

Corporate Legal Services

Preference and Redeemable shares

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Preference and redeemable shares are commonly used when there is a third party investment in the company.

Preference shares:

- usually give their holder priority in relation to payment of dividends and repayment of capital on a winding up
- often carry the right to a fixed rate of dividend each year which may be cumulative (if it is not paid in year, the obligation on the company to pay it remains and interest may also accrue on the amount unpaid)
- may be non-voting, or may only have the right to vote if the payment of the preferential dividend is in arrears or in relation to certain key issues which may affect the preference shares (for example, a resolution to wind up the company or to change the rights attaching to the preference shares)

Redeemable shares:

- are ordinary or preference shares which entitle the holder to have his capital contribution repaid to him, so they effectively operate as a type of loan
- may only be issued if the company also has non-redeemable shares in issue (a company may never only have redeemable shares in issue)
- can be redeemed on specific dates or by notices given by the company or by the holder of the redeemable shares

Jordans' Preference and Redeemable Shares service **From £550.00 + VAT**

Our service includes:

- Obtaining the current constitution and company information from the company's public file
- Providing new articles of association setting out the rights and restrictions to be attached to the new classes of shares
- All necessary minutes, resolutions and forms to adopt the new articles of association and, if necessary, redesignate existing shares
- A full procedural guide setting out the steps the directors and shareholders must take to make the changes to the share capital and articles
- Providing explanatory notes on the new provisions and consequential matters, as appropriate
- Checking and filing the resolutions, forms and new articles at Companies House
- Printing 3 bound copies of the new articles of association.

**Bespoke share
class rights
£ P.O.A.**

If you require special share class rights not covered by the options in this order form, please let us have details of your requirements. Additional fees will be payable calculated on a time spent basis. We will give an estimate of fees on receipt of your instructions.

Important Notes

- (1) As part of our service, we will provide new articles of association in accordance with our most up-to-date precedent with unrestricted company objects.
- (2) Independent professional advice should be sought on the taxation consequences of issuing shares with differing class rights.

How to order

Complete the attached order form and return it to us:

By **email** to: corporatelegalservices@jordans.co.uk

By **fax** to: 0117 923 0063

By **post** to: Jordans Limited, 21 St Thomas Street,
Bristol BS1 6JS

By **DX** to: Jordans Limited, DX 78161 Bristol

Corporate Legal Services

Preference and Redeemable Shares

Order Form

Please refer to our information sheet for further details on these services.
Please complete in BLOCK CAPITALS

1. Company's details:

Company Name: _____

Company Number: _____

2. Share capital limit

The new articles will restrict the number of shares of each class that the company may issue. Please indicate below the maximum number of shares for each class and their nominal value:

<i>Number of shares</i>	<i>Name of class</i>	<i>Nominal value (per share)</i>
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. Share rights

Please select **one** choice in each of the following categories:

(a) Voting

- The preference/redeemable shares will have no voting rights
- All classes will have full voting rights

(b) Dividends

- No distinction between the classes
- Power to pay variable dividends by shareholders' resolution plus power for the directors to pay interim dividends by board resolution without prior approval by shareholders' resolution
- Power to pay variable dividends by shareholders' resolution only
- The preference shares will be entitled to a fixed preferential dividend. Such dividend will:
- (i) be paid at a rate of _____ % per annum;
 - (ii) be cumulative or non-cumulative;
 - (iii) confer the right to further participation in profits:- yes no;
 - (iv) be payable annually half-yearly quarterly;
 - (v) be paid: within 3 months after the financial year end; or
 on the following date(s) in each year:

(c) Allotment of shares

- Directors' control
(ie the directors may allot shares of any class to whoever they wish)
- Class pre-emption rights - all classes
(ie the directors must offer new shares to the holders of shares of the same class pro rata to their existing holdings)
- Class pre-emption rights in respect of certain classes, directors' control in respect of the other(s)
Class(es) subject to pre-emption: _____ Class(es) subject to directors' control: _____
- Pre-emption rights irrespective of class
(ie the directors must offer new shares to all shareholders pro rata to their existing holdings of shares of all classes)

(d) Transfer of shares

- Directors' control
(ie the directors may refuse to register any transfer of shares of any class)
- Class pre-emption rights - all classes
(ie the transferor must offer his shares to the holders of shares of the same class pro rata to their existing holdings of that class)
- Class pre-emption rights in respect of certain classes, directors' discretion in respect of the other(s)
Class(es) subject to pre-emption: _____ Class(es) subject to directors' discretion: _____
- Pre-emption rights irrespective of class
(ie the transferor must offer his shares to all the other shareholders pro rata to their existing holdings of shares of all classes)

(e) Redemption

- No preference shares are redeemable; or
- The _____ (class) shares are to be redeemable.
 - The terms, conditions and manner of redemption will be determined by the directors; or
 - The terms, conditions and manner of redemption will be set out in the articles of association as follows:
 - (i) The shares are redeemable at the option of:
 the company and/or the shareholder
 - (ii) The period of notice will be: _____ weeks/months
 - (iii) The amount due on redemption will be £_____ per share
 - (iv) Will all the redeemable shares be redeemed at the same time?
 Yes No
 - (v) Is there a period after allotment within which shares may not be redeemed? If so, please specify the period: _____
 - (vi) Is there a date by which all redeemable shares must be redeemed? If so, please specify the date: _____

(f) Winding up

- All classes of shares will rank equally
- The share classes will be repaid in the following order:
 _____ then _____ then _____

And the final surplus will be:

- paid to the holder of the _____ shares
- divided equally among all the shareholders

4. Shareholders' resolutions

Resolutions to create new share class rights and/or adopt new articles of association may only be passed by the shareholders. Please indicate below whether you would like:

- Documents for the holding of a general meeting; or
- Members' written resolutions

5. Current shareholders' details

If the creation of the preference shares will involve the redesignation of shares already in issue, please indicate below how the existing shares are to be redesignated.

But please note that it is not possible to redesignate existing non-redeemable shares as redeemable shares.

(a) Name of shareholder: _____
 Address: _____
 Current shareholding: _____ Ordinary shares
 To be re-designated as: _____ (number) _____ (class)

(b) Name of shareholder: _____
 Address: _____
 Current shareholding: _____ Ordinary shares
 To be re-designated as: _____ (number) _____ (class)

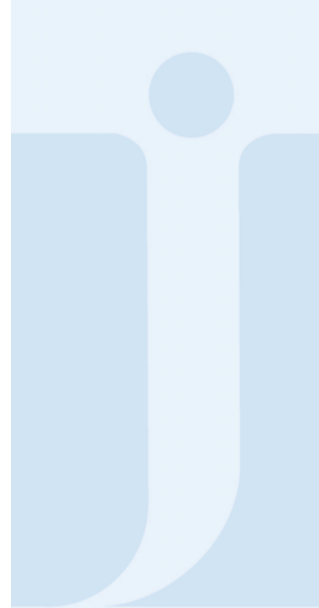
(c) Name of shareholder: _____
 Address: _____
 Current shareholding: _____ Ordinary shares
 To be re-designated as: _____ (number) _____ (class)

If there are more than three shareholders, please tick here and give additional details on a separate sheet.

6. Allotment of shares (Please note additional fees for share allotments)

Please give details of share allotments required (if any)

(a) Name of allottee: _____
 Address: _____
 No. of shares to be allotted: _____ (class) _____



(b) Name of allottee: _____
Address: _____
No. of shares to be allotted: _____ (class) _____

(c) Name of allottee: _____
Address: _____
No. of shares to be allotted: _____ (class) _____

(d) Name of allottee: _____
Address: _____
No. of shares to be allotted: _____ (class) _____

If there are to be more than four allotments, please tick here and give additional details on a separate sheet.

7. Share allotment services

We can provide full documentation and guidance to enable a company to carry out a:

- Directors' issue for cash consideration** **from £50.00 + VAT**
Allotment of shares as fully or partly paid in return for cash payment with or without a share premium
- Capitalisation of loan** **£150.00 + VAT**
Allotment of shares fully or partly paid by capitalising a loan made to the company by a director or other person
- Rights issue** **£150.00 + VAT**
Allotment of shares at a specified price to current members pro rata to existing shareholdings
- Bonus issue** **£150.00 + VAT**
Documentation to capitalise reserves and allot shares credited as fully paid to current members pro rata to their existing shareholdings
- Directors' issue for non-cash consideration** **from £200.00 + VAT**
Allotment of shares as fully or partly paid in return for the transfer to the company of non-cash assets (with or without a share premium)

8. Your details

Please give your contact details for correspondence and billing purposes:

Name: _____
Organisation name: _____
Address: _____
Town: _____
Country: _____ Postcode: _____
Telephone: _____ Fax: _____
Email: _____

9. Payment details

- Please charge to my Jordans' **account** number: _____
- I enclose a **cheque** made payable to Jordans Limited
- Please debit my **debit or credit card**.
- Card number: _____
- Name on card: _____ Issue No. (if any): _____
- Card security code: _____ Valid from: _____ Expiry: _____
- Payment is being transferred to **Jordans Limited** account, Barclays Bank Plc, Queens Road Branch, Bristol, Sort code **20-13-34**, Account number **80536296** Swift code **BARC GB 22**, IBAN code **GB20 BARC 2013 3480 5362 96**

10. Data protection

Your details are held for Jordans Limited, Jordans International Limited, Jordans (Scotland) Limited – trading as Oswalds – and Jordan Publishing Limited's use only (which include our offices in major offshore locations).

Apart from any use made in connection with our acting on your behalf – including credit control reasons – we would only use your details to send you occasional materials on our products, services and events that we think may be of interest to you. **None** of your details will be passed to third parties for any marketing purpose.

For further information on how your data may be used, please contact our Data Protection Officer: Tel: +44 117 918 1431 email dataprotection@jordans.co.uk.

You may 'opt-out' of receiving promotional mailings or 'opt-in' to promotional emails by selecting the appropriate boxes below.

- If you **do not** wish to receive mail from our UK office, tick here:
- If you **do not** wish to receive mail from our overseas offices, tick here:
- If you **do** wish to receive emails from our UK office, tick here:
- If you **do** wish to receive email from our overseas offices, tick here:

11. Feedback

We are always interested in understanding more about our clients and would appreciate it if you would provide the following information on how you heard about and why you chose Jordans (please tick all that apply):

How		Why	
Advert	<input type="checkbox"/>	Jordans' reputation	<input type="checkbox"/>
Exhibition	<input type="checkbox"/>	Location	<input type="checkbox"/>
Leaflet/Jordans' Focus	<input type="checkbox"/>	Price	<input type="checkbox"/>
Press article	<input type="checkbox"/>	Range of services	<input type="checkbox"/>
Referral – solicitor	<input type="checkbox"/>	Quality	<input type="checkbox"/>
Referral – accountant	<input type="checkbox"/>	Used Jordans' corporate services before	<input type="checkbox"/>
Referral - other	<input type="checkbox"/>	Used Jordans' other services before	<input type="checkbox"/>
Search Engine	<input type="checkbox"/>		
Seminar	<input type="checkbox"/>		
Other website	<input type="checkbox"/>		
Other please specify _____		Other please specify _____	

12. Terms and Conditions

These services are provided on Jordans' standard terms and conditions of business, a copy of which can be supplied on request or viewed on our website at <http://www.jordans.co.uk/statutoryinformation/terms.html>

Please complete and return this order form to:
Corporate Legal Services
Jordans Limited, 21 St Thomas Street, Bristol BS1 6JS
email: corporatelegalservices@jordans.co.uk
tel: 0117 918 1497
fax: 0117 923 0063