

NORTH WEST AEROSPACE ALLIANCE

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY GUARANTEE

INDEX TO THE ARTICLES

PART 1 INTERPRETATION AND LIMITATION OF LIABILITY

1. Defined terms
2. Liability of members

PART 2 DIRECTORS DIRECTORS' POWERS AND RESPONSIBILITIES

3. Directors' general authority
4. Members' reserve power
5. Directors may delegate
6. Committees

DECISION-MAKING BY DIRECTORS

7. Directors to take decisions collectively
8. Unanimous decisions
9. Calling a directors' meeting
10. Participation in directors' meetings
11. Quorum for directors' meetings
12. Chairing of directors' meetings
13. Casting vote
14. Conflicts of interest
15. Records of decisions to be kept
16. Directors' discretion to make further rules

APPOINTMENT OF DIRECTORS

17. Methods of appointing directors
18. Termination of director's appointment
19. Directors' remuneration
20. Directors' expenses

PART 3 MEMBERS BECOMING AND CEASING TO BE A MEMBER

21. Applications for membership
22. Termination of membership



ORGANISATION OF GENERAL MEETINGS

23. Attendance and speaking at general meetings
24. Quorum and proceedings for general meetings
25. Chairing general meetings
26. Attendance and speaking by directors and non-members
27. Adjournment

VOTING AT GENERAL MEETINGS

28. Votes of Members
29. Errors and disputes
30. Content of proxy notices
31. Delivery of proxy notices
32. Resolutions or Amendments to resolutions

PART 4 ADMINISTRATIVE ARRANGEMENTS

33. Means of communication to be used
34. Company seals
35. No right to inspect accounts and other records
36. Provision for employees on cessation of business

DIRECTORS' INDEMNITY AND INSURANCE

37. Indemnity
38. Insurance

PART 1 INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise—
 - “articles” means the company’s articles of association;
 - “bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
 - “chairman” has the meaning given in article 12;
 - “chairman of the meeting” has the meaning given in article 25;

NATK

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

“director” means a director of the company, and includes any person occupying the position of director, by whatever name called;

“document” includes, unless otherwise specified, any document sent or supplied in electronic form;

“electronic form” has the meaning given in section 1168 of the Companies Act 2006;

“member” has the meaning given in section 112 of the Companies Act 2006;

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;

“participate”, in relation to a directors’ meeting, has the meaning given in article 10;

“proxy notice” has the meaning given in article 30;

“special resolution” has the meaning given in section 283 of the Companies Act 2006;

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006;

and

“writing” means 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.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 (including any statutory modifications or re-enactment of it for the time being in force).

Liability of members

2.1 The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the company in the event of its being wound up while he is a member or within one year after he ceases to be a member, for—

- (a) payment of the company’s debts and liabilities contracted before he ceases to be a member,
- (b) payment of the costs, charges and expenses of winding up, and
- (c) adjustment of the rights of the contributories among themselves.

2.2 On the winding up or dissolution of the Company, all the assets that would otherwise be available to its members generally must be transferred to a body (whether or not that body is a member of the Company) with a purpose that is the same or as similar to the purpose of the Company or anything incidental or conducive to that purpose.

2.3 The “body” referred to in article 2.2 above, and if permitted by the Insolvency Practitioner on the winding up, will be determined by the Board of the Company at or before the time of dissolution and if the board cannot agree to such “Body” within 48 hours of the Company being wound up, then the Insolvency Practitioner appointed to deal with the winding up shall decide on such “Body” to receive the assets of the Company.

PART 2

DIRECTORS

DIRECTORS’ POWERS AND RESPONSIBILITIES

Directors’ general authority

3.1 Subject to the articles, the directors are responsible for the management of the company’s business, for which purpose they may exercise all the powers of the Company.

3.2 The number of directors shall not be less than 5 or unless and until otherwise determined by the Company in general meeting more than 13.

3.3 No person may be appointed or continue to hold his position as a director unless:

- (a) he is a Member of the Company or he becomes a Member or employee of a company that is a Member within one month of his appointment but subject to the specific exception by paragraph (b)
- (b) he is a representative of an organisation considered to be significant to or supporting the purpose of the Company.

3.4 The Directors must appoint a secretary of the Company for such term and upon such conditions (as to remuneration and otherwise) as the Board thinks fit.

3.5 Where the office of secretary is vacant, or there is for any other reason no Secretary of acting, anything required or authorised to be done by or to the secretary may be done;

- (a) by or to an assistant or deputy secretary (if any); or
- (b) if there is no assistant or deputy secretary or non capable of acting, by or to any officer of the Company authorised generally or specifically by the board of directors.

Members’ reserve power

4.1. Any special resolution of the Members that directs the directors to take or refrain from taking a specified action does not invalidate anything which the Directors have done before passing of the resolution.



Directors may delegate

5.1. Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—

- (a) to such person or committee;
 - (b) by such means (including by power of attorney);
 - (c) to such an extent;
 - (d) in relation to such matters or territories; and
 - (e) on such terms and conditions;
- as they think fit.

5.2. If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

5.3. The directors may revoke any delegation in whole or part, or alter its terms and conditions.

Committees

6.1. Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

6.2. The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

7.1. The general rule about decision-making by directors is that any decision of the directors must be either a majority decision present at a meeting of directors that is quorate or in writing by the majority of directors or a decision taken in accordance with article 8.

7.2. If-

- (a) the company only has one director, and
 - (b) no provision of the articles requires it to have more than one director,
- the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

Unanimous decisions

8.1. 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.

8.2. Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.



8.3. References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

8.4. 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.

Calling a directors' meeting

9.1. Any director may call a directors' meeting by giving at least 7 days notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice but a directors meeting may be called by shorter notice if it is agreed in writing by at least 85% of the directors.

9.2. Notice of any directors' meeting must indicate—

- (a) its proposed date and time;
- (b) where it is to take place; and
- (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

9.3. Notice of a directors' meeting must be given to each director, but need not be in writing.

9.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

Participation in directors' meetings

10.1. Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—

- (a) the meeting has been called and takes place in accordance with the articles, and
- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

10.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

10.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

Quorum for directors' meetings

11.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.



11.2. The quorum for directors' meetings shall be 5, unless otherwise amended by the directors at a board meeting.

11.3. If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—

- (a) to appoint further directors, or
- (b) to call a general meeting so as to enable the members to appoint further directors.

Chairing of directors' meetings

12.1. The directors may appoint a director to chair their meetings.

12.2. The person so appointed for the time being is known as the chairman.

12.3. The directors may terminate the chairman's appointment at any time.

12.4. If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

Casting vote

13.1. If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

13.2. But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

Conflicts of interest

14.1. If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.

14.2. But if paragraph 14.3. applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

14.3. This paragraph applies when—

- (a) the director has disclosed to the directors the nature and extent of any material interest of his in a transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (c) the director's conflict of interest arises from a permitted cause.

14.4. For the purposes of this article, the following are permitted causes—

- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
- (b) subscription, or an agreement to subscribe, for securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such securities; and
- (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

14.5. For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

14.6. Subject to paragraph 14.7., if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

14.7 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a majority decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

Records of decisions to be kept

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

Directors' discretion to make further rules

16. Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

APPOINTMENT OF DIRECTORS

Methods of appointing directors

17.1. Subject to articles 17.2. below Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

- (a) by ordinary resolution, or
- (b) by a decision of the directors.

17.2. No person other than a director retiring by rotation shall be appointed or re-appointed a director at a General Meeting unless;

- a) he is recommended by the Directors; or
- b) not less than 14 nor more than 35 clear days before the date he is appointed for the General Meeting, notice executed by at least 5% of members qualified to vote at the General Meeting has been given to the Company of the intention to propose that



person for appointment or re-appointment together with the Notice executed by that person obviously willingness to be appointed or re-appointed.

Termination of director's appointment

18.1. A person ceases to be a director as soon as—

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;
- (g) subject to article 3.3(b) the person appointed to be a director is no longer an employee of the Member (if it is a corporation or partnership) for whatever reason;
- (h) the Member company from whom the person has been appointed a Director of the Company is no longer a member of the Company.

18.2. The Directors shall be required to retire by rotation at each General Meeting held on or after the third anniversary of the director's date of appointment. At the meeting at which a director retires by rotation, if the Company does not fill the vacancy the retiring director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the appointment of the director is put to the meeting and lost.

Directors' remuneration

19.1. Directors may undertake any services for the company that the directors decide.

19.2. Directors are entitled to such remuneration as the directors determine—

- (a) for their services to the company as directors, and
- (b) for any other service which they undertake for the company.

19.3. Subject to the articles, a director's remuneration may—

- (a) take any form, and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

19.4. Unless the directors decide otherwise, directors' remuneration accrues from day to day.

19.5. Unless the directors decide otherwise, directors are accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

Directors' expenses

20. The Company may pay any reasonable expense, provided that such expenses are approved by the majority of directors present at the board meeting, which the directors properly incur in connection with their attendance at—

- (a) meetings of directors or committees of directors,
- (b) general meetings, or
- (c) separate meetings of the holders of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

PART 3

MEMBERS

BECOMING AND CEASING TO BE A MEMBER

Applications for membership

21. No person shall become a member of the company unless—

- (a) that person has completed an application for membership in a form approved by the directors, and
- (b) the directors have approved the application or delegated that authority to a committee or individual under the powers in article 5.

Termination of membership

22.1. A member may withdraw from membership of the company by giving 30 days' notice to the company in writing.

22.2. Membership is not transferable.

22.3. Members membership can be suspended or terminated by the Company

- (a) if any resolution or petition to wind up of the Member shall be passed or presented, or if a receiver or administrator of the whole or any part of the Members property or assets of the appointed.
- (b) the subscription fees remain outstanding for more than 90 days from the date of invoice.
- (c) on the grounds of misconduct in relation either to the Company, its property or its Members, or of conduct likely to prove prejudicial to the good standing of the Company or to the attainment of its purpose.
- (d) If the Member is a sole trader, dies or becomes bankrupt.

22.4. Any resolution made by the Directors under 22.3 above shall only be valid if passed by the majority of the Directors at a board meeting.

ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

23.1. A Member is able to exercise the right to speak at a general meeting when that Member is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

23.2. A Member is able to exercise the right to vote at a general meeting when—
(a) that Member is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
(b) that Member's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other Members attending the meeting.

23.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

23.4. In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

23.5 Two or more Members who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

Quorum and proceedings for general meetings

24.1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

24.2 Quorum for a general meeting shall be at least 5% of the total qualifying members as at the date of the Notice of the general meeting.

24.3. The accidental omission to give notice of a meeting to, or in non receipt of notice of a meeting by a Member entitled to receive notice shall not invalidate the proceedings and that meeting.

24.4. For the purposes of article 24.2. a "qualifying Member" means;
(a) a member who is entitled to vote at general meeting and is not in breach of articles 28.2. or liable for termination under article 22.3; or
(b) a proxy for a member

24.5 In these articles "special business" means;
(a) all business transacted at an annual general meeting except for matters set out in article 24.6.; or
(b) all business transacted at any other general meeting of the Company.

NATH

- 24.6. The matters referred to in article 24.5.(a). are;
- (a) in the consideration of the accounts (including any documents annexed to the accounts) and the reports of directors and auditors; and
 - (b) the appointment of directors or auditors, and re-appointment of retiring directors and auditors.

Chairing general meetings

- 25.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 25.2. If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—
- (a) the directors present, or
 - (b) (if no directors are present), the meeting,
- must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 25.3. The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

Attendance and speaking by directors and non-members

- 26.1. Directors may attend and speak at general meetings.
- 26.2. The chairman of the meeting may permit other persons who are not members of the company to attend and speak at a general meeting.

Adjournment

- 27.1. If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- 27.2. The chairman of the meeting may adjourn a general meeting at which a quorum is present if—
- (a) the meeting consents to an adjournment, or
 - (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 27.3. The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 27.4. When adjourning a general meeting, the chairman of the meeting must—
- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
 - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

27.5. If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—

- (a) to the same persons to whom notice of the company's general meetings is required to be given, and
- (b) containing the same information which such notice is required to contain.

27.6. No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

Votes of Members

28.1 A resolution put to the vote of a general meeting must be decided on a show of hands in accordance with the articles.

28.2. Each member shall have one vote and no more. No Member is entitled to vote at any general meeting if any money owing from them on any account to the Company is overdue.

28.3. Each Member is entitled to appoint a proxy and such proxy will have a vote in accordance with this article 28.1. If a proxy present has been duly appointed to act on behalf of one or more Members, then that proxy still carries one vote per Member on a show of hands.

28.4. Any organisation which is a member of the Company may by resolution of its Board or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the organisation which he represents as that organisation could exercise if it were an individual member of the Company.

Errors and disputes

29.1. No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

29.2. Any such objection must be referred to the chairman of the meeting whose decision is final.

Content of proxy notices

30.1. Proxies may only validly be appointed by a notice in writing (a "proxy notice") which—

- (a) states the name and address of the member appointing the proxy;



- (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
- (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

30.2. The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

30.3. Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

30.4. Unless a proxy notice indicates otherwise, it must be treated as—

- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

Delivery of proxy notices

31.1. A person who is entitled to attend, speak or vote (on a show of hands) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.

31.2. An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

31.3. A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

31.4. If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

Resolutions or amendments to resolutions

32.1. An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
- (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

32.2. A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—

- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
- (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

32.3. If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

32.4. The Company can pass resolutions using written resolutions in accordance with the provisions of the Companies Act 2006 Chapter 2 Part 13.

PART 4

ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

33.1. Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

33.2. Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

33.3. A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

Company seals

34.1. Any common seal may only be used by the authority of the directors.

34.2. The seal of the Company shall not be affixed to any document except in the presence of at least two Directors and the Secretary or, three Directors and the document must also be signed by at least two Directors and the Secretary or three Directors.

No right to inspect accounts and other records

35.1. Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a member.

Natf

Provision for employees on cessation of business

36.1. The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

37.1. Subject to paragraph 37.2., a relevant director of the company or an associated company may be indemnified out of the company's assets against—

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

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

37.3. In this article—

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant director" means any director or former director of the company or an associated company.

Insurance

38.1. The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

38.2. In this article—

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

Nat

