

Company number 05844684

The Companies Act 2006

Private Company Limited by Shares

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**Articles of Association**

**of**

**TOTALLY LOCAL COMPANY LIMITED**

**(Adopted by special resolution passed on 2023)**

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**The Companies Act 2006  
Private Company Limited by Shares**

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**TOTAL LOCAL COMPANY LIMITED**

**(Adopted by special resolution passed on 2023)**

**INTERPRETATION**

**1. Defined Terms**

1.1 In these Articles, unless the context requires otherwise, the following terms shall have the following meanings:

<b>Term</b>	<b>Meaning</b>
<b>“Address”</b>	includes a number or address used for the purposes of sending or receiving Documents by Electronic Means;
<b>“Appointor”</b>	has the meaning given in Article 24.1;
<b>“Articles”</b>	the Company’s articles of association;
<b>“bankruptcy”</b>	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
<b>“Business Day”</b>	means a day other than a Saturday, Sunday or a bank holiday in England;
<b>“Chair”</b>	has the meaning given in Article 6;
<b>“Circulation Date”</b>	in relation to a written resolution, has the meaning given to it in the Companies Acts;
<b>“Companies Acts”</b>	means the Companies Acts (as defined in Section 2 of the Companies Act 2006), in so far as they apply to the Company;
<b>“Company”</b>	Totally Local Company Limited, company registration number 05844684;
<b>“Conflict of Interest”</b>	any direct or indirect interest of a Director (whether personal, by virtue of a duty of loyalty to another organisation or otherwise) that conflicts, or might conflict with the interests of the Company;

<b>“Director”</b>	a director of the Company, and includes any person occupying the position of director, by whatever name called, and including both Executive and Non-Executive Directors;
<b>“Distribution Recipient”</b>	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; 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 Transmittree;
<b>“Document”</b>	includes, unless otherwise indicated, any document sent or supplied in Electronic Form;
<b>“Electronic Form” and “Electronic Means”</b>	have the meanings respectively given to them in Section 1168 of the Companies Act 2006;
<b>“Executive Director”</b>	means a Director who is engaged full time in the day to day running and administration of the trading business carried out or to be carried out by the Company and shall for the avoidance of doubt include the managing director and the financial director of the Company from time to time;
<b>“Group Conflict Authorisation”</b>	has the meaning given to it in Article 18.4;
<b>“Group Conflict Authorisation Terms”</b>	has the meaning given to it in Article 18.4;
<b>“Hard Copy Form”</b>	has the meaning given to it in the Companies Act 2006;
<b>“Non-Executive Director”</b>	means a Director who is not engaged full time in the day to day running and administration of the trading business carried out or to be carried out by the Company;
<b>“participate”</b>	in relation to a Directors’ meeting, has the meaning given in Article 11;
<b>“Recipient”</b>	has the meaning given in Article 16.3.1;
<b>“Relevant Group”</b>	comprises the Company; each (if any) body corporate which is for the time being a wholly owned subsidiary of the Company; each (if any) body corporate of which the Company is for the time being a wholly owned subsidiary (“Parent”); and each (if any) body corporate (not falling within any preceding part of this definition) which is for the time being a wholly

	owned subsidiary of the Parent;
<b>“Secretary”</b>	the secretary of the Company (if any);
<b>“subsidiary”</b>	has the meaning given in section 1159 of the Companies Act 2006;
<b>“transfer”</b>	includes every description of disposition, payment, release or distribution, and the creation or extinction of an estate or interest in, or right over, any property;
<b>“Transmittee”</b>	means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and
<b>“Writing”</b>	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.

- 1.2 Subject to article 1.3, any reference in the Articles to an enactment includes a reference to that enactment as re-enacted or amended from time to time and to any subordinate legislation made under it.
- 1.3 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Acts as in force on the date when these Articles become binding on the Company.

## **MODEL ARTICLES AND LIMITATION OF LIABILITY**

### **2. Exclusion of model articles**

The model articles for a company limited by shares are hereby expressly excluded.

### **3. Liability of members**

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

## **DIRECTORS**

### **DIRECTORS’ POWERS AND RESPONSIBILITIES**

#### **4. Directors & Directors’ general authority**

- 4.1 The minimum number of Executive Directors shall be two; the minimum number of Non-Executive Directors shall be three and the maximum shall be four.
- 4.2 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.

## **5. Shareholders' reserve power**

- 5.1 The shareholders may, by special resolution, direct the Directors to take, or refrain from taking, specific action.
- 5.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

## **6. Chair**

The Directors may appoint a chair of the Directors for such term of office as they determine and may at any time remove him or her from office. The chair may be an independent chair, and in that case shall not be a Director of the Company, or shall be one of the [Executive] Directors.<sup>1</sup>

## **7. Directors may delegate**

- 7.1 Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles or the implementation of their decisions or day to day management of the affairs of the Company:
  - 7.1.1 to such person or committee;
  - 7.1.2 by such means (including by power of attorney);
  - 7.1.3 to such an extent;
  - 7.1.4 in relation to such matters or territories; and
  - 7.1.5 on such terms and conditions;as they think fit.
- 7.2 If the Directors so specify, any such delegation of this power may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- 7.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

## **8. Committees**

- 8.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors.
- 8.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

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<sup>1</sup> To be considered whether, if a chair is appointed from the directors, it should be an Exec Director, on the basis that if a dispute arises under the members' agreement, the senior officers at first tier of dispute resolution are the Chair of the board and the Council's Chief Exec

## **DECISION-MAKING BY DIRECTORS**

### **9. Directors to take decisions collectively**

Any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 16.

### **10. Calling a Directors' meeting**

10.1 Two Directors may (and the Secretary, if any, must at the request of two Directors) call a Directors' meeting.

10.2 A Directors' meeting must be called by at least ten Business Days' notice unless either:

10.2.1 all the Directors agree; or

10.2.2 urgent circumstances require shorter notice.

10.3 Notice of Directors' meetings must be given to each Director and the Chair.

10.4 Every notice calling a Directors' meeting must specify:

10.4.1 the place, day and time of the meeting; and

10.4.2 if it is anticipated that Directors and/or the Chair 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.

10.5 Notice of Directors' meetings need not be in Writing.

10.6 Notice of Directors' meetings may be sent by Electronic Means to an Address provided by the Director and/or the Chair for the purpose.

### **11. Participation in Directors' meetings**

11.1 Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when:

11.1.1 the meeting has been called and takes place in accordance with the Articles; and

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

11.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.

11.3 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.

### **12. Quorum for Directors' meetings**



- 12.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 12.2 The quorum for Directors' meetings shall be one Director appointed as an Executive Director (or an Executive Director's alternate); two Directors appointed as Non-Executive Directors (or the Non-Executive Director's alternate(s)) and the Chair if an independent chair has been appointed in accordance with Article 6. If any Director is found to have a Conflict of Interest under Article 17 which is not authorised by the Directors under Article 18, then that Director shall not count to the quorum on that matter or proposal and that matter or proposal shall not be voted on unless the quorum requirements are met without that conflicted Director.
- 12.3 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:
- 12.3.1 to appoint further Directors; or
- 12.3.2 to call a general meeting so as to enable the shareholders to appoint further Directors.

### **13. Chairing of Directors' meetings**

- 13.1 The Chair (whether an independent chair or one of the Directors) shall preside as chair of each Directors' meeting.
- 13.2 If at any time during the appointment of a Director as Chair in accordance with Article 6 that Chair is not present at a meeting of the board of Directors, the Directors present at that meeting may appoint a different Director to chair that meeting.
- 13.3 If the Chair is an independent Chair they shall not have any voting rights; if the Chair is a Director they shall be entitled to cast their vote as a Director but shall not have a second or casting vote.

### **14. Decision-making at meetings**

- 14.1 Questions arising at a Directors' meeting shall be decided by a majority of votes.
- 14.2 In all proceedings of Directors each Director has one vote.

14.3 If a Non-Executive Director removes themselves or is excluded from participating and/or voting in any meeting of the Directors (or any business conducted at a meeting of Directors) or on any individual matter or item of business as a result of a Conflict of Interest, the other two Non-Executive Director(s) not so removed or excluded and present at the meeting and entitled to vote shall be entitled, but not obliged, to cast a third vote in place of that absent Non-Executive Director.

- 14.4 In case of an equality of votes, the Chair shall not have a second or casting vote.

### **15. Not used**

## 16. Decisions without a meeting

16.1 The Directors may take a unanimous decision without a Directors' meeting in accordance with this Article by indicating to each other by any means, including without limitation by Electronic Means, that they share a common view on a matter. Such a decision may, but need not, take the form of a resolution in Writing, copies of which have been signed, subject to Article 16.2, by each Director or to which each Director has otherwise indicated agreement in Writing.

16.2 If a Non-Executive Director removes themselves or is excluded from voting on a resolution described at Article 16.1 above due to a Conflict of Interest, then the remaining Non-Executive Directors who are entitled to vote on that resolution shall be entitled but not obliged to cast an additional vote in place of the removed or excluded Non-Executive Director.

16.3 A decision which is made in accordance with Article 16.1 shall be as valid and effectual as if it had been passed at a meeting duly convened and held, provided the following conditions are complied with:

16.3.1 approval from each Director must be received by one person being either such person as all the Directors have nominated in advance for that purpose or such other person as volunteers if necessary ("**the Recipient**"), which person may, for the avoidance of doubt, be one of the Directors;

16.3.2 following receipt of responses from all of the Directors, the Recipient must communicate to all of the Directors by any means whether the resolution has been formally approved by the Directors in accordance with this Article 16.3;

16.3.3 the date of the decision shall be the date of the communication from the Recipient confirming formal approval;

16.3.4 the Recipient must prepare a minute of the decision in accordance with Article 43.

## 17. Conflicts of interest

17.1 Whenever a Director finds himself or herself in a situation that is reasonably likely to give rise to a Conflict of Interest, he or she must declare his or her interest to the Directors unless, or except to the extent that, the other Directors are or ought reasonably to be aware of it already.

17.2 If any question arises as to whether a Director has a Conflict of Interest, the question shall be decided by a majority decision of the other Directors. At any time while an independent Chair is in post, that independent Chair shall be entitled to vote on a Director's Conflict of Interest and participate and vote on authorisation of Conflict of Interest pursuant to Article 18.

17.3 Whenever a matter is to be discussed at a meeting or decided in accordance with Article 16 and a Director has a Conflict of Interest in respect of that matter then, subject to Article 18, he or she must:

- 17.3.1 remain only for such part of the meeting as in the view of the other Directors is necessary to inform the debate;
  - 17.3.2 not be counted in the quorum for that part of the meeting; and
  - 17.3.3 withdraw during the vote and have no vote on the matter.
- 17.4 When a Director has a Conflict of Interest which he or she has declared to the Directors, he or she shall not be in breach of his or her duties to the Company by withholding confidential information from the Company if to disclose it would result in a breach of any other duty or obligation of confidence owed by him or her.
- 18. Directors' power to authorise a conflict of interest**
- 18.1 The Directors (and the independent Chair, if one is appointed) have power to authorise a Director to be in a position of Conflict of Interest provided:
- 18.1.1 in relation to the decision to authorise a Conflict of Interest, the conflicted Director must comply with Article 17.3;
  - 18.1.2 in authorising a Conflict of Interest, the Directors can decide the manner in which the Conflict of Interest may be dealt with and, for the avoidance of doubt, they can decide that the Director with a Conflict of Interest can participate in a vote on the matter and can be counted in the quorum;
  - 18.1.3 the decision to authorise a Conflict of Interest can impose such terms as the Directors think fit and is subject always to their right to vary or terminate the authorisation.
- 18.2 If a matter, or office, employment or position, has been authorised by the Directors in accordance with Article 18.1 then, even if he or she has been authorised to remain at the meeting by the other Directors, the Director may absent himself or herself from meetings of the Directors at which anything relating to that matter, or that office, employment or position, will or may be discussed.
- 18.3 A Director shall not be accountable to the Company for any benefit which he or she derives from any matter, or from any office, employment or position, which has been authorised by the Directors in accordance with Article 18.1 (subject to any limits or conditions to which such approval was subject).
- 18.4 Subject to Article 18.5 but without prejudice to Articles 18.1 to 18.3, authorisation is given by shareholders for the time being on the terms of these Articles to each Director in respect of any Conflict of Interest that exists as at the date of adoption of these Articles or that subsequently arises because (in either case) the Director is or becomes a director, officer, manager or employee of, or otherwise in any other way interested or concerned in, any member of the Relevant Group ("**Group Conflict Authorisation**"). The terms of the Group Conflict Authorisation are automatically set by this Article 18.4 ("**Group Conflict Authorisation Terms**") so that the Director concerned:
- 18.4.1 is not obliged to disclose to the Company information that is confidential to a third party obtained by him (other than in his capacity as a Director of the

Company or as its employee or agent or, if the Directors so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) in any situation to which the Group Conflict Authorisation applies, nor to use any such information directly or indirectly for the benefit of the Company or in performing his duties as a Director, in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party; and

18.4.2 may (but shall be under no obligation to):

- (i) absent himself from the discussions of, and/or the making of decisions relating to the Conflict of Interest concerned;
- (ii) make arrangements not to receive documents and information relating to the Conflict of interest concerned,

and the Company will not treat anything done (or omitted to be done) by the Director concerned in accordance with the terms of the Group Conflict Authorisation Terms as a breach by him of his duties under sections 172 to 174 (inclusive) of the Companies Acts.

18.4.3 A Group Conflict Authorisation given or deemed given under Article 18.4 may be revoked, varied or reduced in its scope or effect by special resolution.

## **19. Register of Directors' interests**

The Directors shall cause a register of Directors' interests to be kept. A Director must declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the Company or in any transaction or arrangement entered into by the Company which has not previously been declared.

### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

## **20. Methods of appointing Directors**

- 20.1 Those persons notified to the Registrar of Companies as the first Directors of the Company shall be the first Directors.
- 20.2 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 by service of a notice on the Directors signed by the shareholder(s).

## **21. Termination of Director's appointment**

A person ceases to be a Director as soon as:

- (a) that person ceases to be a Director by virtue of any provision of the Companies Act 2006, or is prohibited from being a Director by law;
- (b) a bankruptcy order is made against that person, or an order is made against that person in individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms (but only if at least two Directors will remain in office when such resignation has taken effect); or
- (e) the Director fails to attend three consecutive meetings of the Directors and the Directors resolve that the Director be removed for this reason;
- (f) the Director is removed by service on the Directors of a notice signed by the shareholder(s); or
- (g) the Director's employment with the Company (in the case of an Executive Director) or with his or her appointing shareholder (in the case of a Non-Executive Director) comes to an end.

## **22. Directors' remuneration**

- 22.1 Directors may undertake any services for the Company that the Directors decide.
- 22.2 Executive Directors (and an independent Chair if one is appointed) are entitled to such remuneration as the Directors determine:
- (a) for their services to the Company as Directors or independent Chair (as applicable); and
  - (b) for any other service which they undertake for the Company.
- 22.3 Subject to the Articles, an Executive Director's or independent Chair'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 or Chair.
- 22.4 Unless the Directors decide otherwise, Directors' and independent Chair's remuneration accrues from day to day.
- 22.5 Unless the Directors decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as Directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

## **23. Directors' expenses**

- 23.1 The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:

- (a) meetings of Directors or committees of Directors;
- (b) general meetings; or
- (c) separate meetings of the holder of any class of shares or of the holders of any debentures of the Company,

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

### **ALTERNATE DIRECTORS**

**24. Not used**

**25. Not used**

**26. Not used**

### **SHARES**

#### **SHARES AND DISTRIBUTIONS**

**27. All shares to be fully paid up**

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

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

**28. Powers to issue different classes of share**

28.1 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.

28.2 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.

**29. Company not bound by less than absolute interests**

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

**30. Share Certificates**

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

- 30.2 If a share certificate issued in respect of a shareholder's shares is damaged, defaced, said to be lost, stolen or destroyed that shareholder is entitled to be issued with a replacement share certificate.
- 30.3 A shareholder exercising the right to be issued with such a replacement certificate must return the share certificate which is to be replaced to the Company if it is damaged or defaced and must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.
- 30.4 Share certificates must have affixed to them the Company's common seal or be otherwise executed in accordance with the Companies Acts.

### **31. Share Transfers**

- 31.1 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.
- 31.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 31.3 The Company may retain any instrument of transfer which is registered.
- 31.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- 31.5 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.

### **32. Transmission of Shares**

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

### **33. Exercise of transmitters' rights and prior notices**

- 33.1 Transmitters who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.
- 33.2 If the Transmitter wishes to have a share transferred to another person, the Transmitter must execute an instrument of transfer in respect of it.
- 33.3 Any transfer made or executed under this Articles it to be treated as if it were made or executed by the person from whom the Transmitter has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.
- 33.4 If a notice is given to a shareholder in respect of shares and a Transmitter is entitled to those shares, the Transmitter is bound by the notice if it was given to the shareholder before the Transmitter's name has been entered in the register of members.

## **DIVIDENDS**

### **34. Procedure for declaring dividends**

- 34.1 The Company may by ordinary resolution declare dividends, and the Directors may decide to pay interim dividends.
- 34.2 A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors.
- 34.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 34.4 Unless the shareholders' resolution to declare or Directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 34.5 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.
- 34.6 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.
- 34.7 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.

### **35. Payment of dividends and other distributions**

- 35.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—



- 35.1.1 transfer to a bank or building society account specified by the Distribution Recipient either in writing or as the Directors may otherwise decide;
  - 35.1.2 sending a cheque made payable to the Distribution Recipient by post to the Distribution Recipient at the Distribution Recipient's registered address (if the Distribution Recipient is a holder of the share), or (in any other case) to an address specified by the Distribution Recipient either in writing or as the Directors may otherwise decide;
  - 35.1.3 sending a cheque made payable to such person by post to such person at such address as the Distribution Recipient has specified either in writing or as the Directors may otherwise decide; or
  - 35.1.4 any other means of payment as the Directors agree with the Distribution Recipient either in writing or by such other means as the Directors decide.
- 35.2 The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by the terms on which the share was issued; or the provisions of another agreement between the holder of that share and the Company.

## **36. Unclaimed distributions**

- 36.1 All dividend or other sums which are payable in respect of shares and 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.
- 36.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.
- 36.3 If after 12 years have passed from the date on which a dividend or other sum became due for payment and 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.

## **37. Non-cash distributions**

- 37.1 Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the Directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).
- 37.2 For the purposes of paying a non-cash distribution, the Directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:
  - 37.2.1 fixing the value of any assets;
  - 37.2.2 paying cash to any Distribution Recipient on the basis of that value in order to adjust the rights of recipients; and

37.2.3 vesting any assets in trustees.

**38. Waiver of distributions**

38.1 Distribution Recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect but if:

38.1.1 the share has more than one holder; or

38.1.2 more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

**SHAREHOLDERS**

**DECISION MAKING BY SHAREHOLDERS**

**39. Attendance and speaking at general meetings**

39.1 The Directors may call a general meeting at any time.

39.2 General meetings must be held in accordance with the provisions regarding such meetings in the Companies Acts.

39.3 A person who is not a member of the Company shall not have any right to vote at a general meeting of the Company; but this is without prejudice to any right to vote on a resolution affecting the rights attached to a class of the Company's debentures.

39.4 Article 39.3 shall not prevent a person who is a proxy for a member or a duly authorised representative of a member from voting at a general meeting of the Company.

**40. Written resolutions**

40.1 Subject to Article 40.3, a written resolution of the Company passed in accordance with this Article 40 shall have effect as if passed by the Company in general meeting:

40.1.1 A written resolution is passed as an ordinary resolution if it is passed by a simple majority of the total voting rights of eligible members.

40.1.2 A written resolution is passed as a special resolution if it is passed by members representing not less than 75% of the total voting rights of eligible members. A written resolution is not a special resolution unless it states that it was proposed as a special resolution.

40.2 In relation to a resolution proposed as a written resolution of the Company the eligible members are the members who would have been entitled to vote on the resolution on the circulation date of the resolution.

- 40.3 A members' resolution under the Companies Acts removing a Director or an auditor before the expiration of his or her term of office may not be passed as a written resolution.
- 40.4 A copy of the written resolution must be sent to every member together with a statement informing the member how to signify their agreement to the resolution and the date by which the resolution must be passed if it is not to lapse. Communications in relation to written notices shall be sent to the Company's auditors in accordance with the Companies Acts.
- 40.5 A member signifies their agreement to a proposed written resolution when the Company receives from him or her an authenticated Document identifying the resolution to which it relates and indicating his or her agreement to the resolution.
- 40.5.1 If the Document is sent to the Company in Hard Copy Form, it is authenticated if it bears the signature of the duly authorised representative of the member(s).
- 40.5.2 If the Document is sent to the Company by Electronic Means, it is authenticated if it bears the signature of the duly authorised representative of the member(s).
- 40.6 A written resolution is passed when the required majority of eligible members have signified their agreement to it.
- 40.7 A proposed written resolution lapses if it is not passed within 28 days beginning with the circulation date.

## **ADMINISTRATIVE ARRANGEMENTS AND MISCELLANEOUS**

### **41. Means of communication to be used**

- 41.1 Subject to the Articles, 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 which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- 41.2 Subject to the Articles, 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.
- 41.3 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 an agreed time of their being sent, and for the agreed time to be less than 48 hours.

### **42. Irregularities**

The proceedings at any meeting or on the taking of any poll or the passing of a written resolution or the making of any decision shall not be invalidated by reason of any accidental informality or irregularity (including any accidental omission to give or any non-receipt of notice) or any want of qualification in any of the persons present or

voting or by reason of any business being considered which is not referred to in the notice unless a provision of the Companies Acts specifies that such informality, irregularity or want of qualification shall invalidate it.

### **43. Minutes**

43.1 The Directors must cause minutes to be made in books kept for the purpose:

43.1.1 of all appointments of officers made by the Directors;

43.1.2 of all resolutions of the Company and of the Directors (including, without limitation, decisions of the Directors made without a meeting); and

43.1.3 of all proceedings at meetings of the Company and of the Directors, and of committees of Directors, including the names of the Directors present at each such meeting;

and any such minute, if purported to be signed (or in the case of minutes of Directors' meetings signed or authenticated) by the chair of the meeting at which the proceedings were had, or by the chair of the next succeeding meeting, shall, as against any member or Director of the Company, be sufficient evidence of the proceedings.

43.2 The minutes must be kept for at least ten years from the date of the meeting, resolution or decision.

### **44. Records and accounts**

28.1 The Directors shall comply with the requirements of the Companies Acts as to maintaining a members' register, keeping financial records, the audit or examination of accounts and the preparation and transmission to the Registrar of Companies and the Regulator of:

44.1.1 annual reports;

44.1.2 annual returns; and

44.1.3 annual statements of account.

44.2 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.

44.3 The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors.

### **45. Indemnity**

45.1 Subject to Article 45.2, a relevant Director of the Company or an associated company may be indemnified out of the Company's assets against:

- (a) any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;
- (b) any liability incurred by that Director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006); and
- (c) any other liability incurred by that Director as an officer of the Company or an associated company.

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

45.3 In this Article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- (b) a “relevant Director” means any Director or former Director of the Company or an associated company.

#### **46. Insurance**

46.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant Director in respect of any relevant loss.

46.2 In this Article:

- (a) a “relevant Director” means any Director or former Director of the Company or an associated company;
- (b) a “relevant loss” means any loss or liability which has been or may be incurred by a relevant Director in connection with that Director’s duties or powers in relation to the Company, any associated company or any pension fund or employees’ share scheme of the company or associated company; and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.