

## SCHEDULE 3

### MODEL ARTICLES FOR PUBLIC COMPANIES

## PART 2

### DIRECTORS

#### APPOINTMENT OF DIRECTORS

##### **Methods of appointing directors**

**20.** 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.

##### **Retirement of directors by rotation**

**21.—**(1) At the first annual general meeting all the directors must retire from office.

(2) At every subsequent annual general meeting any directors—

- (a) who have been appointed by the directors since the last annual general meeting, or
- (b) who were not appointed or reappointed at one of the preceding two annual general meetings,

must retire from office and may offer themselves for reappointment by the members.

##### **Termination of director's appointment**

**22.** A person ceases to be a director as soon as—

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (f) notification is received by the company from the director that the director is resigning from office as director, and such resignation has taken effect in accordance with its terms.

##### **Directors' remuneration**

**23.—**(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

**Status:** This is the original version (as it was originally made).

- (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**

**24.** 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.