>
<td>Omitted</td>
<td>52(1), (2)</td>
<td>N/a</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Arrangements for sale of shares subject to lien</td>
<td>Omitted</td>
<td>52(3)</td>
<td>N/a</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Proceeds of sale of shares subject to lien</td>
<td>Omitted</td>
<td>52(4)</td>
<td>N/a</td>
<td></td>
</tr>
</tbody>
</table>
### Calls on Shares and Forfeiture

<table>
<thead>
<tr>
<th>Table A Reg.</th>
<th>Subject Matter</th>
<th>PCLS Model Article</th>
<th>PLC Model Article</th>
<th>CLG Model Article</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Power to make calls on partly paid shares</td>
<td>Omitted</td>
<td>53, 54(1)</td>
<td>N/a</td>
<td>Pcls model articles have been drafted on the assumption that most small private companies will not issue partly paid shares and will therefore not need to make provision for the company to make calls on and forfeit such shares.</td>
</tr>
<tr>
<td>13</td>
<td>When call deemed to be made</td>
<td>Omitted</td>
<td>Omitted</td>
<td>N/a</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Joint holders’ liability to pay calls</td>
<td>Omitted</td>
<td>54(2)</td>
<td>N/a</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Interest on unpaid calls</td>
<td>Omitted</td>
<td>56</td>
<td>N/a</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Deemed calls</td>
<td>Omitted</td>
<td>55</td>
<td>N/a</td>
<td>Table A reg. 13 omitted from plc model articles as unnecessary.</td>
</tr>
<tr>
<td>17</td>
<td>Differentiation of shares as regards calls</td>
<td>Omitted</td>
<td>54(3)</td>
<td>N/a</td>
<td>Some related provisions not in Table A but frequently found in public companies’ articles (e.g. plc model articles 61 and 62) included.</td>
</tr>
<tr>
<td>18</td>
<td>Notice requiring payment of unpaid call</td>
<td>Omitted</td>
<td>57</td>
<td>N/a</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Power to forfeit shares where calls remain unpaid</td>
<td>Omitted</td>
<td>58, 59(1)</td>
<td>N/a</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Dealing with forfeited shares</td>
<td>Omitted</td>
<td>59(1), (4), 60(1)</td>
<td>N/a</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Effect of forfeiture</td>
<td>Omitted</td>
<td>59(3)</td>
<td>N/a</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Title to forfeited shares</td>
<td>Omitted</td>
<td>60(2), (3)</td>
<td>N/a</td>
<td></td>
</tr>
</tbody>
</table>

### Transfer of Shares

<table>
<thead>
<tr>
<th>Table A Reg.</th>
<th>Subject Matter</th>
<th>PCLS Model Article</th>
<th>PLC Model Article</th>
<th>CLG Model Article</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>Form of instrument of transfer of shares</td>
<td>24(1)</td>
<td>63(1)</td>
<td>N/a</td>
<td>Pcls model articles do not specify grounds for directors to refuse to register transfers: more discretionary approach is in keeping with small company practice</td>
</tr>
<tr>
<td>24</td>
<td>Power of directors to refuse to register transfer of shares</td>
<td>24(5)</td>
<td>63(5)</td>
<td>N/a</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Refusal to register transfer to be notified within two months</td>
<td>Omitted</td>
<td>Omitted</td>
<td>N/a</td>
<td>See Companies Act 2006, s.771</td>
</tr>
<tr>
<td>26</td>
<td>Power to suspend registrations of transfers</td>
<td>N/a</td>
<td>N/a</td>
<td>N/a</td>
<td>Companies Act 2006 does not provide for closure of register of members</td>
</tr>
</tbody>
</table>

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66
<table>
<thead>
<tr>
<th>TABLE A REG.</th>
<th>SUBJECT MATTER</th>
<th>PCLS MODEL ARTICLE</th>
<th>PLC MODEL ARTICLE</th>
<th>CLG MODEL ARTICLE</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>No fee to be charged for registering transfer</td>
<td>24(2)</td>
<td>63(2)</td>
<td>N/a</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Dealing with instrument of transfer after (non)-registration</td>
<td>24(5)</td>
<td>63(6)</td>
<td>N/a</td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Transmission of shares of deceased member</td>
<td>25(1)</td>
<td>65(1), (2)</td>
<td>N/a</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Registration of person entitled by death or bankruptcy as member</td>
<td>25(2)(a), 26</td>
<td>66(1)(a), 67(1), (2), (4)</td>
<td>N/a</td>
<td>Model articles omit statements of general (non-company) law: see consdoc paras 128-131. Pcls model articles omit statement on liabilities which is only relevant if shares partly paid.</td>
</tr>
<tr>
<td>31</td>
<td>Rights of person entitled by death or bankruptcy</td>
<td>25(2)(b), (3)</td>
<td>67(1)(b), (2)</td>
<td>N/a</td>
<td></td>
</tr>
</tbody>
</table>

**TRANSMISSION OF SHARES**

| 32          | Power to increase, consolidate etc share capital | Omitted           | Omitted           | N/a               |          |
| 33          | Procedures relating to consolidation | Omitted           | 69                | N/a               |          |
| 34          | Power to reduce share capital etc | Omitted           | Omitted           | N/a               |          |

**ALTERATION OF SHARE CAPITAL**

| 35          | Power to purchase own shares | Omitted           | Omitted           | N/a               |          |

**PURCHASE OF OWN SHARES**

| 36          | Extraordinary general meetings defined | N/a              | N/a               | N/a               |          |
| 37          | Directors’ power / duty to call general meetings | Omitted           | Omitted           | Omitted           |          |

**GENERAL MEETINGS**

| 36          | Extraordinary general meetings defined | N/a              | N/a               | N/a               |          |

See Companies Act 2006, Part 18, Chapter 4.

Companies Act 2006 does not use the term “extraordinary general meeting”.

<table>
<thead>
<tr>
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<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>39</td>
<td>Accidental failure to give notice does not invalidate meeting</td>
<td>Omitted</td>
<td>Omitted</td>
<td>Omitted</td>
<td>See Companies Act 2006, section 313.</td>
</tr>
<tr>
<td>40</td>
<td>Quorum must be present</td>
<td>36(1)</td>
<td>29(1)</td>
<td>23(1)</td>
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<td>41</td>
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<td>39(1), (4)</td>
<td>32(1), (4)</td>
<td>26(1), (4)</td>
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<tr>
<td>42</td>
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<td>43</td>
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<td>44</td>
<td>Non-member directors may attend and speak</td>
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<td>See consdoc para 114.</td>
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<td>27(1), 29(2)</td>
<td>See consdoc paras 116.</td>
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<td>47</td>
<td>Chairman’s declaration of vote result</td>
<td>Omitted</td>
<td>Omitted</td>
<td>Omitted</td>
<td>See Companies Act 2006, section 320.</td>
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<td>Withdrawing demand for poll</td>
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<td>49</td>
<td>Procedure for taking poll</td>
<td>42(4)</td>
<td>36(1)</td>
<td>29(4)</td>
<td>Pcls and clg poll provisions simplified because in a small company it should always be possible to take polls immediately.</td>
</tr>
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<td>Chairman’s casting vote</td>
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<td>36(2)-(6)</td>
<td>29(4)</td>
<td>See comment on regulation 49; see also Chapter 5 of part 13 of the Companies Act 2006.</td>
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<td>36(7), (8)</td>
<td>Omitted</td>
<td>See comment on regulation 49.</td>
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</table>

### NUMBER OF DIRECTORS

| Minimum number of directors | Omitted | Omitted | Omitted | Model articles do not provide for minimum number of directors. See consdoc paras 85-88. |

### ALTERNATE DIRECTORS

<p>| Directors may appoint alternates | Omitted | 24(1), (4) | Omitted | Pcls and clg model articles assume that most small |</p>
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<td>Alternates’ right to receive notice of meetings etc</td>
<td>Omitted</td>
<td>25(1), (3)</td>
<td>Omitted</td>
<td>private companies will not want to give directors power to appoint alternates. See consdoc paras 105-107.</td>
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<td>67</td>
<td>Termination of alternate’s appointment</td>
<td>Omitted</td>
<td>26</td>
<td>Omitted</td>
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<tr>
<td>68</td>
<td>Notifying company of alternate’s appointment or removal of alternates</td>
<td>Omitted</td>
<td>24(2), (3), 26(a)</td>
<td>Omitted</td>
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<td>69</td>
<td>Legal status of alternates</td>
<td>Omitted</td>
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<td>Omitted</td>
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<td>See consdoc paras 50-54.</td>
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<tr>
<td>73</td>
<td>Directors’ retirement by rotation</td>
<td>Omitted</td>
<td>20</td>
<td>Omitted</td>
<td>Pcls and clg model articles do not provide for retirement by rotation, as this is assumed not to be required in most small private companies.</td>
</tr>
<tr>
<td>74</td>
<td>Which directors retire by rotation at each AGM</td>
<td>Omitted</td>
<td>20</td>
<td>Omitted</td>
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<tr>
<td>75</td>
<td>Automatic re-appointment if vacancy not filled</td>
<td>Omitted</td>
<td>Omitted</td>
<td>Omitted</td>
<td>Plc model articles omit the more complex procedural aspects of Table A provision on appointment of directors at general meetings as unnecessary given the framework in Part 13 of the Companies Act 2006. See consdoc paras 89-94.</td>
</tr>
<tr>
<td>76</td>
<td>New appointments at AGM</td>
<td>Omitted</td>
<td>Omitted</td>
<td>Omitted</td>
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<tr>
<td>77</td>
<td>Notification of candidates for appointment / re-appointment at AGM</td>
<td>Omitted</td>
<td>Omitted</td>
<td>Omitted</td>
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<tr>
<td>78</td>
<td>Members’ right to appoint directors</td>
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<td>19</td>
<td>16</td>
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<td>79</td>
<td>Directors’ power to appoint directors</td>
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<td>19</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>80</td>
<td>Re-appointment of retiring directors</td>
<td>Omitted</td>
<td>Omitted</td>
<td>Omitted</td>
<td>See comments on regulations 73-77 of Table A.</td>
</tr>
<tr>
<td></td>
<td><strong>DISQUALIFICATION AND REMOVAL OF DIRECTORS</strong></td>
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<tr>
<td>81</td>
<td>When directors’ appointment terminates automatically</td>
<td>17</td>
<td>21</td>
<td>17</td>
<td>See consdoc paras 95-99.</td>
</tr>
<tr>
<td>TABLE A REG.</td>
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<tr>
<td></td>
<td>REMUNERATION OF DIRECTORS</td>
<td></td>
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<td>See consdoc paras 100-103.</td>
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<td>DIRECTORS’ EXPENSES</td>
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<td>83</td>
<td>Company may pay directors’ expenses</td>
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<td>19</td>
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<tr>
<td>85</td>
<td>Conflict of interests: exceptions</td>
<td>Omitted</td>
<td>Omitted</td>
<td>Omitted</td>
<td>See consdoc paras 73 and 74 and Chapter 3 of Part 10 of the Companies Act 2006.</td>
</tr>
<tr>
<td>86</td>
<td>Notification of interests and interests to be disregarded</td>
<td>Omitted</td>
<td>Omitted</td>
<td>Omitted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DIRECTORS’ GRATUITIES AND PENSIONS</td>
<td></td>
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<tr>
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<td>Directors’ pensions etc</td>
<td>18(3)</td>
<td>22(3)</td>
<td>18(3)</td>
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<td>PROCEEDINGS OF DIRECTORS</td>
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<td>6-9, 12, 15</td>
<td>6-8, 13, 14, 18</td>
<td>6-9, 12, 15</td>
<td>See consdoc paras 57-64.</td>
</tr>
<tr>
<td>89</td>
<td>Quorum at directors’ meetings</td>
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<td>9</td>
<td>10(1), (2)</td>
<td>See consdoc paras 65-67.</td>
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<tr>
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<td>Where number of directors less than quorum</td>
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<td>10</td>
<td>10(3)</td>
<td>See consdoc paras 68-70.</td>
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<tr>
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<td>Chairman of board</td>
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<td>11</td>
<td>11</td>
<td>See consdoc paras 71-72.</td>
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<tr>
<td>92</td>
<td>Acts of persons not properly appointed as directors</td>
<td>Omitted</td>
<td>Omitted</td>
<td>Omitted</td>
<td>See now Companies Act 2006, s. 161.</td>
</tr>
<tr>
<td>TABLE A REG.</td>
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</tr>
<tr>
<td>93</td>
<td>Written resolutions of directors</td>
<td>Omitted</td>
<td>16, 17</td>
<td>Omitted</td>
<td>Pcls and clg model articles contain no specific provision on written resolutions, but do permit directors to take decisions in this way: see consdoc paras 75-80.</td>
</tr>
<tr>
<td>94</td>
<td>Conflicted directors may not vote except in certain cases</td>
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<td>15</td>
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<td>See consdoc paras 73-74.</td>
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<td>96</td>
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<td></td>
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<tr>
<td>97</td>
<td>Composite resolutions</td>
<td>Omitted</td>
<td>Omitted</td>
<td>Omitted</td>
<td>Unnecessary.</td>
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<td>99</td>
<td>Appointment of secretary</td>
<td>Omitted</td>
<td>Omitted</td>
<td>Omitted</td>
<td>Unnecessary for any company (whether or not it chooses to appoint a company secretary, or is obliged to do so under the Companies Act 2006).</td>
</tr>
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<td>100</td>
<td>Keeping of minutes of directors’ / general meetings</td>
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<td>17(5)</td>
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<td>See consdoc para 81.</td>
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<td>102</td>
<td>Dividends: general</td>
<td>28</td>
<td>70(1)-(3)</td>
<td>N/a</td>
<td>See consdoc paras 120 - 122 and 133.</td>
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<tr>
<td>104</td>
<td>Calculation of dividends</td>
<td>Omitted</td>
<td>71</td>
<td>N/a</td>
<td>Pcls model articles enable directors to decide final as well as interim dividends and generally make simpler</td>
</tr>
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<td>TABLE A REG.</td>
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<td>provision on dividends.</td>
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<td>107</td>
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<td>74</td>
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<td>Liquidator may divide assets among members in specie</td>
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<td>Omitted</td>
<td>Omitted</td>
<td>Unnecessary.</td>
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<tr>
<td>118</td>
<td>Indemnity for directors in certain cases</td>
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<td>Omitted</td>
<td>Omitted</td>
<td>See consdoc paras 139 and 140.</td>
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