

THE COMPANIES ACT 2006
COMPANY HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

of
BRMLAW LIMITED

PART 1

INTRODUCTION

TUESDAY



1 Introduction

- 1 1 The articles constituting Schedule 1 to the Companies (Model Articles) Regulations 2008 ('Schedule 1') shall apply to the company except in so far as they are excluded or varied by these articles
- 1 2 Any expression defined in article 1 of Schedule 1 shall bear the same meaning in these articles unless the context requires otherwise

PART 2

DIRECTORS

2 Directors' decisions

- 2 1 For Article 13 of Schedule 1 there shall be substituted the following

'Exclusion of casting vote

13 If the numbers of votes for and against a proposal are equal, no person shall have a second or casting vote '

- 2 2 In article 14 of Schedule 1, in paragraph (1) there shall be substituted for the words following 'in which a director is interested' the words 'that director is to be counted as participating in the decision-making process for quorum or voting purposes provided that the director discloses the interest in accordance with either Section 177 or Section 182 of the Act (as the case may be)'

- 2 3 In article 14 of Schedule 1, paragraphs (2) to (4) inclusive shall be omitted

3 Appointment and retirement of directors

- 3 1 The number of directors is not subject to any maximum, unless the company by ordinary resolution decides otherwise The minimum number of directors is one
- 3 2 In article 18 of Schedule 1, in paragraph (f) there shall be substituted for the words 'notification is received by the company from the director' the words 'the director leaves at the company's registered office notification'

4 Appointment and removal of alternate directors

4 1 Any director (the 'appointor') may appoint as an alternate any other director, or any other person approved by resolution of the directors, to--

4 1 1 exercise that director's powers, and

4 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

4 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

4 3 The notice must--

4 3 1 identify the proposed alternate, and

4 3 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

5 Rights and responsibilities of alternate directors

5 1 An alternate director has the same rights, in relation to any directors' decision-making process (including any directors' meeting or part of a directors' meeting), as the alternate's appointor

5 2 Except as the articles specify otherwise, alternate directors--

5 2 1 are deemed for all purposes to be directors,

5 2 2 are liable for their own acts and omissions,

5 2 3 are subject to the same restrictions as their appointors, and

5 2 4 are not deemed to be agents of or for their appointors

5 3 A person who is an alternate director but not a director--

5 3 1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and

5 3 2 may sign a written resolution (but only if it is not signed or to be signed by that person's appointor)

No alternate may be counted as more than one director for such purposes

5 4 An alternate director is not entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company

6 Termination of alternate directorship

An alternate director's appointment as an alternate terminates--

6 1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate,

6 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,

- 6 3 on the death of the alternate's appointor, or
- 6 4 when the alternate's appointor's appointment as a director terminates, except that an alternate's appointment as an alternate does not terminate when the appointor retires by rotation at a general meeting and is then re-appointed as a director at the same general meeting

PART 3

ISSUE OF SHARES

7 Issue of shares

- 7 1 Article 21 of Schedule 1 shall be omitted
- 7 2 The directors may exercise the power to allot shares in the company, or to grant rights to subscribe for or to convert any security into shares in the company up to a maximum of 1,000 shares, for a period of 5 years from the date of the incorporation of the company and afterwards insofar as this is necessary to comply with an offer or agreement made by the company before the expiry of the 5 year period
- 7 3 In article 22 of Schedule 1, in paragraph (1) there shall be substituted for the words following 'such rights or restrictions' the words 'as may be determined by special resolution or attach such rights or restrictions to existing shares'

8 Company's lien over shares

- 8 1 This article applies to any share (whether partly or fully paid) registered in the name (whether as sole or joint holder) of any person indebted or under liability to the company
- 8 2 The company has a lien ('the company's lien') over every share to which this article applies for any sum which has not been paid to the company, and which is payable immediately or at some time in the future (including but not limited to any part of that share's nominal value and any premium at which it was issued), whether or not a call notice has been sent in respect of it
- 8 3 The company's lien over a share takes priority over any third party's interest in that share, and 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
- 8 4 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

9 Enforcement of the company's lien

- 9 1 Subject to the provisions of this article, if--
- 9 1 1 a lien enforcement notice has been given in respect of a share, and
- 9 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

9 2 A lien enforcement notice--

9 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,

9 2 2 must specify the share concerned,

9 2 3 must require payment of the sum payable within 14 days of the notice,

9 2 4 must be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise, and

9 2 5 must state the company's intention to sell the share if the notice is not complied with

9 3 Where shares are sold under this article--

9 3 1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and

9 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

9 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--

9 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,

9 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 a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice

9 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--

9 5 1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and

9 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

PART 4

CALLS AND FORFEITURE

10 Call notices

10 1 Subject to the articles and the terms on which shares are allotted, the directors may send a notice (a 'call notice') to a member requiring the member to pay the company a specified sum of money (a 'call') which is payable in respect of shares which that member holds at the date

when the directors decide to send the call notice

10 2 A call notice--

10 2 1 may not require a member to pay a call which exceeds the total sum unpaid on that member's shares (whether as to the share's nominal value or any amount payable to the company by way of premium),

10 2 2 must state when and how any call to which it relates it is to be paid, and

10 2 3 may permit or require the call to be paid by instalments

10 3 A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 14 days have passed since the notice was sent

10 4 Before the company has received any call due under a call notice the directors may--

10 4 1 revoke it wholly or in part, or

10 4 2 specify a later time for payment than is specified in the notice,

by a further notice in writing to the member in respect of whose shares the call is made

11 **Liability to pay calls**

11 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

11 2 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share

11 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--

11 3 1 to pay calls which are not the same, or

11 3 2 to pay calls at different times

12 **When call notice need not be issued**

12 1 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the company in respect of that share (whether in respect of nominal value or premium)--

12 1 1 on allotment,

12 1 2 on the occurrence of a particular event, or

12 1 3 on a date fixed by or in accordance with the terms of issue

12 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

13 **Failure to comply with call notice: automatic consequences**

13 1 If a person is liable to pay a call and fails to do so by the call payment date--

13 1 1 the directors may issue a notice of intended forfeiture to that person, and

13 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

13 2 For the purposes of this article--

13 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,

13 2 2 the 'relevant rate' is--

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

13 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

13 4 The directors may waive any obligation to pay interest on a call wholly or in part

14 **Notice of intended forfeiture**

A notice of intended forfeiture--

14 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,

14 2 must be sent to the holder of that share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise,

14 3 must require payment of the call and any accrued interest by a date which is not less than 14 days after the date of the notice,

14 4 must state how the payment is to be made, and

14 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

15 **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

16 **Effect of forfeiture**

16 1 Subject to the articles, the forfeiture of a share extinguishes--

16 1 1 all interests in that share, and all claims and demands against the company in respect of it, and

16 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

16 2 Any share which is forfeited in accordance with the articles--

- 16 2 1 is deemed to have been forfeited when the directors decide that it is forfeited,
- 16 2 2 is deemed to be the property of the company, and
- 16 2 3 may be sold, re-allotted or otherwise disposed of as the directors think fit
- 16 3 If a person's shares have been forfeited--
 - 16 3 1 the company must send that person notice that forfeiture has occurred and record it in the register of members,
 - 16 3 2 that person ceases to be a member in respect of those shares,
 - 16 3 3 that person must surrender the certificate for the shares forfeited to the company for cancellation,
 - 16 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
 - 16 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
- 16 4 At any time before the company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit

17 Procedure following forfeiture

- 17 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
- 17 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--
 - 17 2 1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
 - 17 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
- 17 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
- 17 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--
 - 17 4 1 was, or would have become, payable, and
 - 17 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

18 Surrender of shares

18 1 A member may surrender any share—

18 1 1 in respect of which the directors may issue a notice of intended forfeiture,

18 1 2 which the directors may forfeit, or

18 1 3 which has been forfeited

18 2 The directors may accept the surrender of any such share

18 3 The effect of surrender on a share is the same as the effect of forfeiture on that share

18 4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited

PART 5

DISTRIBUTIONS

19 Procedure for declaring dividends

In article 30 of Schedule 1, after paragraph (7) there shall be added the following paragraph
'(8) If any share is issued on terms providing that it ranks for dividend as from a particular date or to a particular extent, that share ranks for dividend accordingly'

PART 6

DECISION-MAKING BY SHAREHOLDERS

20 Quorum for general meetings

The quorum for the Company shall be as set out in section 318 of the Companies Act 2006

21 Adjournment

21 1 In article 41 of Schedule 1, in paragraph (1) after the words 'the chairman of the meeting must adjourn it' there shall be added the words 'unless the meeting is convened on the requisition of the members in which case the meeting shall be dissolved'

21 2 In article 41 of Schedule 1, after paragraph (5) there shall be added the following paragraph
'(6) If the person or persons attending the adjourned general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, that person or those persons present shall constitute a quorum' and the existing paragraph (6) shall be renumbered accordingly