

**Company number 00852576**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**WRITTEN RESOLUTION of**  
**SPAW ENGINEERING LIMITED (Company)**

Circulation Date *7 October* 2016

Under Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolution is passed as a special resolution (**Resolution**)

**I. NEW ARTICLES OF ASSOCIATION**

THAT the amended Articles of Association, marked "A" for identification purposes and attached to this resolution, be adopted as the new Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association

  
For and on behalf of  
Adrem Enterprises Limited

*7 October 2016*  
Date

TUESDAY



A22 \*A5ICFX68\* 25/10/2016 #47  
COMPANIES HOUSE

## **NOTES**

- 1** If you agree with the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods -

- 1.1** by hand delivering the signed copy to the Company at their registered office - Unit 4, Dowry Park Industrial Estate, Oldham, OL4 3NU, or

- 1.2** by post returning the signed copy by post to the Company at their registered office - Unit 4, Dowry Park Industrial Estate, Oldham, OL4 3NU

If you do not agree to the Resolution, you do not need to do anything, you will not be deemed to agree if you fail to reply

- 2** Once you have indicated your agreement to the Resolution, you may not revoke your agreement

- 3** Unless, by the expiry of 28 days from the circulation date sufficient agreement has been received for the Resolution to pass, it will lapse If you agree to the Resolution, please ensure that your agreement reaches the Company (using one of the methods in paragraph 1 above) before or during this date

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

**Articles of Association**  
**of**  
**SPAW Engineering Limited**

**(Company number: 00852576)**

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**Incorporated: 24/06/1965**  
**Articles adopted by special resolution:**

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 **SHAKESPEAREMARTINEAU**

Two Colton Square, Leicester, LE1 1QH

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THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
SPAWE ENGINEERING LIMITED

(Adopted by special resolution passed on 7/10/16 )

## Introduction

### 1 Interpretation

1.1 In these Articles, unless the context otherwise requires

**Act:** means the Companies Act 2006

**appointor:** has the meaning given in article 12 1

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

**business day:** means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business

**call** has the meaning given in article **Error! Reference source not found.**

**call notice** has the meaning given in article **Error! Reference source not found.**

**company's lien** has the meaning given in article **Error! Reference source not found.**

**Conflict.** has the meaning given in article 7 1

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

**lien enforcement notice** has the meaning given in article **Error! Reference source not found.**

**Model Articles** means 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

**Parent Company** means Adrem Enterprises Limited

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 Act shall have the same meanings in these Articles

- 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** Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of
- 1.5.1** any subordinate legislation from time to time made under it, and
- 1.5.2** any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts
- 1.6** Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms
- 1.7** The Model Articles shall apply to the company, except in so far as they are modified or excluded by these Articles
- 1.8** Articles 8, 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 24(2)(c), 44(2), 52 and 53 of the Model Articles shall not apply to the company
- 1.9** Article 7 of the Model Articles shall be amended by
- 1.9.1** the insertion of the words "for the time being" at the end of article 7(2)(a), and
- 1.9.2** the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may"
- 1.10** Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur"
- 1.11** In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"
- 1.12** Article 26(1) of the Model Articles shall be amended by the addition of the words "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 and, unless the share is fully paid, the transferee " at the end of that article
- 1.13** Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But"
- 1.14** Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name"
- 1.15** Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide"

## **Directors**

### **2 Unanimous decisions**

- 2.1** 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
- 2.2** 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
- 2.3** A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting

### **3 Calling a directors' meeting**

- 3.1** Any director may call a directors' meeting by giving 2 business days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice
- 3.2** Notice of a directors' meeting shall be given to each director in writing

### **4 Quorum for directors' meetings**

- 4.1** If and so long as there is a sole director, he may exercise all the powers and authorities vested in the directors by these articles and the quorum for the transaction of business at a meeting of directors shall be one. Subject to the foregoing, and to article 4.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors
- 4.2** For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director
- 4.3** If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision
  - 4.3.1** to appoint further directors, or
  - 4.3.2** to call a general meeting so as to enable the shareholders to appoint further directors

### **5 Casting vote**

If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote

### **6 Transactions or other arrangements with the company**

- 6.1** Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether



directly or indirectly, interested in an existing or proposed transaction or arrangement with the company

- 6.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested,
- 6.1.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested,
- 6.1.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested,
- 6.1.4 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,
- 6.1.5 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
- 6.1.6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) 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 his duty under section 176 of the Act

## **7 Directors' conflicts of interest**

- 7.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **"Interested Director"**) breaching his duty under section 175 of the Act to avoid conflicts of interest (a **"Conflict"**)
- 7.2 Any authorisation under this article 7 will be effective only if
  - 7.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine,
  - 7.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
  - 7.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted
- 7.3 Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently)

- 7 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,
  - 7 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,
  - 7 3 3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors vote in relation to any resolution related to the Conflict,
  - 7 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,
  - 7 3 5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he 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
  - 7 3 6 permit the Interested Director to absent himself 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
- 7.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict
- 7.5 The directors 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
- 7.6 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 he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (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

## **8 Records of decisions to be kept**

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

## **9 Number of directors**

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than one

## **10 Powers of Directors**

Notwithstanding anything contained in the Model Articles the Directors shall have no power to do or contract to do any of the following matters, which may only be done or contracted to be done by ordinary resolution of the company or by the Directors pursuant to the specific authority of an ordinary resolution of the company

- 10.1** selling the undertaking, business or (except in the normal course of business) assets of the company or of any of its subsidiaries or any substantial part of any of them,
- 10.2** selling, charging or disposing of all or any interest in any shares of any subsidiary or associated company,
- 10.3** creating any subsidiary or acquiring any company or business or entering into any partnership, profit sharing arrangement or joint venture,
- 10.4** incurring any indebtedness except in the ordinary course of business,
- 10.5** creating any fixed or floating charge, lien (other than a lien arising by operation of law) or other encumbrance on the whole or any part of the undertaking property or assets of the company or any subsidiary or associated company,
- 10.6** borrowing any sum of money in excess of any sum which may be determined from time to time by the company in general meeting (being either a fixed sum or determined by reference to a formula),
- 10.7** passing any resolution directly or adversely modifying the making of any bonus or the declaration of director's fees,
- 10.8** passing any resolution to approve the annual accounts of the company,
- 10.9** any other matter which the company may by ordinary resolution determine to be subject to this article 10

## **11 Appointment of directors**

- 11.1** Without prejudice to the powers of the company under section 168 of the Act to remove a director by ordinary resolution, the Parent Company may at any time appoint any person to be a director, whether as an additional director or to fill a vacancy, and may remove from office any director howsoever appointed. Any such appointment or removal shall be effected by notice in writing to the company signed by the director of the Parent Company. Any such appointment or removal shall take effect when the notice effecting the same is delivered to the registered office or to the secretary of the company, or is produced at a meeting of the directors. Any such removal shall be without prejudice to any claim which a director may have under any contract between him and the company
- 11.2** In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director

## **12 Appointment and removal of alternate directors**

**12.1** Any director (an “appointor”) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to

**12.1.1** exercise that director’s powers, and

**12.1.2** carry out that director’s responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate’s appointor

**12.2** Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors. The notice must

**12.2.1** identify the proposed alternate, and

**12.2.2** in the case of a notice of appointment, 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

## **13 Rights and responsibilities of alternate directors**

**13.1** An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate’s appointor

**13.2** Except as the Articles specify otherwise, alternate directors

**13.2.1** are deemed for all purposes to be directors,

**13.2.2** are liable for their own acts and omissions,

**13.2.3** are subject to the same restrictions as their appointors, and

**13.2.4** 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 his appointor is a member

**13.3** A person who is an alternate director but not a director

**13.3.1** may be counted as participating for the purposes of determining whether a quorum is present (but only if that person’s appointor is not participating),

**13.3.2** may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate), and

**13.3.3** shall not be counted as more than one director for the purposes of articles 13.3.1 and 13.3.2

**13.4** A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present

- 13.5** An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be 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

#### **14 Termination of alternate directorship**

An alternate director's appointment as an alternate terminates

- 14.1** when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate,
- 14.2** 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,
- 14.3** on the death of the alternate's appointor, or
- 14.4** when the alternate's appointor's appointment as a director terminates

#### **15 Service Directors**

- 15.1** The Parent Company may from time to time appoint any person who shall at the time of his appointment be employed by the company or a subsidiary to be a Service Director (or similar title) who shall be subject to the following provisions, namely
- 15.1 1** his appointment, continuance in or removal from office and his powers, duties and remuneration shall be determined by the Parent Company,
- 15.1 2** save as otherwise agreed between him and the company, the appointment of a person to be a Service Director shall not affect the terms and conditions of his employment by the company or by a subsidiary of the company, whether as regard duties, remuneration or otherwise. Save as aforesaid his position as a Service Director shall be vacated if he becomes of unsound mind, or bankrupt, or compounds with his creditors, or if he becomes prohibited by law from being appointed a director, or he gives the company notice in writing that he resigns such position, or if his employment with the company or with any subsidiary of the company ceases, or if the term of his appointment shall have expired, or if the directors resolve that his appointment as Service Director be determined,
- 15.1 3** a person appointed to such a title shall not by reason thereof
- (a) have any right of access to the books of the company,
  - (b) be entitled to receive notice of or attend or vote at meetings of the directors, or
  - (c) be entitled to participate in any other respect in the exercise of any of the collective powers or duties of the directors, or to exercise any of the powers or rights of a director individually,

and if, at the invitation or by the order of the directors, such person shall attend and take part in the proceedings at any meeting of the Board he shall be deemed to do so in an advisory capacity only

- 15.2** The expression "**Service Director**" (or any similar title employed pursuant to this article) shall mean a person appointed to hold that position pursuant to this article and the expression "**director**" where used herein or in the Model Articles shall not include such person or title and a Service Director shall only use that description and shall not describe himself as or hold himself out to be a director

## **16 Secretary**

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

## **Shares**

### **17 Unissued Shares**

In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the company

### **18 Further issues of shares: authority**

Save to the extent authorised by these articles, or authorised from time to time by ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or grant rights to subscribe for or convert any security into, any shares in the company

### **19 Lien**

### **20 Company's lien over shares**

- 20.1** The company has a lien (the "company's lien") over every share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the company, whether payable immediately or at some time in the future

- 20.2** The company's lien over a share

**20.2.1** takes priority over any third party's interest in that share, and

**20.2.2** 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

- 20.3** 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

## **21 Enforcement of the company's lien**

**21.1** Subject to the provisions of this article, if

**21.1.1** a lien enforcement notice has been given in respect of a share, and

**21.1.2** 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

**21.2** A "lien enforcement notice"

**21.2.1** 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,

**21.2.2** must specify the share concerned,

**21.2.3** must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),

**21.2.4** must be addressed either to the holder of the share or to a transmittee of that holder, and

**21.2.5** must state the company's intention to sell the share if the notice is not complied with

**21.3** Where shares are sold under this article

**21.3.1** the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or to a person nominated by the purchaser, and

**21.3.2** 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

**21.4** 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

**21.4.1** 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, and

**21.4.2** 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 an indemnity in a form reasonably satisfactory to the directors 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 by that person (or his estate or any joint holder of the shares) after the date of the lien enforcement notice

**21.5** 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

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

- 21 5.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share

## **Calls on shares and forfeiture**

### **22 Call notices**

- 22.1** Subject to the Articles and the terms on which shares are allotted, the directors may send a notice (a "call notice") to a shareholder requiring the shareholder to pay the company a specified sum of money (a "call") which is payable to the company at the date when the directors decide to send the call notice
- 22.2** A call notice
- 22.2 1** may not require a shareholder to pay a call which exceeds the total amount of his indebtedness or liability to the company,
- 22.2.2** must state when and how any call to which it relates is to be paid, and
- 22 2 3** may permit or require the call to be made in instalments
- 22.3** shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent
- 22.4** Before the company has received any call due under a call notice the directors may
- 22 4 1** revoke it wholly or in part, or
- 22 4 2** specify a later time for payment than is specified in the notice,
- by a further notice in writing to the shareholder in respect of whose shares the call is made

### **23 Liability to pay calls**

- 23.1** Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid
- 23.2** Joint holders of a share are jointly and severally liable to pay all calls in respect of that share
- 23.3** 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
- 23.3 1** to pay calls which are not the same, or
- 23.3 2** to pay calls at different times

### **24 When call notice need not be issued**

- 24.1** 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



- 24.1.1 on allotment,
- 24.1.2 on the occurrence of a particular event, or
- 24.1.3 on a date fixed by or in accordance with the terms of issue

**24.2** 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

## **25 Failure to comply with call notice: automatic consequences**

**25.1** If a person is liable to pay a call and fails to do so by the call payment date

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

**25.2** For the purposes of this article

25.2.1 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, and

25.2.2 the "relevant rate" is

- (a) the rate fixed by the terms on which the share in respect of which the call is due was allotted,
- (b) 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
- (c) if no rate is fixed in either of these ways, 5 per cent per annum

**25.3** The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998

**25.4** The directors may waive any obligation to pay interest on a call wholly or in part

## **26 Notice of intended forfeiture**

**26.1** A notice of intended forfeiture

- 26.1.1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice,
- 26.1.2 must be sent to the holder of that share (or all the joint holders of that share) or to a transmittee of that holder,
- 26.1.3 must require payment of the call and any accrued interest [and all expenses that may have been incurred by the company by reason of such non-payment] by a date which is not less than 14 clear days after the date

of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),

26.1.4 must state how the payment is to be made, and

26.1.5 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

## **27 Directors' power to forfeit shares**

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

## **28 Effect of forfeiture**

**28.1** Subject to the Articles, the forfeiture of a share extinguishes

28.1.1 all interests in that share, and all claims and demands against the company in respect of it, and

28.1.2 all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company

**28.2** Any share which is forfeited in accordance with the Articles

28.2.1 is deemed to have been forfeited when the directors decide that it is forfeited,

28.2.2 is deemed to be the property of the company, and

28.2.3 may be sold, re-allotted or otherwise disposed of as the directors think fit

**28.3** If a person's shares have been forfeited

28.3.1 the company must send that person notice that forfeiture has occurred and record it in the register of shareholders,

28.3.2 that person ceases to be a shareholder in respect of those shares,

28.3.3 that person must surrender the certificate for the shares forfeited to the company for cancellation,

28.3.4 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

28.3.5 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

**28.4** 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 OR ,] interest [and expenses] due in respect of it and on such other terms as they think fit

## **29 Procedure following forfeiture**

**29.1** 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

**29.2** 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

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

**29.2.2** subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share

**29.3** 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

**29.4** 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

**29.4.1** was, or would have become, payable, and

**29.4.2** 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

## **30 Surrender of shares**

**30.1** A shareholder may surrender any share

**30.1.1** in respect of which the directors may issue a notice of intended forfeiture,

**30.1.2** which the directors may forfeit, or

**30.1.3** which has been forfeited

**30.2** The directors may accept the surrender of any such share

**30.3** The effect of surrender on a share is the same as the effect of forfeiture on that share

**30.4** A share which has been surrendered may be dealt with in the same way as a share which has been forfeited

## **31 Share transfers**

**31.1** The directors shall not have any power to register or to refuse to register the transfer of any share. Such powers shall be exercised by ordinary resolution of the company. The company may in its absolute discretion, and without assigning any reason therefor, decline to register any transfer of a share (whether or not it is a