

PART 2

DIRECTOS

DIRECTORS' POWERS AND RESPONSIBILITIES

2 Directors' general authority

Article 3 of the Model Articles shall be amended by the insertion of the words "and to the applicable provisions for the time being of the Companies Acts", after the phrase "subject to the articles".

3 Change of Company name

Without prejudice to the generality of Article 2, the directors may resolve in accordance with Article 5 to change the Company's name.

4 Committees

Where a provision of the articles refers to the exercise of a power, authority or discretion by the directors and that power, authority or discretion has been delegated by the directors to a committee, the provision shall be construed as permitting the exercise of power, authority or discretion by the committee.

DECISION-MAKING BY DIRECTORS

5 Directors to take decisions collectively

5.1 The general rule about decision-making by directors is that any decision of the directors must be taken as a majority decision at a meeting or as a directors' written resolution in accordance with Article 6 (Directors' written resolutions) or otherwise as a unanimous decision taken in accordance with Article 7 (Unanimous decisions).

5.2 If:

5.2.1 the company only has one director for the time being, and

5.2.2 no provision of the articles requires it to have more than one director,

the general rule does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

5.3 Subject to the articles, each director participating in a directors' meeting has one vote.

6 Directors' written resolutions

6.1 Any director may propose a directors' written resolution by giving notice in writing of the proposed resolution to each of the other directors (including alternate directors).

6.2 If the company has appointed a company secretary, the company secretary must propose a directors' written resolution if a director so requests by giving notice in writing to each of the other directors (including alternate directors).

6.3 Notice of a proposed directors' written resolution must indicate:

6.3.1 the proposed resolution; and

6.3.2 the time by which it is proposed that the directors should adopt it.

6.4 A proposed directors' written resolution is adopted when a majority of the non-conflicted directors (or their alternates) have signed one or more copies of it, provided that those directors (or their alternates) would have formed a quorum at a directors' meeting were the resolution to have been proposed at such meeting.

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

7 Unanimous decisions

7.1 A decision of the directors is taken in accordance with this Article 7 when all non-conflicted directors indicate to each other by any means that they share a common view on a matter.

7.2 A decision may not be taken in accordance with this Article 7.2 if the non-conflicted directors would not

have formed a quorum at a directors' meeting had the matter been proposed as a resolution at such a meeting.

- 7.3 Once a directors' unanimous decision is taken in accordance with this Article 7 it must be treated as if it had been a decision taken at a directors' meeting in accordance with the Articles.

8 **Calling a directors' meeting**

8.1 Article 9 of the Model Articles shall be amended by:

- 8.1.1 inserting the words "each of" before the words "the directors";
- 8.1.2 by inserting the phrase "(including alternate directors) ,whether or not he is absent from the UK," after the words "the directors";
- 8.1.3 by inserting the words "subject to article 9.4" at the beginning of article 9(3) of the Model Articles; and
- 8.1.4 by inserting the words "prior to or up to and including" before the words "not more than seven days" in article 9(4) of the Model Articles .

9 **Chairman's casting vote at directors' meetings**

- 9.1 Article 13(1) of the Model Articles shall be amended by the insertion of the words "at a meeting of directors" after the word "proposal".
- 9.2 Article 13(1) of the Model Articles (as amended by Article 8.1) does not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the articles, the chairman or other director chairing the meeting is a conflicted director for the purposes of that meeting (or that part of that meeting at which the proposal is voted upon).

10 **Quorum for directors' meetings**

- 10.1 Subject to Article 10.2, the quorum for the transaction of business at a meeting of directors may be fixed from time to time by a decision of the directors but it must never be less than two directors, and unless otherwise fixed it is two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum . 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 accordingly the quorum for the transaction of business in these circumstances shall be one.
- 10.2 For the purposes of any meeting (or part of a meeting) held pursuant to Article 11 (Directors' conflicts of interests) to authorise a director's Conflict, if there is only one non-conflicted director in office in addition to the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one non-conflicted director.

11 **Records of decisions to be kept**

- 11.1 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.

APPOINTMENT OF DIRECTORS

12 **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 .

13 **Methods of appointing directors**

- 13.1 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) shall have the right, by notice in writing, to appoint a person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.
- 13.2 For the purposes of Article 14.1, where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

14 **Termination of director's appointment**

- 14.1 Article 18(c) of the Model Articles shall be amended by the addition of the words "and the Company resolves that his office be vacated" at the end of the sub-Article.

- 15.1 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary (if any)" before the words "properly incur".

SECRETARY

20 Appointment and removal of 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.