

Contents and execution of share certificates

47. (1) Every certificate must specify—
- (a) in respect of how many shares, of what class, it is issued; and
 - (b) the nominal value of those shares; and
 - (c) the amount paid up on them; and
 - (d) any distinguishing numbers assigned to them.
- (2) Certificates must—
- (a) have affixed to them the company's common seal or an official seal which is a facsimile of the company's common seal with the addition on its face of the word "Securities" (a "securities seal"); or
 - (b) be otherwise executed in accordance with the Act.

Consolidated share certificates

48. (1) When a member's holding of shares of a particular class increases, the company may issue that member with—

- (a) a single, consolidated certificate in respect of all the shares of a particular class which that member holds; or
- (b) a separate certificate in respect of only those shares by which that member's holding has increased.

(2) When a member's holding of shares of a particular class is reduced, the company must ensure that the member is issued with one or more certificates in respect of the number of shares held by the member after that reduction. But the company need not (in the absence of a request from the member) issue any new certificate if—

- (a) all the shares which the member no longer holds as a result of the reduction; and
- (b) none of the shares which the member retains following the reduction;

were, immediately before the reduction, represented by the same certificate.

(3) A member may request the company, in writing, to replace—

- (a) the member's separate certificates with a consolidated certificate; or
- (b) the member's consolidated certificate with two or more separate certificates representing such proportion of the shares as the member may specify.

(4) When the company complies with such a request it may charge such reasonable fee as the directors may decide for doing so.

(5) A consolidated certificate must not be issued unless any certificates which it is to replace have first been returned to the company for cancellation.

Replacement share certificates

49. (1) If a certificate issued in respect of a member's shares is—

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed,

that member is entitled to be issued with a replacement certificate in respect of the same shares.

(2) A member exercising the right to be issued with such a replacement certificate—

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates; and
- (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

SHARE NOT HELD IN CERTIFICATED FORM

Uncertificated shares

50. (1) In this article, “the relevant rules” means—

- (a) any applicable provision of the Act about the holding, evidencing of title to, or transfer of shares other than in certificated form; and
- (b) any applicable legislation, rules or other arrangements made under or by virtue of such provision.

(2) The provisions of this article have effect subject to the relevant rules.

(3) Any provision of the articles which is inconsistent with the relevant rules must be disregarded, to the extent that it is inconsistent, whenever the relevant rules apply.

(4) Any share or class of shares of the company may be issued or held on such terms, or in such a way, that—

- (a) title to it or them is not, or must not be, evidenced by a certificate; or
- (b) it or they may or must be transferred wholly or partly without a certificate.

(5) The directors have power to take such steps as they think fit in relation to—

- (a) the evidencing of and transfer of title to uncertificated shares (including in connection with the issue of such shares); or
- (b) any records relating to the holding of uncertificated shares; or
- (c) the conversion of certificated shares into uncertificated shares; or
- (d) the conversion of uncertificated shares into certificated shares.

(6) The company may by notice to the holder of a share require that share—

- (a) if it is uncertificated, to be converted into certificated form; and
- (b) if it is certificated, to be converted into uncertificated form;

to enable it to be dealt with in accordance with the articles.

(7) If—

- (a) the articles give the directors power to take action, or require other persons to take action, in order to sell, transfer or otherwise dispose of shares; and
- (b) uncertificated shares are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument;

the directors may take such action as is necessary or expedient to achieve the same results when exercising that power in relation to uncertificated shares.

(8) In particular, the directors may take such action as they consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it.

(9) Unless the directors otherwise determine, shares which a member holds in uncertificated form must be treated as separate holdings from any shares which that member holds in certificated form.

(10) A class of shares must not be treated as two classes simply because some shares of that class are held in certificated form and others are held in uncertificated form.

Share warrants

51. (1) The directors may issue a share warrant in respect of any fully paid share.

(2) Share warrants must be—

- (a) issued in such form; and
- (b) executed in such manner,

as the directors decide.

(3) A share represented by a share warrant may be transferred by delivery of the warrant representing it.

(4) The directors may make provision for the payment of dividends in respect of any share represented by a share warrant.

(5) Subject to the articles, the directors may decide the conditions on which any share warrant is issued. In particular, they may—

- (a) decide the conditions on which new warrants are to be issued in place of warrants which are damaged or defaced, or said to have been lost, stolen or destroyed; and
- (b) decide the conditions on which bearers of warrants are entitled to attend and vote at general meetings; and
- (c) decide the conditions subject to which bearers of warrants may surrender their warrant so as to hold their shares in certificated or uncertificated form instead; and
- (d) vary the conditions of issue of any warrant from time to time;

and the bearer of a warrant is subject to the conditions and procedures in force in relation to it, whether or not they were decided or specified before the warrant was issued.

(6) Subject to the conditions on which the warrants are issued from time to time, bearers of share warrants have the same rights and privileges as they would if their names had been included in the register as holders of the shares represented by their warrants.

(7) The company must not in any way be bound by or recognise any interest in a share represented by a share warrant other than the absolute right of the bearer of that warrant to that warrant.

PARTLY PAID SHARES

Company's lien over partly paid shares

52. (1) The company has a lien ("the company's lien") over every share which is partly paid for any part of—

- (a) that share's nominal value; and
- (b) any premium at which it was issued;

which has not been paid to the company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it.

(2) The company's lien over a share—

- (a) takes priority over any third party's interest in that share; and
- (b) 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.

(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.

Enforcement of the company's lien

53. (1) Subject to the provisions of this article, if—
- (a) a lien enforcement notice has been given in respect of a share; and
 - (b) 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.
- (2) A lien enforcement notice—
- (a) 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; and
 - (b) must specify the share concerned; and
 - (c) must require payment of the sum payable within 14 days of the notice; and
 - (d) must be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death, insolvency or otherwise; and
 - (e) must state the company's intention to sell the share if the notice is not complied with.
- (3) Where shares are sold under this article—
- (a) 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
 - (b) 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.
- (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—
- (a) 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;
 - (b) 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.
- (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—
- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
 - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

Call notices

54. (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.

(2) A call notice—

- (a) 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); and
- (b) must state when and how any call to which it relates it is to be paid; and
- (c) may permit or require the call to be paid by instalments.

(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.

(4) Before the company has received any call due under a call notice the directors may—

- (a) revoke it wholly or in part; or
- (b) 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.

Liability to pay calls

55. (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.

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

(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—

- (a) to pay calls which are not the same; or
- (b) to pay calls at different times.

When call notice need not be issued

56. (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)—

- (a) on allotment; or
- (b) on the occurrence of a particular event; or
- (c) on a date fixed by or in accordance with the terms of issue.

(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.

Failure to comply with call notice: automatic consequences

57. (1) If a person is liable to pay a call and fails to do so by the call payment date—

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

(2) For the purposes of this article—

- (a) 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;
 - (b) 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; or
 - (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*.
- (3) The relevant rate must not exceed by more than 5 percentage points the prescribed rate of interest.
- (4) The directors may waive any obligation to pay interest on a call wholly or in part.

Notice of intended forfeiture

58. A notice of intended forfeiture—
- (a) may be sent in respect of any share in respect of which a call has not been paid as required by a call notice; and
 - (b) must be sent to the holder of that share or to a person entitled to it by reason of the holder’s death, insolvency or otherwise; and
 - (c) 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; and
 - (d) must state how the payment is to be made; and
 - (e) 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.

Directors’ power to forfeit shares

59. 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.

Effect of forfeiture

60. (1) Subject to the articles, the forfeiture of a share extinguishes—
- (a) all interests in that share, and all claims and demands against the company in respect of it; and
 - (b) all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company.
- (2) Any share which is forfeited in accordance with the articles—
- (a) is deemed to have been forfeited when the directors decide that it is forfeited; and
 - (b) is deemed to be the property of the company; and
 - (c) may be sold, re-allotted or otherwise disposed of as the directors think fit.
- (3) If a person’s shares have been forfeited—
- (a) the company must send that person notice that forfeiture has occurred and record it in the register of members; and

- (b) that person ceases to be a member in respect of those shares;
- (c) that person must surrender the certificate for the shares forfeited to the company for cancellation;
- (d) 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
- (e) 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.

(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.

Procedure following forfeiture

61. (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.

(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—

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
- (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

(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.

(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—

- (a) was, or would have become, payable; and
- (b) 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.

Surrender of shares

62. (1) A member may surrender any share—

- (a) in respect of which the directors may issue a notice of intended forfeiture; or
- (b) which the directors may forfeit; or
- (c) which has been forfeited.

(2) The directors may accept the surrender of any such share.

(3) The effect of surrender on a share is the same as the effect of forfeiture on that share.

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

*TRANSFER AND TRANSMISSION OF SHARES**Transfers of certificated shares*

63. (1) Certificated 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—

- (a) the transferor; and
- (b) (if any of the shares is partly paid) the transferee.

(2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

(3) The company may retain any instrument of transfer which is registered.

(4) The transferor remains the holder of a certificated share until the transferee's name is entered in the register of members as holder of it.

(5) The directors may refuse to register the transfer of a certificated share if—

- (a) the share is not fully paid; or
- (b) the transfer is not lodged at the company's registered office or such other place as the directors have appointed; or
- (c) the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf; or
- (d) the transfer is in respect of more than one class of share; or
- (e) the transfer is in favour of more than four transferees.

(6) If the directors refuse to register the transfer of a share, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

Transfer of uncertificated shares

64. A transfer of an uncertificated share must not be registered if it is in favour of more than four transferees.

Transmission of shares

65. (1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.

(2) Nothing in these articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member.

Transmittees' rights

66. (1) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—

- (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person; and
- (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

(2) But transmittees do not have the right to attend or vote at a general meeting in respect of shares to which they are entitled, by reason of the holder's death or insolvency or otherwise, unless they become the holders of those shares

Exercise of transmitters' rights

67. (1) Transmitters who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.

(2) If the share is a certificated share and a transmitter wishes to have it transferred to another person, the transmitter must execute an instrument of transfer in respect of it.

(3) If the share is an uncertificated share and the transmitter wishes to have it transferred to another person, the transmitter must—

- (a) procure that all appropriate instructions are given to effect the transfer, or
- (b) procure that the uncertificated share is changed into certificated form and then execute an instrument of transfer in respect of it.

(4) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmitter has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

Transmitters bound by prior notices

68. If a notice is given to a member in respect of shares and a transmitter is entitled to those shares, the transmitter is bound by the notice if it was given to the member before the transmitter's name has been entered in the register of members.

*CONSOLIDATION OF SHARES**Procedure for disposing of fractions of shares*

69. (1) This article applies where—

- (a) there has been a consolidation or division of shares; and
- (b) as a result, members are entitled to fractions of shares.

(2) The directors may—

- (a) sell the shares representing the fractions to any person including the company for the best price reasonably obtainable; and
- (b) in the case of a certificated share, authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
- (c) distribute the net proceeds of sale in due proportion among the holders of the shares.

(3) Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that member's portion may be distributed to an organisation which is a charity for the purposes of the law.

(4) The person to whom the shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.

(5) The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale.

*DISTRIBUTIONS**Procedure for declaring dividends*

70. (1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

(2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

(3) No dividend may be declared or paid unless it is in accordance with members' respective rights.

(4) Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.

(5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.

(6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

(7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

Calculation of dividends

71. (1) Except as otherwise provided by the articles or the rights attached to shares, all dividends must be—

- (a) declared and paid according to the amounts paid up on the shares on which the dividend is paid; and
- (b) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

(2) If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.

(3) For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

Payment of dividends and other distributions

72. (1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—

- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide; or
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide; or
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
- (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

(2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

- (a) the holder of the share; or
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
- (c) if the holder is no longer entitled to the share by reason of death or insolvency, or otherwise by operation of law, the transmittee.

Deductions from distributions in respect of sums owed to the company

73. (1) If—

- (a) a share is subject to the company's lien; and
- (b) the directors are entitled to issue a lien enforcement notice in respect of it;

they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the company in respect of that share to the extent that they are entitled to require payment under a lien enforcement notice.

(2) Money so deducted must be used to pay any of the sums payable in respect of that share.

(3) The company must notify the distribution recipient in writing of—

- (a) the fact and amount of any such deduction; and
- (b) any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction; and
- (c) how the money deducted has been applied.

No interest on distributions

74. The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

- (a) the terms on which the share was issued; or
- (b) the provisions of another agreement between the holder of that share and the company.

Unclaimed distributions

75. (1) All dividends or other sums which are—

- (a) payable in respect of shares; and
- (b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

(2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

(3) If—

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment; and
- (b) the distribution recipient has not claimed it;

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

Non-cash distributions

76. (1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of

a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

(2) If the shares in respect of which such a non-cash distribution is paid are uncertificated, any shares in the company which are issued as a non-cash distribution in respect of them must be uncertificated.

(3) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—

- (a) fixing the value of any assets;
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients;
- (c) vesting any assets in trustees.

Waiver of distributions

77. Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if—

- (a) the share has more than one holder; or
- (b) more than one person is entitled to the share, whether by reason of the death or insolvency of one or more joint holders, or otherwise;

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

CAPITALISATION OF PROFITS

Authority to capitalise and appropriation of capitalised sums

78. (1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
- (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

(2) Capitalised sums must be applied—

- (a) on behalf of the persons entitled; and
- (b) in the same proportions as a dividend would have been distributed to them.

(3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

(4) A capitalised sum which was appropriated from profits available for distribution may be applied—

- (a) in or towards paying up any amounts unpaid on existing shares held by the persons entitled; or
- (b) in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.

- (5) Subject to the articles the directors may—
- (a) apply capitalised sums in accordance with sub-articles (3) and (4) partly in one way and partly in another; and
 - (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
 - (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

PART 5: MISCELLANEOUS PROVISIONS

COMMUNICATIONS

Means of communication to be used

79. (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 Act 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.

(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.

(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.

Failure to notify contact details

80. (1) If—

- (a) the company sends two consecutive documents to a member over a period of at least 12 months; and
- (b) each of those documents is returned undelivered, or the company receives notification that it has not been delivered;

that member ceases to be entitled to receive notices from the company.

(2) A member who has ceased to be entitled to receive notices from the company becomes entitled to receive such notices again by sending the company—

- (a) a new address to be recorded in the register of members; or
- (b) if the member has agreed that the company should use a means of communication other than sending things to such an address, the information that the company needs to use that means of communication effectively.

ADMINISTRATIVE ARRANGEMENTS

Company seals

81. (1) Any common seal may only be used by the authority of the directors.

(2) The directors may decide by what means and in what form any common seal or securities seal is to be used.

(3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

- (4) For the purposes of this article, an authorised person is—
- (a) any director of the company; or
 - (b) the company secretary; or
 - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

(5) If the company has an official seal for use abroad, it may only be affixed to a document if its use on that document, or documents of a class to which it belongs, has been authorised by a decision of the directors.

(6) If the company has a securities seal, it may only be affixed to securities by the company secretary or a person authorised to apply it to securities by the company secretary.

(7) For the purposes of the articles, references to the securities seal being affixed to any document include the reproduction of the image of that seal on or in a document by any mechanical or electronic means which has been approved by the directors in relation to that document or documents of a class to which it belongs.

Destruction of documents

82. (1) The company is entitled to destroy—

- (a) all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entries are made in the register of members, from six years after the date of registration; and
- (b) all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address, from two years after they have been recorded; and
- (c) all share certificates which have been cancelled from one year after the date of the cancellation; and
- (d) all paid dividend warrants and cheques from one year after the date of actual payment; and
- (e) all proxy notices from one year after the end of the meeting to which the proxy notice relates.

(2) If the company destroys a document in good faith, in accordance with the articles, and without notice of any claim to which that document may be relevant, it is conclusively presumed in favour of the company that—

- (a) entries in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed were duly and properly made; and
- (b) any instrument of transfer so destroyed was a valid and effective instrument duly and properly registered; and
- (c) any share certificate so destroyed was a valid and effective certificate duly and properly cancelled; and
- (d) any other document so destroyed was a valid and effective document in accordance with its recorded particulars in the books or records of the company.

(3) This article does not impose on the company any liability which it would not otherwise have if it destroys any document before the time at which this article permits it to do so.

(4) In this article, references to the destruction of any document include a reference to its being disposed of in any manner.

No right to inspect accounts and other records

83. 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.

Provision for employees on cessation of business

84. 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*

85. (1) Subject to sub-article (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 other liability incurred by that director as an officer of the company or an associated company;

(2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

(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

86. (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.

(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;
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

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PART 1: INTERPRETATION AND LIMITATION OF LIABILITY

Definitions

1. (1) In the articles, unless the context requires otherwise—

“articles” means the company’s articles of association;

“insolvency” includes individual insolvency proceedings in a jurisdiction other than Zimbabwe which have an effect similar to that of insolvency;

“chairperson” has the meaning given in article 12;

“chairperson of the meeting” has the meaning given in article 39;

“Act” means the Companies and Other Business Entities Act [*Chapter: 24:31*];

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

“distribution recipient” has the meaning given in article 31;

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

“fully paid” in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;

“holder” in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

“instrument” means a non-electronic document;

“ordinary resolution” means a resolution other than a special resolution;

“paid” means paid or credited as paid;

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

“proxy notice” has the meaning given in article 45;

“shareholder” means a person who is the holder of a share;

“shares” means shares in the company;

“special resolution” has the meaning given in section 175 of the Act;;

“subsidiary” has the meaning given in section 185 of the Act;

“transmittee” means a person entitled to a share by reason of the death or insolvency of a shareholder or otherwise by operation of law;

“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.

(2) Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Act as in force on the date when these articles become binding on the company.

Liability of members

2. The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

PART 2: DIRECTORS

DIRECTORS’ POWERS AND RESPONSIBILITIES

Directors’ general authority

3. 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.

Shareholders’ reserve power

4. (1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.

(2) No such special resolution invalidates anything which the directors have done before the 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; and
- (b) by such means (including by power of attorney); and
- (c) to such an extent; and
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions;

as they think fit.

(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.

(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.

(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 at a meeting or a decision taken in accordance with article 8.

(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.

(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.

(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.

(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 notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

(2) Notice of any directors' meeting must indicate —

(a) its proposed date and time; and

(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.

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

(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.

(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.

(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.

(2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

(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 shareholders to appoint further directors.

Chairing of directors' meetings

12. (1) The directors may appoint a director to chair their meetings.

(2) The person so appointed for the time being is known as the chairperson.

(3) The directors may terminate the chairperson's appointment at any time.

(4) If the chairperson 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 chairperson or other director chairing the meeting has a casting vote.

(2) But this does not apply if, in accordance with the articles, the chairperson 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.

(2) But if sub-article (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.

(3) This sub-article applies when—

- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process; or
- (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.

(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; and
- (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or 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.

(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.

(6) Subject to sub-article (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 chairperson whose ruling in relation to any director other than the chairperson is to be final and conclusive.

(7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairperson, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairperson 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 8 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) 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.

(2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.

(3) For the purposes of sub-article (2), where 2 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.

Termination of director's appointment

18. 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 Act or is prohibited from being a director by law; or
- (b) on the day on which the person is declared to be insolvent by a court; or
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts; or
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that the person has become physically or mentally incapable of acting as a director and may remain so for more than three months; or
- (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; or
- (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.

Directors' remuneration

19. (1) Directors may undertake any services for the company that the directors decide.

(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.

(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.

(4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.

(5) Unless the directors decide otherwise, directors are not 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 expenses 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 any class of shares or 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: SHARES AND DISTRIBUTIONS

SHARES

All shares to be fully paid up

21. (1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.

(2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

Powers to issue different classes of share

22. (1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

(2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

Company not bound by less than absolute interests

23. Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

Share certificates

24. (1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

(2) Every certificate must specify—

- (a) in respect of how many shares, of what class, it is issued; and
- (b) the nominal value of those shares; and
- (c) that the shares are fully paid; and
- (d) any distinguishing numbers assigned to them.

(3) No certificate may be issued in respect of shares of more than one class.

(4) If more than one person holds a share, only one certificate may be issued in respect of it.

(5) Certificates must—

- (a) have affixed to them the company's common seal; or
- (b) be otherwise executed in accordance with the Act.

[If a company is a registered user of the electronic registry, it may issue uncertificated shares, that is to say, shares in dematerialised form, subject to the conditions of the issuance of such shares in section 153 of the Act.]

Replacement share certificates

25. (1) If a certificate issued in respect of a shareholder's shares is—

- (a) damaged or defaced; or
- (b) said to be lost, stolen or destroyed;

that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

(2) A shareholder exercising the right to be issued with such a replacement certificate—

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates; and
- (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
- (c) must pay a fee of 25 United States cents per certificate; and
- (d) must comply with such conditions as to evidence and indemnity as the directors may determine.

[If a company is a registered user of the electronic registry, it may issue replacement uncertificated shares, that is to say, shares in dematerialised form, subject to the conditions of the issuance of such shares in section 153 of the Act.]

Share transfers

26. (1) 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.

(2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

(3) The company may retain any instrument of transfer which is registered.

(4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

(5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

[If a company is a registered user of the electronic registry, it may transfer uncertificated shares, otherwise than by instrument, subject to the conditions of the transfer of such shares in section 153 of the Act.]

Transmission of shares

27. (1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.

(2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—

- (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person; and
- (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

(3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or insolvency or otherwise, unless they become the holders of those shares.

Exercise of transmittees' rights

28. (1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.

(2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

(3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

Transmittees bound by prior notices

29. If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

30. (1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

(2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

(3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

(4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.

(5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.

(6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

(7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

Payment of dividends and other distributions

31. (1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—

- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
- (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors *decide*.

(2) In the articles, “the distribution recipient” means, in respect of a share for which a dividend or other sum is payable—

- (a) the holder of the share; or
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
- (c) if the holder is no longer entitled to the share by reason of death or insolvency, or otherwise by operation of law, the transmittee.

No interest on distributions

32. The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the company.

Unclaimed distributions

33. (1) All dividends or other sums which are—

- (a) payable in respect of shares; and
- (b) unclaimed after having been declared or become payable;

may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

(2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

(3) If—

- (a) eight years have passed from the date on which a dividend or other sum became due for payment; and
- (b) the distribution recipient has not claimed it;

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

Non-cash distributions

34. (1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

(2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—

- (a) fixing the value of any assets; and
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- (c) vesting any assets in trustees.

Waiver of distributions

35. Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if—

- (a) the share has more than one holder; or

- (b) more than one person is entitled to the share, whether by reason of the death or insolvency of one or more joint holders, or otherwise;

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

CAPITALISATION OF PROFITS

Authority to capitalise and appropriation of capitalised sums

36. (1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
- (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

(2) Capitalised sums must be applied—

- (a) on behalf of the persons entitled; and
- (b) in the same proportions as a dividend would have been distributed to them.

(3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

(4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.

(5) Subject to the articles the directors may—

- (a) apply capitalised sums in accordance with sub-articles (3) and (4) partly in one way and partly in another; and
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

PART 4: DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

37. (1) A person is able to exercise the right to speak at a general meeting when that person 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.

(2) A person is able to exercise the right to vote at a general meeting when—

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- (b) that person'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 persons attending the meeting.

(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.

(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.

(5) Two or more persons 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 for general meetings

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

Chairing general meetings

39. (1) If the directors have appointed a chairperson, the chairperson shall chair general meetings if present and willing to do so.

(2) If the directors have not appointed a chairperson, or if the chairperson 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 shareholder to chair the meeting, and the appointment of the chairperson of the meeting must be the first business of the meeting.

(3) The person chairing a meeting in accordance with this article is referred to as “the chairperson of the meeting”.

Attendance and speaking by directors and non-members

40. (1) Directors may attend and speak at general meetings, whether or not they are shareholders.

(2) The chairperson of the meeting may permit other persons who are not—

- (a) shareholders of the company; or
- (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings;

to attend and speak at a general meeting.

Adjournment

41. (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 chairperson of the meeting must adjourn it.

(2) The chairperson 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 chairperson 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.

(3) The chairperson of the meeting must adjourn a general meeting if directed to do so by the meeting.

(4) When adjourning a general meeting, the chairperson 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.

(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.

(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

Voting: general

42. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

Errors and disputes

43. (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.

(2) Any such objection must be referred to the chairperson of the meeting, whose decision is final.

Poll votes

44. (1) A poll on a resolution may be demanded —

- (a) in advance of the general meeting where it is to be put to the vote, or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

(2) A poll may be demanded by —

- (a) the chairperson of the meeting; or
- (b) the directors; or
- (c) two or more persons having the right to vote on the resolution; or
- (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.

(3) A demand for a poll may be withdrawn if —

- (a) the poll has not yet been taken; and
- (b) the chairperson of the meeting consents to the withdrawal.

(4) Polls must be taken immediately and in such manner as the chairperson of the meeting directs.

Content of proxy notices

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

- (a) states the name and address of the shareholder appointing the proxy; and
- (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed; and
- (c) is signed by or on behalf of the shareholder 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.

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

(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.

(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

46. (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) 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.

(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.

(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.

(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.

Amendments to resolutions

47. (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 chairperson of the meeting may determine); and
- (b) the proposed amendment does not, in the reasonable opinion of the chairperson of the meeting, materially alter the scope of the resolution.

(2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—

- (a) the chairperson 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.

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

PART 5: ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

48. (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 Act 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.

(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.

(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

49. (1) Any common seal may only be used by the authority of the directors.

(2) The directors may decide by what means and in what form any common seal is to be used.

(3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

(4) For the purposes of this article, an authorised person is—

- (a) any director of the company;
- (b) the company secretary (if any); or
- (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

No right to inspect accounts and other records

50. 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 shareholder.

Provision for employees on cessation of business

51. 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

52. (1) Subject to sub-article (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 a pension scheme (as defined in section 84(6) of the Act),
- (c) any other liability incurred by that director as an officer of the company or an associated company.

(2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

(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

53. (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.

(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.

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PART 1: INTERPRETATION AND LIMITATION OF LIABILITY

Definitions

1. (1) In the articles, unless the context requires otherwise—

- “articles” means the company’s articles of association;
- “chairperson” has the meaning given in article 12;
- “chairperson of the meeting” has the meaning given in article 25;
- “Act” means the Companies and Other Business Entities Act [*Chapter 24:31*];
- “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;
- “insolvency” includes individual insolvency proceedings in a jurisdiction other than Zimbabwe which have an effect similar to that of insolvency;
- “member” has the meaning given in section 76(b) of the Act;
- “ordinary resolution” has the meaning given in section 175(4) of the Act;
- “participate”, in relation to a directors’ meeting, has the meaning given in article 10;
- “proxy notice” has the meaning given in article 31;
- “special resolution” has the meaning given in section 175 of the Act;
- “subsidiary” has the meaning given in section 185 of the Act; 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.

(2) Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Act as in force on the date when these articles become binding on the company.

Liability of members

2. The liability of each member is limited to \$1,00, 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; and
- (b) payment of the costs, charges and expenses of winding up, and
- (c) adjustment of the rights of the contributories among themselves.

PART 2

DIRECTORS

DIRECTORS’ POWERS AND RESPONSIBILITIES

Directors’ general authority

3. 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.

Members’ reserve power

4. (1) The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.

(2) No such special resolution invalidates anything which the directors have done before the 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.

(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.

(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.

(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 at a meeting or a decision taken in accordance with article 8.

(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.

(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.

(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.

(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 notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

(2) Notice of any directors' meeting must indicate—

- (a) its proposed date and time; and
- (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.

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

(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.

(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.

(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.

(2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

(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.

(2) The person so appointed for the time being is known as the chairperson.

(3) The directors may terminate the chairperson's appointment at any time.

(4) If the chairperson 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 chairperson or other director chairing the meeting has a casting vote.

(2) But this does not apply if, in accordance with the articles, the chairperson 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.

(2) But if sub-article (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.

(3) This paragraph applies when—

- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process; or
- (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.

(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;
- (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.

(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.

(6) Subject to sub-article (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 chairperson whose ruling in relation to any director other than the chairperson is to be final and conclusive.

(7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairperson, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairperson 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) 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.

(2) In any case where, as a result of death, the company has no members and no directors, the personal representatives of the last member to have died have the right, by notice in writing, to appoint a person to be a director.

(3) For the purposes of paragraph (2), where 2 or more members die in circumstances rendering it uncertain who was the last to die, a younger member is deemed to have survived an older member.

Termination of director's appointment

18. 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 Act or is prohibited from being a director by law; or
- (b) a liquidation order is made against that person; or
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts; or
- (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; or
- (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; or
- (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.

Directors' remuneration

19. (1) Directors may undertake any services for the company that the directors decide.

(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.

(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.

(4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.

(5) Unless the directors decide otherwise, directors are not 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 expenses which the directors properly incur in connection with their attendance at—

- (a) meetings of directors or committees of directors; or
- (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.

Termination of membership

22. (1) A member may withdraw from membership of the company by giving 7 days' notice to the company in writing.

(2) Membership is not transferable.

(3) A person's membership terminates when that person dies or ceases to exist.

ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

23. (1) A person is able to exercise the right to speak at a general meeting when that person 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.

(2) A person is able to exercise the right to vote at a general meeting when—

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- (b) that person'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 persons attending the meeting.

(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.

(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.

(5) Two or more persons 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 for general meetings

24. 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.

Chairing general meetings

25. (1) If the directors have appointed a chairperson, the chairperson shall chair general meetings if present and willing to do so.

(2) If the directors have not appointed a chairperson, or if the chairperson 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 chairperson of the meeting must be the first business of the meeting.

(3) The person chairing a meeting in accordance with this article is referred to as “the chairperson of the meeting”.

Attendance and speaking by directors and non-members

26. (1) Directors may attend and speak at general meetings, whether or not they are members.

(2) The chairperson 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 chairperson of the meeting must adjourn it.

(2) The chairperson 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 chairperson 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.

(3) The chairperson of the meeting must adjourn a general meeting if directed to do so by the meeting.

(4) When adjourning a general meeting, the chairperson 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.

(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.

(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

Voting: general

28. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

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.

(2) Any such objection must be referred to the chairperson of the meeting whose decision is final.

Poll votes

30. (1) A poll on a resolution may be demanded—

- (a) in advance of the general meeting where it is to be put to the vote; or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

(2) A poll may be demanded by—

- (a) the chairperson of the meeting; or
- (b) the directors; or
- (c) two or more persons having the right to vote on the resolution; or
- (d) a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.

(3) A demand for a poll may be withdrawn if—

- (a) the poll has not yet been taken; and
- (b) the chairperson of the meeting consents to the withdrawal.

(4) Polls must be taken immediately and in such manner as the chairperson of the meeting directs.

Content of proxy notices

31. (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; and
- (b) identifies the person appointed to be that member’s proxy and the general meeting in relation to which that person is appointed; and
- (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.

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

(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.

- (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

32. (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) 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.

(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.

(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.

(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.

Amendments to resolutions

33. (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 chairperson of the meeting may determine), and
- (b) the proposed amendment does not, in the reasonable opinion of the chairperson of the meeting, materially alter the scope of the resolution.

(2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—

- (a) the chairperson 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.

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

PART 4

ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

34. (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 Act 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.

(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.

(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

35. (1) Any common seal may only be used by the authority of the directors.

(2) The directors may decide by what means and in what form any common seal is to be used.

(3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

(4) For the purposes of this article, an authorised person is—

- (a) any director of the company; or
- (b) the company secretary (if any); or
- (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

No right to inspect accounts and other records

36. 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.

Provision for employees on cessation of business

37. 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

38. (1) Subject to sub-article (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 a pension scheme (as defined in section 84(6) of the Act),
- (c) any other liability incurred by that director as an officer of the company or an associated company.

(2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

- (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

39. (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.

- (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;
 - (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

TABLE D: MODEL BY-LAWS FOR PRIVATE BUSINESS CORPORATIONS

INDEX TO THE BY-LAWS

By-laws

1. Members of PBC.
2. Principal place of business of PBC.
3. Purpose and powers of PBC.
4. Members’ percentage interests and admission of new members.
5. Members’ contributions to PBC’s capital.
6. Members’ voting and decisions.
7. Managers and agents of PBC.
8. Distributions.
9. Sale or other transfer of member’s interest
10. Accounting and financial matters
11. Termination of membership.

The persons listed in By-Law 1 below (the “Members”) adopt this agreement as the by-laws of _____, a private business corporation (“PBC”) registered under the Companies and Other Business Entities Act (the “Act”).

Members of PBC

1. The following persons are all of the Members of the ----- PBC registered on the -----:

[State below the full name of each Member and the member’s identity particulars]

.....more or fewer lines as needed]

Principal place of business of PBC

2. The PBC's principal place of business is:

Purpose and powers of PBC

3. The business purpose of the PBC is:

_____ etc.

[state this to the extent desired]

and to carry on any other lawful business or activity relating to the foregoing. The PBC shall have the power to do acts necessary or proper for that purpose.

Members' percentage interests and admission of new members

4. (1) The percentage interest of each Member in the PBC is:

Name: _____: _____%

Name: _____: _____%

Name: _____: _____%

[more or fewer lines as needed]

(2) Each member's interest at any time will be that member's then-current percentage of the total amounts which all members have paid in to the PBC's capital in exchange for an interest.

(3) A person shall be admitted as a member of the PBC after its formation only—

- (a) with the unanimous consent of the members; or
- (b) after the death of a member, as a result of the nomination by that member of a person to be his or her successor to his or her interest.

Members' contributions to PBC's capital

5. (1) A member's payment into the PBC for the member's interest may be in money, in other tangible or intangible property, in services already performed for the PBC, or in a binding obligation to contribute money or property.

(2) The percentage interest to be issued to a member for non-monetary contributions shall be determined by agreement of the members.

(3) If a member's contribution is other than in money, an agreed dollar value of that contribution may be stated.

Members' voting and decisions

6. (1) Members of a private business corporation shall (in addition to the meetings they are obliged to hold under the Act) hold at least one regular meeting each year, no later than six months after the end of the PBC's financial year.

(2) Any member of the PBC may at any time convene a special meeting by giving all members reasonable notice, not necessarily in writing, of the time and place and purpose of the meeting:

Provided that the time of the meeting shall be at least seven days from the date when the meeting is notified to all members. and the place of the meeting shall be reasonably convenient for the attendance of members.

(3) At any meeting of members of the PBC—

- (a) to constitute a quorum, there shall be present in person or by proxy, not necessarily in writing, members whose interests exceed fifty *per centum* of the total members' interests;
- (b) the chairperson of the meeting shall be the member elected as chairperson of the PBC or, if no member has been so elected or he or she is not present, the meeting shall elect its own chairperson;
- (c) the chairperson shall not have a casting vote;
- (d) each member shall have a vote corresponding with the percentage of his or her interest.

(4) The secretary at every meeting of the PBC (who may or may not be a member) shall take the minutes of all proceedings of the meeting, and any such minutes, if purporting to be signed by the chairperson of the meeting or of the next succeeding meeting, shall be evidence of the proceedings and evidence that the meeting was properly convened and conducted.

(5) The minutes need not be a verbatim report of the proceedings but must specify which members were in attendance at the meeting concerned, the issues voted on and the results of each vote.

(6) A resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at meetings of members shall, with effect from the date of the last signature, which date shall be recorded on the signed document, be as valid and effective as if it had been passed at a meeting of members duly convened and held in terms of this by-law.

Managers and agents of PBC

7. (1) Subject to subsection (2), all members of the PBC shall be the agents and managers of the PBC.

(2) The members may agree to appoint one or more managers and agents of the PBC, whose functions and powers will be embodied in a written agreement between the PBC and the managers and agents concerned.

Distributions

8. (1) A PBC may make distributions to its members at any time with the consent of members whose interests exceed fifty *per centum* of the total members' interests

(2) Any distributions to members shall be made to them in proportion to their percentage interests.

(3) When a member becomes entitled to receive a distribution, that member becomes a creditor of the PBC with respect to the distribution

Sale or other transfer of member's interest

9. (1) Except by way of succession contemplated under By-Law 4(3)(b), a member may not sell or transfer his or her interest unless—

- (a) the interest has first been offered to the PBC or to other members; and
- (b) if the PBC or its members do not buy the interest, the other members unanimously agree to its transfer to another person.

(2) A transfer of an interest does not by itself cause the transferee to become a member of the PBC. If a transferee does not become a member in accordance with By-Law 4, the transfer shall be an assignment only of the transferor's rights to distributions from the PBC, and the transferor shall continue to be a member with the other rights of a member and all duties and obligations of a member.

Accounting and financial matters

10. (1) The PBC shall keep accounting records which are necessary and sufficient to present fairly its business, state of affairs, transactions and financial position. This shall include records which show—

- (a) the PBC's assets and liabilities, income, undistributed income, and any revaluations of fixed assets; and
- (b) cash received and paid out in sufficient detail to enable the nature of the transactions and, except in the case of cash sales, the names of the parties to the transactions, to be identified; and
- (c) goods purchased and sold on credit and services received and rendered on credit, in sufficient detail to enable the nature of those goods or services and the parties to the transactions to be identified; and
- (d) all contributions by members, distributions to members, any loans to or from members and payments made thereunder, and all payments to members for any reason.

(2) Accounting records shall be kept at the principal place of business or the registered office of the PBC; shall be kept in such a manner as to provide adequate precautions against falsification and to facilitate the discovery of any falsification; and shall be open and available at all reasonable times for inspection by any member.

(3) In addition to the financial accounts stated above, the PBC shall comply with the requirements of any bank or other financial institution, and with all other laws and regulations including such of the financial accounting and reporting requirements and standards of the Public Accountants and Auditors Board under the Public Accountants and Auditors Act as may be applicable with respect to that PBC or its financial accounts and reporting.

Termination of membership

11. (1) A person shall cease to be a member of the PBC upon any of the following events—

- (a) death or insolvency as provided for in the Act; or
- (b) voluntary withdrawal as provided for in subsection (2); or
- (c) expulsion as provided for in subsection (4);
- (d) transfer of all of the person's interest to another person who becomes a member as provided for in these By-Laws, or to another existing member, or to the PBC as provided for in these By-Laws.

(2) A member of the PBC has the right to withdraw as a member at any time by giving written notice of his or her withdrawal to the PBC at its registered office with copies sent to all other members. The withdrawal shall be effective on the PBC's receipt of the notice or on such later date as may be stated in the notice.

(3) A member in good standing with the PBC who withdraws is entitled to receive from the PBC, within a reasonable time after ceasing to be a member, the fair value of his or her interest as of the date of ceasing to be a member. Any such payment shall be considered a distribution subject to the restrictions on distributions stated in By-Law 8.

(4) A member may be expelled by the unanimous vote of the other members if the member wrongfully damaged the PBC or other members, wilfully or persistently violated the PBC's Incorporation Statement or By-Laws or duties of the member, or engaged in conduct that makes it impossible to carry on the PBC's business with the member.

(5) A member who is expelled from the PBC is entitled to receive from the PBC, within a reasonable time after ceasing to be a member, the fair value of his or her interest as of the date of ceasing to be a member, minus the value of any assessed damages that member may have caused the PBC. Any such payment shall be considered a distribution subject to the restrictions on distributions stated in By-Law 8. Any dispute as to whether damages are payable or their extent shall be determined by arbitration in accordance with the Arbitration Act.

SEVENTH SCHEDULE (Section 282)

USER AGREEMENT

Scope and Purpose of User Agreement

1. (1) This User Agreement (“Agreement”) enables the user to (*tick applicable*):

- (a) have access to the electronic registry as a researcher ;
- (b) to engage in company registration work and/or notarial practice ;
- (c) to engage in company registration work as a self-actor .

(2) This Agreement governs access to, and the use and disclosure of data in, the electronic registry.

Interpretation

2. Unless the context otherwise requires, any word or phrase used in this Agreement which has been defined in the Companies and other Business Entities Act (“the Act”) shall bear the same meaning when used in this Agreement.

Electronic Registry User Agreement Training Course

3. The Registered User agrees (if he or she has not already completed such course) to complete at his or her own expense the Electronic Registry User Agreement Training Course prescribed by the Registrar as a condition for the continuance of this Agreement, and such additional courses in connection with the use of the electronic registry as the Registrar may from time to time prescribe.

Interconnectivity requirements

4. The Registered User shall—

- (a) use the computer equipment and facilities of a class or kind specified in regulations made in terms of **section 301** of the Act or of the description specified in the annexure hereto;
- (b) affix a digital signature that is compliant with the requirements of **section 284 (1)** of the Act to any electronic communication or record in such a manner as may be directed by the Registrar
- (c) allow reasonable access to the computer system of the Registered User by the Registrar for such verification and audit purposes as by the Act and this Agreement may be required or expedient;
- (d) keep such electronic records in the manner and for such period as by the direction and in the opinion of the Registrar are necessary or convenient to be kept in connection with the proper functioning of the electronic Registry

Confidentiality and security

5. (1) This Agreement prohibits the Registered User from releasing, disclosing, publishing, or presenting any individually identifying information obtained under its terms except—

- (a) in the normal course of company registration work or notarial practice; or
- (b) with the consent of the individual concerned; or
- (c) to such extent as may be prescribed under regulations made in terms of **section 301** of the Act.

(2) No person other than the Registered User or his or her authorised agents (whose names and other relevant particulars shall be notified in advance to the Registrar) shall use or have access to the electronic registry.

(3) The Registered User hereby acknowledges that he or she is aware of the provisions of **section 291** (“Restrictions on disclosure of information”) of the Act.

Integrity of electronic registry data

6. (1) The Registered User or his or her authorised agents undertake that, in accessing or obtaining any records by means of the electronic registry, every precaution shall be taken to ensure the integrity of such records against unauthorised alteration or damage or unauthorised access by persons who are not registered users.

(2) The Registered User hereby acknowledges that he or she is aware of the provisions of **section 290** (“Unlawful uses of computer systems”) of the Act.

Electronic signatures and passwords

7. (1) If or to the extent that the Registrar does not allocate to the Registered User any digital signature or password for accessing and using the electronic registry, the Registered User shall without delay give notice to the Registrar of every electronic signature and password to be used by the registered user for the purpose of accessing and using the electronic registry, and the registered user undertakes that no other electronic signature and password than the ones referred to in this clause shall be used by him or her for that purpose.

(2) The Registered User undertakes that every precaution shall be taken to ensure that every electronic signature and password referred to in sub-clause (1) is protected against unauthorised access by or disclosure to persons who are not his or her authorised agents.

(3) The Registered User hereby acknowledges that he or she is aware of the provisions of **section 287** (“Obligations, indemnities and presumptions with respect to digital signatures”) of the Act.

Use of electronic registry data for gain

8. This Agreement prohibits a Registered User from releasing, disclosing, publishing, or presenting any information obtained from the electronic registry for gain except—

- (a) in the normal course of company registration work or notarial practice; or
- (b) to such extent and under such conditions as may be prescribed under regulations made in terms of **section 301** of the Act

Commencement, Term and Renewal of Agreement

9. (1) A non-refundable application fee of such amount as shall be prescribed under regulations made in terms of **section 301** of the Act must be paid before the registered user may access the electronic registry.

(2) This agreement expires on the 31st December of every year but is automatically renewable (subject to previous compliance with its terms) upon payment of a non-refundable renewal fee of such amount as shall be prescribed under regulations made in terms of **section 301** of the Act.

Breach and termination of Agreement

10. (1) Any violation of the terms of this Agreement, or the happening of event specified in section 283(4) of the Act, shall be grounds for the immediate termination of this Agreement.

- (2) The Registrar shall determine, on reasonable grounds—
 - (a) whether a registered user has violated any term of the Agreement;
 - (b) what actions, if any, are necessary to remedy a violation of this Agreement, and the Registered User shall comply with pertinent instructions from Registrar
- (3) Actions taken by Registrar may include but not be limited to—
 - (a) the imposition of a civil penalty payable to and forming part of the funds of the Registry not exceeding five United States dollars for every day that the registered user fails to comply with an instruction of the Registrar after being notified of it (provided that the amount of such penalty shall not accumulate so as to exceed nine hundred United States dollars, at which point the Registrar must terminate this Agreement or take other action to enforce this Agreement);
 - (b) providing notice of the termination or violation to affected parties and prohibiting Registered User from accessing the electronic registry in the future

Material changes

11. Any material changes to the particulars furnished by a registered user in his or her application to become a registered user or in the particulars furnished below shall be promptly notified the Registrar, and in any event within seven days from the change having occurred or been made.

Signed:

Date:

Print or Type Name:

Title:

Organization:

Address:

Address:

Phone (land and/or cell): Fax:

E-mail:

EIGHTH SCHEDULE (Section 104)

MATTERS TO BE SPECIFIED IN PROSPECTUS AND REPORTS TO BE SET OUT THEREIN

PART I

MATTERS TO BE SPECIFIED

1. Except where the prospectus is issued prior to the incorporation of the company, the date of incorporation of the company and the address of its registered office.

2. The number of shares, if any, fixed by the articles as the qualification of a director, and any provisions as to the remuneration of the directors whether for their services to the company as directors, managing directors or otherwise, whether under the articles or under contract or otherwise.

3. (1) The names, occupations and addresses of the directors or proposed directors.
 - (2) The name and address of the auditor, if any.
 - (3) The term for which any present director and managing director hold office and the manner in and term for which any future director and managing director will be appointed, including information as to any exclusive or special right held in respect of the appointment of any director and managing director.
4. Where shares are offered to the public for subscription, particulars as to—
 - (a) the minimum amount which, in the opinion of the directors, must be raised by the issue of those shares in order to provide the sums, or, if any part thereof is to be defrayed in any other manner, the balance of the sums, required to be provided in respect of each of the following matters—
 - (i) the purchase price of any property, including goodwill, if any, purchased or to be purchased which is to be defrayed in whole or in part out of the proceeds of the issue;
 - (ii) any preliminary expenses payable by the company, and any commission so payable to any person in consideration of his or her agreeing to subscribe for, or of his or her procuring or agreeing to procure subscriptions for, any shares in the company;
 - (iii) the repayment of any moneys borrowed by the company in respect of any of the foregoing matters;
 - (iv) working capital;
 - (v) any other expenditure, stating the nature and purpose thereof and the estimated amount in each case;and
 - (b) the amounts to be provided in respect of the matters aforesaid otherwise than out of the proceeds of the issue and the sources out of which those amounts are to be provided.
5. The time of the opening of the subscription lists.
6. (1) The amount payable on application and allotment on each share, and, in the case of a second or subsequent offer of shares, the amount offered for subscription on each previous allotment made within the two preceding years, the amount actually allotted and the amount, if any, paid on the shares so allotted.
 - (2) The amount payable by way of premium, if any, on each share which has been or is to be issued stating the dates of issue, the reasons for any such premium, and, where some shares have been or are to be issued at a premium and other shares at par or at a lower premium, also the reasons for the differentiation, and how any premium has been or is to be disposed of.
7. The substance of any contract or arrangement or proposed contract or arrangement, whereby any option or preferential right of any kind has been or is proposed to be given to any person to subscribe for any shares in or debentures of a company; giving the number, description and amount of any such shares or debentures and including the following particulars of the option or right—
 - (a) the period during which it is exercisable;
 - (b) the price to be paid for shares or debentures subscribed for under it;
 - (c) the consideration, if any, given or to be given for it or for the right to it;
 - (d) the names and addresses of the persons to whom it or the right to it was given or, if given to existing members or debenture holders as such, the relevant shares or debentures;

- (e) any other material fact or circumstance relevant to the grant of such option or right.

Subscribing for shares or debentures shall, for the purpose of this paragraph, include acquiring them from a person to whom they have been allotted or agreed to be allotted with a view to his or her offering them for sale.

8. The number and amount of shares and debentures which within the two preceding years have been issued, or agreed to be issued, as fully or partly paid up otherwise than in cash, and in the latter case the extent to which they are so paid up, and in either case the consideration for which those shares or debentures have been issued or are proposed or intended to be issued.

9. (1) As respects any property to which this paragraph applies—

- (a) the names and addresses of the vendors;
- (b) the amount payable in cash, shares or debentures to the vendor and, where there is more than one separate vendor, or the company is a sub-purchaser, the amount so payable to each vendor;
- (c) short particulars of any transaction relating to the property completed within the preceding two years in which any vendors of the property to the company, or any person who is or was, at the time of the transaction, a promoter or a director or proposed director of the company, had any interest, direct or indirect. When the vendors, or any of them, are a partnership, the members of the partnership shall not be treated as separate vendors.

(2) The property to which this paragraph applies is property purchased or acquired by the company or proposed so to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the issue offered for subscription by the prospectus or the purchase or acquisition of which has not been completed at the date of the issue of the prospectus, other than property—

- (a) the contract for the purchase or acquisition whereof was entered into in the ordinary course of the company's business, the contract not being made in contemplation of the issue nor the issue in consequence of the contract; or
- (b) as respects which the amount of the purchase money is not material.

10. The amount, if any, paid or payable as purchase money in cash, shares or debentures for any property to which the last foregoing paragraph applies, specifying the amount, if any, payable for goodwill.

11. The amount, if any, and the nature and extent of any consideration, paid within the two preceding years, or payable as commission to any person, including commission so paid or payable to any sub-underwriter, who is a promoter or director or other officer of the company but excluding commission so paid or payable to any other sub-underwriter, for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions for any shares in or debentures of the company, the name, occupation and address of each person, particulars of the amounts which each has underwritten or sub-underwritten, of the rate of the commission payable to such underwriting or sub-underwriting, and any other material term or condition of the underwriting or sub-underwriting contract with such person; and when such person is a company, the name of the directors of such company and the nature and extent of any interest, direct or indirect, in such company of any promoter, director or other officer of the company in respect of which the prospectus is issued.

12. The amount or estimated amount of preliminary expenses and the persons by whom any of those expenses have been paid or are payable, and the amount or estimated amount of the expenses of the issue and the persons by whom any of those expenses have been paid or are payable.

13. Any amount or benefit paid or given within the two preceding years or intended to be paid or given to any promoter with his or her name and address, or to any partnership, syndicate or other association of which he or she is or was at any material time a member, and the consideration for such payment or the giving of such benefit.

14. The dates of, parties to and general nature of every material contract not being a contract entered into in the ordinary course of the business carried on or intended to be carried on by the company or a contract entered into more than two years before the date of issue of the prospectus and a reasonable time and place at which any such contract or a copy thereof may be inspected.

15. Full particulars of the nature and extent of the interest, if any, of every director or promoter in the promotion of, or in the property acquired within two years of the date of the prospectus or proposed to be acquired by, the company or, where the interest of such director or promoter consists in being a member of a partnership, company, syndicate or other association of persons, the nature and extent of the interest of such partnership, company, syndicate or other association and the nature and extent of such director's or promoter's interest in the partnership, company, syndicate or other association, with a statement of all sums paid or agreed to be paid to him or her or to it in cash or shares or otherwise by any person either to induce him or her to become, or to qualify him as, a director or otherwise for services rendered by him or her or by it in connection with the promotion or formation of the company.

16. (1) The number of founders' and management or deferred shares, if any, and any special rights attaching thereto, and the nature and extent of the interest of the holders in the property and profits of the company

(2) Particulars of the share capital, nominal, issued, paid up and held in reserve; the number and classes of shares and the nominal value thereof, and if the prospectus invites the public to subscribe for shares in the company, a description of the respective voting rights, preference, conversion and exchange rights, rights to dividends, profits or capital of each class, including redemption rights and rights on liquidation or distribution of capital assets.

17. In the case of a company which has been carrying on business, or of a business which has been carried on, for less than five years, the length of time during which the business of the company or the business to be acquired, as the case may be, has been carried on.

PART II

REPORTS TO BE SET OUT

18. (1) A report by the auditors of the company with respect to—

- (a) profits and losses and assets and liabilities, in accordance with subparagraph (2) or (3), as the case requires; and
- (b) the rates of the dividends, if any, paid by the company in respect of each class of shares in the company in respect of each of the five financial years immediately preceding the issue of the prospectus, giving particulars of each such class of shares on which such dividends have been paid and particulars of the cases in which no dividends have been paid in respect of any class of shares in respect of any of those years;

and, if no accounts have been made up in respect of any part of the period of five years ending on a date three months before the issue of the prospectus, containing a statement of that fact.

(2) If the company has no subsidiaries, the report shall—

- (a) so far as regards profits and losses, deal with the profits or losses of the company in respect of each of the five financial years immediately preceding the issue of the prospectus; and
 - (b) so far as regards assets and liabilities, deal with the assets and liabilities of the company at the last date to which the accounts of the company were made up.
- (3) If the company has subsidiaries, the report shall—
- (a) so far as regards profits and losses, deal separately with the company's profits or losses as provided by subparagraph (2), and in addition, deal—
 - (i) as a whole with the combined profits or losses of its subsidiaries, so far as they concern members of the company; or
 - (ii) individually with the profits or losses of each subsidiary, so far as they concern members of the company;or, instead of dealing separately with the company's profits or losses, deal as a whole with the profits or losses of the company and, so far as they concern members of the company, with the combined profits or losses of its subsidiaries; and
 - (b) so far as regards assets and liabilities, deal separately with the company's assets and liabilities as provided by subparagraph (2) and, in addition, deal either—
 - (i) as a whole with the combined assets and liabilities of its subsidiaries, with or liabilities; or
 - (ii) individually with the assets and liabilities of each subsidiary;and shall indicate as respects the assets and liabilities of the subsidiaries the adjustment to be made for persons other than members of the company.

19. If the proceeds, or any part of the proceeds, of the issue of the shares or debentures are or is to be applied directly or indirectly in the purchase of any business, a report made by accountants, who shall be named in the prospectus, upon—

- (a) the profits or losses of the business in respect of each of the five financial years immediately preceding the issue of the prospectus; and
- (b) the assets and liabilities of the business at the last date to which the accounts of the business were made up.

20. (1) If—

- (a) the proceeds, or any part of the proceeds, of the issue of the shares or debentures are or is to be applied directly or indirectly in any manner resulting in the acquisition by the company of shares in any other body corporate; and
- (b) by reason of that acquisition or anything to be done in consequence thereof or in connection therewith that body corporate will become a subsidiary of the company;

a report made by accountants, who shall be named in the prospectus, upon—

- (i) the profits or losses of the other body corporate in respect of each of the five financial years immediately preceding the issue of the prospectus; and
- (ii) the assets and liabilities of the other body corporate at the last date to which the accounts of the body corporate were made up.

- (2) The said report shall—
- (a) indicate how the profits or losses of the other body corporate dealt with by the report would, in respect of the shares to be acquired, have concerned members of the company and, for holders of other shares, what allowance would have fallen to be made, in relation to assets and liabilities so dealt with, if the company had at all material times held the shares to be acquired; and
 - (b) where the other body corporate has subsidiaries, deal with the profits or losses and the assets and liabilities of the body corporate and its subsidiaries in the manner provided by paragraph 18(3) of this Schedule in relation to the company and its subsidiaries.

PART III

PROVISIONS APPLYING TO PARTS I AND II OF SCHEDULE

21. Paragraph 2 and paragraph 12, so far as it relates to preliminary expenses, and paragraph 15 of this Schedule shall not apply in the case of a prospectus issued more than three years after the date at which the company is entitled to commence business.

22. Every person shall, for the purpose of this Schedule, be deemed to be a vendor who has entered into any contract, absolute or conditional, for the sale or purchase, or for any option of purchase, of any property to be acquired by the company, in any case where—

- (a) the purchase money is not fully paid at the date of the issue of the prospectus; or
- (b) the purchase money is to be paid or satisfied wholly or in part out of the proceeds of the issue offered for subscription by the prospectus; or
- (c) the contract depends for its validity or fulfilment on the result of that issue.

23. Where any property to be acquired by the company is to be taken on lease, this Schedule shall have effect as if the expression “vendor” included the lessor, and the expression “purchase money” included the consideration for the lease, and the expression “sub-purchase” included a sub-lessee.

24. If in the case of a company which has been carrying on business, or of a business which has been carried on for less than five years, the accounts of the company or business have only been made up in respect of four years, three years, two years or one year, Part II of this Schedule shall have effect as if references to four years, three years, two years or one year, as the case may be, were substituted for references to five years.

25. The expression “financial year” in Part II of this Schedule means the year in respect of which the accounts of the company or of the business, as the case may be, are made up, and where by reason of any alteration of the date on which the financial year of the company or business terminates the accounts of the company or business have been made up for a period greater or less than a year, that greater or less period shall for the purpose of that Part of this Schedule be deemed to be a financial year.

26. Any report required by Part II of this Schedule shall either indicate by way of note any adjustments as respects the figures of any profits or losses or assets and liabilities dealt with by the report which appear to the persons making the report necessary or shall make those adjustments and indicate that adjustments have been made.

27. Any report by accountants required by Part II of this Schedule shall not be made by any accountant who is an officer or servant, or a partner or employer of or in the employment of an officer or servant, of the company or of the company’s subsidiary

or holding company or of a subsidiary of the company's holding company; and for the purposes of this paragraph the expression "officer" shall include a proposed director but not an auditor

NINTH SCHEDULE (Section 18 (4) and (5))

PENALTIES FOR LATE SUBMISSIONS OF DOCUMENTS OR NOTICES

<i>If the document or notice be lodged within the under-mentioned periods after the date when the act in respect of which the document is to be furnished or notice given took place</i>	<i>Penalty to be paid</i>
(a) Three months	Twice the prescribed fee
(b) Six months	Three times the prescribed fee
(c) Twelve months	Four times the prescribed fee
(d) More than twelve months	Five times the prescribed fee

TENTH SCHEDULE (Section 303 (a))

FORM FOR RE-REGISTRATION OF COMPANIES AND PBCs

Application for reregistration of a company or PBC

Document No:

(for office use only)

Please note that the information in this form must be either typewritten or printed. It must not be handwritten. If there is insufficient space on the form to supply the information required, attach a separate sheet containing the information set out in the prescribed format.

1. According to section 303(a) of the new Companies and Other Business Entities Act every existing Company or PBC must re-register within 12 months of the date of commencement of the Act ending on The effect of failing to re-register is that the existing company or PBC will be struck off the register with effect from, in accordance with section 303(a) of the new Act, and will no longer be able to carry on business as a company unless it registers as a new company or PBC under the new Act after that date.
2. A company or PBC must re-register under its original name without prejudice to its right after re-registration to change their name if they so wish under section 26 of the new Act.
3. Together with this form a fee of \$20 must be paid which will also cover the fee for the annual return referred to in paragraph 6.
4. Particulars of existing company and directors

Type of company (if not a PBC):

(Public, private, cooperative, Limited by guarantee or foreign)

Company name or PBC name:

Company or PBC No.:

Address of existing registered office:

Postal address and email address to which communications from the Registrar may be sent:

Directors (or Members in the case of PBC)

Name and Date of Birth*

**Please give surname in BLOCK letters followed by first name(s).*

ID Number/Passport Number

Residential address and Email

Shares (or percentage Interests in the case of PBC)

The total number of shares in the company is: [enter nil, if the company does not have a share capital] or percentage interests held by each PBC member

The rights, privileges, limitations and conditions that will attach to the shares of the company on re-registration are:

5. *Memorandum and Articles of Association/Incorporation Statement*

You must lodge a new Memorandum of association and new Articles of association (or Incorporation Statement) in conformity with the new Act together with this form. Doing so does not mean that there is any break in that continuity of your company or PBC from the time of its original incorporation or registration.

If you do not wish to lodge new articles of association or incorporation on statement please indicate in the space below which table of the model articles or by-laws in the fifth schedule do you propose to adopt for your company or PBC

Place a tick ✓ in the appropriate box

- Table A Model Articles for Public Companies
- Table B Model Articles for Private companies limited by shares
- Table C Model Articles for Private Companies limited by guarantee
- Table D Model By-laws for PBC.

6. *Annual Return*

Together with this re-registration form you must lodge a new annual return form in accordance with the Fourth Schedule. The date of lodgement will be the date every year by which you must lodge future annual returns.

7. *Object of re-registration*

The object of re-registration under section 303 (9) is to establish a new and updated register of companies and private business corporations; and to expunge apparently defunct business entities from the register.

No company or private business corporation may change its name, address, registered office, directorship or its share structure or do any other thing affecting its rights and liabilities and those of its members under the guise of re-registration, without prejudice however to its right to make such changes in accordance with the formalities prescribed in this Act, before, after or together with re-registration.

Signature of Company Secretary:

Name of above person(s) (in full):

Date:

Telephone (if different from given above):

E-mail Address of the Company Secretary (if different from given above):