

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

**Articles of Association**  
**of**

**[PartnershipOne] Limited**



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**[PartnershipOne] Limited**

INTRODUCTION

**1 INTERPRETATION**

1.1 In these Articles, the following words have the following meanings:

<b>Allocation Notice</b>	has the meaning given in article 14.7;
<b>Applicant</b>	has the meaning given in article 14.7;
<b>Appointor</b>	has the meaning given in article 12.1;
<b>Articles</b>	the Company's articles of association for the time being in force;
<b>Business Day</b>	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;
<b>CA 2006</b>	the Companies Act 2006;
<b>Canterbury</b>	Canterbury City Council;
<b>Canterbury Director</b>	any director appointed to the Company by Canterbury pursuant to these Articles;
<b>Conflict</b>	a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company;
<b>Deemed Transfer Notice</b>	a Transfer Notice that is deemed to have been served under any provisions of these Articles;
<b>Dover</b>	Dover District Council;
<b>Dover Director</b>	any director appointed to the Company by Dover pursuant to these Articles;
<b>Eligible Director</b>	a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);

<b>Group</b>	in relation to a company, that company, any subsidiary or holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company. Each company in a Group is a <b>member of the Group</b> ;
<b>holding company</b>	has the meaning given in article 1.5;
<b>Interested Director</b>	has the meaning given in article 9.1;
<b>Model Articles</b>	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and reference to a numbered Model Article is a reference to that article of the Model Articles;
<b>Offerees</b>	has the meaning given in article 14.5;
<b>Offer Period</b>	has the meaning given in article 14.5;
<b>Sale Shares</b>	has the meaning given in article 14;
<b>Seller</b>	has the meaning given in article 14;
<b>Services Agreement</b>	the agreement for the provision of financial assessment, payment and debt recovery services between (1) Canterbury (2) Dover (3) Thanet, and (4) the Company dated on or around the date of adoption of these Articles;
<b>Shares</b>	ordinary shares of £1.00 each in the capital of the Company (and <b>Share</b> shall be construed accordingly).
<b>Shareholder</b>	a holder for the time being of any Share (and <b>Shareholders</b> shall be construed accordingly);
<b>Shareholder Consent</b>	the prior written consent of the Shareholders;
<b>subsidiary</b>	has the meaning given in article 1.5;
<b>Thanet</b>	Thanet District Council;
<b>Thanet Director</b>	any director appointed to the Company by Thanet pursuant to these Articles;
<b>Transfer Notice</b>	has the meaning given in article 14;
<b>Transfer Price</b>	has the meaning given in article 14.2; and
<b>writing or written</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 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the CA 2006 shall have those meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an article is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the CA 2006 and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:
- 1.5.1 another person (or its nominee), by way of security or in connection with the taking of security; or
- 1.5.2 its nominee.
- 1.6 Unless expressly provided otherwise, a reference to any legislation or legislative provision is a reference to it as it is in force on the date when these Articles become binding on the Company.
- 1.7 A reference to any legislation or legislative provision shall include all subordinate legislation made as at the date on which these Articles become binding on the Company under that legislation or legislative provision.
- 1.8 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

## **2 ADOPTION OF THE MODEL ARTICLES**

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 22(2), 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.
- 2.3 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".

- 2.4 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

## **Directors**

### **3 DIRECTORS' MEETINGS**

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The directors will meet at least quarterly.
- 3.3 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution, and no such resolution shall be passed unless more votes are cast for it than against it.
- 3.4 Each director has one vote at a meeting of directors.

### **4 UNANIMOUS DECISIONS OF DIRECTORS**

- 4.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter.

### **5 NUMBER OF DIRECTORS**

The number of directors shall not be less than three and shall not be subject to a maximum. No shareholding qualification for directors shall be required.

### **6 CALLING A DIRECTORS' MEETING**

- 6.1 Any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by all the directors) to each director or by authorising the Company secretary (if any) to give such notice.
- 6.2 Notice of any directors' meeting must be accompanied by:
- 6.2.1 an agenda specifying in reasonable detail the matters to be raised at the meeting;  
and
  - 6.2.2 copies of any papers to be discussed at the meeting.

- 6.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing.

**7 QUORUM FOR DIRECTORS' MEETINGS**

- 7.1 The quorum at any meeting of the directors (including adjourned meetings) shall be three Eligible Directors (or their alternates), which must include the Canterbury Director, the Dover Director and the Thanet Director in office for the time being unless:

- 7.1.1 no such director is in office for the time being; or
- 7.1.2 such director has, in respect of a particular meeting (or part of a meeting), otherwise agreed in writing ahead of such meeting; or
- 7.1.3 such director is not, in respect of any particular meeting (or part of a meeting) an Eligible Director.

- 7.2 No business shall be conducted at any meeting of directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.

- 7.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for 7 Business Days at the same time and place.

**8 CHAIRING OF DIRECTORS' MEETINGS**

The post of chair of the board of directors will be held in alternate years by a Canterbury Director, a Dover Director or a Thanet Director. The chairperson shall not have a casting vote. If the chairperson for the time being is unable to attend any meeting of the board of directors, the chairperson shall be such other director as the remaining directors shall determine.

**9 DIRECTORS' INTERESTS**

- 9.1 For the purposes of section 175 of the CA 2006, the shareholders (and not the directors) shall have the power to authorise, by resolution and in accordance with the provisions of these Articles, any Conflict proposed to them by any director which would, if not so authorised, involve a director (the **Interested Director**) breaching their duty under section 175 of the CA 2006 to avoid conflicts of interest.

- 9.2 The Interested Director must provide the shareholders with such details as are necessary for the shareholders to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the shareholders.

- 9.3 Any authorisation by the shareholders of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):

- 9.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- 9.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;

- 9.3.3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
  - 9.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the shareholders think fit;
  - 9.3.5 provide that, where the Interested Director obtains, or has obtained (through the Interested Director's involvement in the Conflict and otherwise than through their position as a director of the Company) information that is confidential to a third party, the Interested Director will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
  - 9.3.6 permit the Interested Director to absent themselves from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 9.4 Where the shareholders authorise a Conflict:
- 9.4.1 the Interested Director will be obliged to conduct themselves in accordance with any terms and conditions imposed by the shareholders in relation to the Conflict; and
  - 9.4.2 the Interested Director will not infringe any duty they owe to the Company by virtue of sections 171 to 177 of the CA 2006, provided they act in accordance with such terms and conditions (if any) as the shareholders impose in respect of their authorisation.
- 9.5 The shareholders may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 9.6 A director, notwithstanding the director's office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the shareholder who appointed them as a director of the Company, or any other member of such shareholder's group, and no authorisation under article 9.1 shall be necessary in respect of any such interest.
- 9.7 Any Canterbury Director, Dover Director or Thanet Director shall be entitled from time to time to disclose to his appointor such information concerning the business and affairs of the Company he, at his discretion, sees fit.
- 9.8 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which the director derives from or in connection with a relationship involving a Conflict which has been authorised by the shareholders in accordance with these Articles (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 9.9 Subject to sections 177(5) and 177(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company



shall declare the nature and extent of the director's interest to the other directors before the Company enters into the transaction or arrangement in accordance with the CA 2006.

9.10 Subject to sections 182(5) and 182(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of the director's interest to the other directors as soon as is reasonably practicable in accordance with the CA 2006, unless the interest has already been declared under article 9.9.

9.11 Subject, where applicable, to any terms, limits or conditions imposed by the shareholders in accordance with article 9.3, and provided a director has declared the nature and extent of their interest in accordance with the requirements of the CA 2006, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

9.11.1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;

9.11.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which the relevant director is interested;

9.11.3 shall be entitled to vote at a meeting of directors (or of a committee of directors) or to participate in any unanimous decision in respect of such transaction or arrangement or proposed transaction or arrangement in which the relevant director is interested;

9.11.4 may act by themselves or their firm in a professional capacity for the Company (otherwise than as auditor) and they or their firm shall be entitled to remuneration for professional services as if they were not a director;

9.11.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and

9.11.6 shall not, save as the relevant director may otherwise agree, be accountable to the Company for any benefit which they (or a person connected with them (as defined in section 252 of the CA 2006)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of their duty under section 176 of the CA 2006.

## **10 RECORDS OF DECISIONS TO BE KEPT**

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the Company to retain a copy of such decisions.

**11 APPOINTMENT AND REMOVAL OF DIRECTORS**

- 11.1 For so long as it continues to hold one or more Shares:
- 11.1.1 Canterbury shall be entitled to appoint one person to be the Canterbury Director of the Company;
  - 11.1.2 Dover shall be entitled to appoint one person to be the Dover Director of the Company; and
  - 11.1.3 Thanet shall be entitled to appoint one person to be the Thanet Director of the Company.
- 11.2 Any Canterbury Director, Dover Director or Thanet Director may at any time be removed from office by his appointor. Any Canterbury Director, Dover Director or Thanet Director who is an employee of the Company and who ceases to be an employee shall be removed from office from the date their employment ceases.
- 11.3 If any Canterbury Director, Dover Director or Thanet Director shall die or be removed from or vacate office for any cause, such director's appointor shall appoint in the relevant director's place another person to be the Canterbury Director, the Dover Director or Thanet Director (as the case may be).
- 11.4 Any appointment or removal of a Canterbury Director, a Dover Director or Thanet Director pursuant to this article shall be in writing and signed by or on behalf of the relevant director's appointor and served on each of the other shareholders and the Company at its registered office, and on the director, in the case of the director's removal. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice.
- 11.5 No Canterbury Director, Dover Director or Thanet Director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law.
- 11.6 Any person who is willing to act as a director, and is permitted to do so, may be appointed to be a director by a decision of the directors (acting with the consent of a majority of the Shareholders).

**12 ALTERNATE DIRECTORS**

- 12.1 Any director (other than an alternate director) (the **Appointor**) may appoint any person (whether or not a director) to be an alternate director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the directors, in the absence of the Appointor. In these Articles, where the context so permits, the term "Canterbury Director" or "Dover Director" or "Thanet Director" shall include an alternate director appointed by a "Canterbury Director" or "Dover Director" or "Thanet Director" (as the case may be). A person may be appointed an alternate director by more than one director provided that each of the alternate's Appointors represents the same class of shares but not otherwise.
- 12.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the directors.

- 12.3 The notice must:
- 12.3.1 identify the proposed alternate; and
  - 12.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that they are willing to act as the alternate of the director giving the notice.
- 12.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's Appointor.
- 12.5 Except as the Articles specify otherwise, alternate directors:
- 12.5.1 are deemed for all purposes to be directors;
  - 12.5.2 are liable for their own acts and omissions;
  - 12.5.3 are subject to the same restrictions as their Appointors; and
  - 12.5.4 are not deemed to be agents of or for their Appointors,
- and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which the alternate's Appointor is a member.
- 12.6 A person who is an alternate director but not a director may, subject to the person being an Eligible Director:
- 12.6.1 be counted as participating for the purposes of determining whether a quorum is present at a meeting of directors (but only if that person's Appointor is an Eligible Director and is not participating); and
  - 12.6.2 participate in a unanimous decision of the directors (but only if that person's Appointor is an Eligible Director in relation to that decision, and does not themselves participate).
- 12.7 A director who is also an alternate director is entitled, in the absence of their Appointor(s), to a separate vote on behalf of each Appointor (provided that an Appointor is an Eligible Director in relation to that decision), in addition to the director's own vote on any decision of the directors.
- 12.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if the alternate was a director but shall not be entitled to receive from the Company any remuneration in the alternate's capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.
- 12.9 An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:
- 12.9.1 when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or

12.9.2 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; or

12.9.3 when the alternate director's Appointor ceases to be a director for whatever reason.

## Shares

### 13 SHARE TRANSFERS: GENERAL

13.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.

13.2 No Shareholder shall transfer any Share unless the transfer is made in accordance with these Articles or with Shareholder Consent. If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles they shall be deemed to have immediately served a Transfer Notice pursuant to article 14.1 in respect of all Shares held by them.

13.3 Subject to article 13.4, the directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

13.4 The directors may, as a condition to the registration of any transfer of shares in the Company require the transferee to provide the Company with the required particulars under section 790K of the CA 2006 if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006 and to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 13.4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee and the Company has received all of the required particulars under section 790K of the CA 2006 if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006.

13.5 To enable the directors to determine whether or not there has been a transfer of Shares in the Company in breach of these Articles, the directors may from time to time require any Shareholder to provide the Company with such information and evidence as they may reasonably require relevant to that purpose. If a Shareholder fails to provide information or evidence in respect of any Shares registered in its name to the reasonable satisfaction of such directors within 14 days of their request, the directors may serve a notice on the Shareholder stating that the Shareholder shall not in relation to all Shares held by that Shareholder be entitled to be present or to vote in person or by proxy at any general meeting of the Company or any meeting of the Shareholders, or to vote on a written resolution of the Shareholders or to receive dividends on the Shares until such evidence or information has been provided to the directors' satisfaction. The directors may reinstate these rights at any time.

13.6 Any transfer of shares by way of a sale that is required to be made under article 14 or article 14.1 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

**14 PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**

14.1 Except where the provisions of article 15 apply, a Shareholder (**Seller**) wishing to transfer Shares must give notice in writing (a **Transfer Notice**) to the Company giving details of the proposed transfer, including:

14.1.1 the number of Shares to be transferred (**Sale Shares**); and

14.1.2 if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer.

14.2 The price at which the Sale Shares shall be transferred pursuant to this article 14 or article 15 shall be the aggregate nominal value of the Sale Shares (**Transfer Price**).

14.3 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.

14.4 Once given, a Transfer Notice may only be withdrawn with Shareholder Consent. A Deemed Transfer Notice may not be withdrawn.

14.5 As soon as practicable following the receipt by the Company of a Transfer Notice, the directors shall offer the Sale Shares for sale to the other Shareholders (excluding any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice) (**Offerees**) inviting them to apply to the Company in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (**Offer Period**) for the maximum number of Sale Shares they wish to buy. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

14.6 If:

14.6.1 at the end of the Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Offeree who has applied for Sale Shares in the proportion which the Offeree's existing holding of Shares bears to the total number of Shares held by Offerees. Fractional entitlements shall be rounded down to the nearest whole number (unless rounding in this way would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements among the Offerees shall be determined by the Board). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which that Shareholder has expressed willingness to buy;

14.6.2 not all Sale Shares are allocated following allocations in accordance with article 14.6.1, but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 14.6.1. The procedure set out in this article 14.6.2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and

- 14.6.3 at the end of the Offer Period, the Company has not received applications in respect of all the Sale Shares, the Board shall allocate the Sale Shares to the Offerees in accordance with their applications.
- 14.7 The Board shall, when no further offers or allocations are required to be made under article 14.6, give notice in writing of the allocations of Sale Shares (**Allocation Notice**) to the Seller and to each Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days, but not more than 20 Business Days, after the date of the Allocation Notice).
- 14.8 On the date specified for completion in the Allocation Notice the Seller shall, against receipt of payment from an Applicant, execute and deliver to the Company a transfer of the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice, together with the relevant share certificate(s) (or an indemnity in lieu of them).
- 14.9 If the Seller fails to comply with article 14.8:
- 14.9.1 the chairperson of the board of directors (or, failing the chairperson, any other director or some other person nominated by a resolution of the directors) may, as attorney on behalf of the Seller:
- (a) complete, execute and deliver in the Seller's name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
  - (b) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
  - (c) subject to the transfers being duly stamped or certified as exempt from stamp duty) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them; and
- 14.9.2 on receipt, the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until either the certificate(s) for the relevant Sale Shares, or an indemnity in a form reasonably satisfactory to the directors in respect of any lost certificate, have been delivered together, in either case, with such other evidence (if any) as the directors may reasonably require to prove good title to those Sale Shares, to the Company.
- 14.10 If any Applicant fails to pay the Transfer Price payable by that Applicant on the due date, without prejudice to any other remedy which the Seller may have, the outstanding balance of that Transfer Price due from that Applicant shall accrue interest at a rate equal to 3% per annum above the base rate of the Bank of England from time to time.
- 14.11 Where an Allocation Notice does not relate to all the Sale Shares, the Seller may with the prior written consent of the Board (acting with Shareholder Consent) at any time during the 20 Business Days following the date of service of the Allocation Notice, transfer the balance of the Sale Shares to the buyer identified in the Transfer Notice (if any) at the Transfer Price. The Seller shall not be permitted to transfer any such Sale Shares to a third-party buyer if that

buyer was not identified in the Transfer Notice (unless the prior written consent of the Board (acting with Shareholder Consent) is obtained).

**15 COMPULSORY TRANSFERS**

15.1 A Shareholder is deemed to have served a Transfer Notice under article 14.1 immediately before any of the following events:

15.1.1 the Shareholder committing a material or persistent breach of any shareholders' agreement to which it is a party in relation to the Shares in the Company which if capable of remedy has not been so remedied within 20 Business Days of the other Shareholders requiring such remedy; and

15.1.2 the Shareholder ceasing to be a party to the Services Agreement or committing a material or persistent breach of the Services Agreement which if capable of remedy has not been remedied to the reasonable satisfaction of the other parties within 20 Business Days of the other parties requiring such remedy.

15.2 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that:

15.2.1 the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer;

15.2.2 if the other Shareholders do not accept the offer of Shares comprised in the Deemed Transfer Notice the Seller does not have the right to sell the Sale Shares to a third party and the Company shall be wound up immediately upon the other Shareholders giving notice in writing to the Company to that effect.

15.3 A Deemed Transfer Notice shall immediately and automatically revoke a Transfer Notice served by the relevant Shareholder before the occurrence of the relevant event giving rise to the Deemed Transfer Notice.

15.4 If the Seller fails to complete a transfer of Sale Shares as required under this article 15, the chairperson of the board of directors (or failing the chairperson, any other director or some other person nominated by a resolution of the directors) may as agent on behalf of the Seller transfer the Sale Shares on the Seller's behalf and do anything else that the other Shareholders may reasonably require to complete the sale, and the Company may receive the purchase price in trust for the Seller (without any obligation to pay interest), giving a receipt that shall discharge the other Shareholder(s).

**Decision making by shareholders**

**16 QUORUM FOR GENERAL MEETINGS**

16.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be three persons present in person or by proxy, of whom one shall be a duly authorised representative of Canterbury, one shall be a duly authorised representative of Dover and one shall be a duly authorised representative of Thanet (in each case for so long as they remain Shareholders).

16.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

**17 CHAIRING GENERAL MEETINGS**

The chairperson of the board of directors for the time being shall chair general meetings. If the chairperson is unable to attend any general meeting, the chairperson shall be such director as the Shareholders shall determine and the appointment of the chair of the meeting must be the first business of the meeting.

**18 VOTING**

At a general meeting, on a show of hands every Shareholder who is present in person or by proxy shall have one vote, unless the proxy is themselves a Shareholder entitled to vote on a poll every Shareholder present in person or by proxy shall have one vote for each Share of which they are the holder; and on a vote on a written resolution every Shareholder has one vote for each Share of which they are the holder.

**19 POLL VOTES**

19.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the CA 2006) present and entitled to vote at the meeting.

19.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

**20 PROXIES**

20.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate".

20.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article.

**Administrative arrangements**

**21 MEANS OF COMMUNICATION TO BE USED**

21.1 Subject to article 21.2, any notice, document or other information shall be deemed received by the intended recipient:

21.1.1 if delivered by hand, at the time the notice, document or other information is left at the address;

21.1.2 if sent by pre-paid first class post or other next working day delivery service providing proof of postage at 9.00 am on the second Business Day after posting;

21.1.3 if sent by email, at the time of transmission; or



- 21.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.
- 21.2 If deemed receipt under article 21.1 would occur outside Usual Business Hours, the notice, document or other information shall be deemed to have been received when Usual Business Hours next recommence. For the purposes of this article, **Usual Business Hours** means 9.00 am to 5.30 pm local time on any day which is not a Saturday, Sunday or public holiday in the place of receipt of the notice, document or other information (which, in the case of service by email shall be deemed to be the same place as is specified for service of notices, documents or other information on the relevant recipient by hand or post).
- 21.3 To prove service, it is sufficient to prove that:
- 21.3.1 if delivered by hand, the notice was delivered to the correct address;
- 21.3.2 If sent by post, the envelope containing the notice was properly addressed, paid for and posted;
- 21.3.3 if sent by email, the notice was properly addressed and sent to the email address of the recipient.
- 21.4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the CA 2006.

## **22 INDEMNITY AND INSURANCE**

- 22.1 Subject to article 22.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 22.1.1 each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by that person as a relevant officer:
- (a) in the actual or purported execution and/or discharge of the relevant officer's duties, or in relation to them; and
- (b) in relation to the Company's activities as a trustee of an occupational pension scheme (as defined in section 235(6) of the CA 2006),
- including (in each case) any liability incurred by the relevant officer in defending any civil or criminal proceedings, in which judgment is given in the relevant officer's favour or in which the relevant officer is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on the relevant officer's part or in connection with any application in which the court grants them, in their capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and
- 22.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by the relevant officer in connection with any proceedings

or application referred to in article 22.1.1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.

22.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the CA 2006 or by any other provision of law.

22.3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

22.4 In this article:

22.4.1

(a) a "relevant officer " means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not that person is also a director or other officer), to the extent the person acts in their capacity as auditor; and

(b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company