

dated **2018**

[CAPITAL LETTERS] LIMITED

Articles of Association

Company number: [TBC]

trowers & hamlins

Contents

1	Interpretation and definitions	2
2	Interpretation	3
3	Model Articles	3
4	Name	3
5	Registered office	4
6	Objects	4
7	Powers	4
8	Application of income and property	5
9	Limited liability	6
10	Members' guarantee	6
11	Winding up	6
12	Admission of Members and cessation of Membership	7
13	General meetings and resolutions	8
14	Chair at General Meetings	9
15	Adjournments	10
16	Votes of Members	10
17	Written Resolutions	11
18	Reserved Matters	11
19	Appointment of Proxies	11
20	Amendments to resolutions	12
21	Directors	13
22	Means of communication to be used	19
23	Notices	20
24	Indemnity	20

The Companies Act 2006

Company limited by guarantee and not having a share capital

Articles of Association

of

[CAPITAL LETTERS] LIMITED

---

1 **Interpretation and definitions**

In these Articles unless the context otherwise requires:

the Act means the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force;

Articles means these Articles of Association;

Board means the board of Directors of the Company from time to time;

Chair means the chair of the Board appointed pursuant to Article 21.10.1 or in his absence any vice or deputy chair appointed pursuant to Article 21.10.3;

Clear Days means in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

Committee means any committee constituted under the provisions of these Articles;

Conflict of interest has the meaning given in Articles 21.9.1 and 21.9.2;

"A" Director means a Director appointed by an "A" Member in accordance with article 21.1.2 from time to time;

"B" Director means a Director nominated by a "B" Member in accordance with article 21.1.3 and appointed in accordance with article 21.1.4 from time to time;

"C" Director means a Director appointed in accordance with article 21.1.5 from time to time;

Director means a director of the Company, and includes any person occupying the position of director, by whatever name called;

electronic form and **electronic** means have the meaning given in section 1168 of the Companies Act 2006;

financial year means the year commencing 1 April and expiring on the subsequent 31 March;

"A" Members means the Members of the Company designated as "A" Members in accordance with Article 12 from time to time;

"B" Members means the Members of the Company designated as "B" Members in accordance with Article 12 from time to time;

Local Authority means a local authority in England or Wales as defined in section 270 of the Local Government Act 1972;

Member means a person whose name is entered in the Register of Members of the Company and including both "A" Members and "B" Members and **Members** and **Membership** shall be construed accordingly;

Members Agreement means the agreement entered into between the Members to regulate their relationship as Members of the Company;

Ordinary Resolution has the meaning given in section 282 of the Companies Act 2006;

Public Body means a body governed by public law as defined in the Public Contracts Regulations and **Public Bodies** and **Non-Public Bodies** shall be construed accordingly;

Public Contracts Regulations means Public Contracts Regulations 2015 and any statutory modification or re-enactment thereof for the time being in force;

Special Resolution has the meaning given in section 283 of the Companies Act 2006;

Subsidiary has the meaning given by section 1159 of the Act;

the United Kingdom means Great Britain and Northern Ireland; and

Voting Representative means the individual appointed by each Member to attend, speak and vote at general meetings on its behalf in accordance with Article 12.8.

2 Interpretation

2.1 Unless the context otherwise requires words or expressions contained in these Articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force on the date of incorporation of the Company.

2.2 In these Articles words importing individuals shall unless the context otherwise requires include corporations and words importing the singular number shall include the plural and vice versa and words importing the masculine gender shall include the feminine gender.

3 Model Articles

These Articles shall apply to the Company in place of the Model Articles (attached in Schedule 2 to the Companies (Model Articles) Regulations 2008).

4 Name

The name of the company is [Capital Letters] Limited (the **Company**).

5 **Registered office**

The Company's registered office is to be located in England and Wales.

6 **Objects**

6.1 The objects of the Company shall be:

6.1.1 to procure accommodation for homeless households and those at risk of homelessness by providing services in connection therewith to:

(a) the "A" Members; and

(b) to any other customers (including "B" Members) as considered appropriate by the Members from time to time provided that any services to non-Members shall always remain incidental to the primary aim of providing services to the Members and do not account for more than 20% of the turnover of the Company in any financial year (or such other percentage of turnover as may be permitted by law from time to time) at all times as set out in Regulation 12 of the Public Contract Regulations;

6.1.2 to undertake the management of accommodation for homeless households and those at risk of homelessness; and

6.1.3 to provide such other services and undertake such other functions as are agreed by the Members from time to time.

7 **Powers**

7.1 The Company shall have power to do anything that a natural or corporate person can lawfully do which is necessary or expedient in furtherance of its objects unless prohibited by these Articles.

7.2 The Members may, by Special Resolution, direct the Directors to take, or refrain from taking, specified action provided that no such Special Resolution invalidates anything which the Directors have done before the passing of Special Resolution.

7.3 Without limiting the powers described in Article 7.1 the Company shall have the power:

7.3.1 to purchase and maintain insurance for the benefit of any persons who are or were at any time Directors, officers or employees of the Company or any other company which is a Subsidiary or Subsidiary undertaking of the Company or in which the Company has any interest, whether direct or indirect, or who are or were at any time trustees of any pension fund in which any employee of the Company or of any other such company or Subsidiary undertaking are or have been interested, indemnifying such persons against liability for negligence, default, breach of duty or breach of trust or any other liabilities which may be lawfully insured against;

7.3.2 to invest and deal with the monies of the Company not immediately required in such manner as may from time-to-time be determined and to hold or otherwise deal with any investments made, provided that the Company shall not have

power to invest in any organisation which is a Member of the Company at the time the investment is made;

7.3.3 to promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company;

7.3.4 to pay all or any expenses incurred in connection with the formation and promotion and incorporation of the Company, the running costs and administration of the Company, the employment of consultants and the reimbursement of Directors' expenses;

7.3.5 to employ and pay any employees, officers, and professional or other advisers and to pay its Directors;

7.3.6 to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of the employees of the Company or of any Subsidiary, holding or fellow Subsidiary of the Company and of their spouses, widows or widowers, children and other relatives and dependants to lend money to any such employees or to trustees on their behalf or enable any such schemes to be established or maintained;

7.3.7 to borrow or raise money in such manner as the Company shall think fit and in particular by the issue (whether at par or at a premium or discount and for such consideration as the Company may think fit) of bonds, debentures or debenture stock (payable to bearer or otherwise), mortgages or charges, perpetual or otherwise, and, if the Company thinks fit, charged on all or any of the Company's property (both present and future) and undertaking, and collaterally or further to secure any obligations of the Company by a trust deed or other assurance;

7.3.8 to do anything that a natural or corporate person can lawfully do which is necessary and expedient in furtherance of its objects unless prohibited in these Articles.

8 Application of income and property

8.1 The income and property of the Company shall be applied solely in promoting the Company's objects.

8.2 No distribution shall be paid or capital otherwise returned to the Members in cash or otherwise other than

8.2.1 the payment in good faith:

(a) of reasonable and proper remuneration (including pensions, contributory pension payments, payment of premiums to pension policies and terminal grants and gratuities) to any officer or employee of the Company in return for any services rendered to the Company;

(b) of fees, remuneration or other benefit in money or money's worth to a company or other body corporate of which a Director may be a Member

holding not more than 2% of the share capital and controlling not more than 2% of the voting rights at general meetings of such company or body corporate;

(c) to any Director of reasonable out-of-pocket expenses;

(d) of reasonable and proper remuneration to any Director who is not an employee of the Company in return for any services rendered to the Company;

(e) of reasonable and proper rent for premises demised or let by any Member;

(f) of reasonable and proper interest on money lent by any Member;

(g) of any indemnities to Directors or other officers of the Company under Article 24.1 and any premium in relation to insurance in respect of liabilities of Directors and other officers of the Company in accordance with Article 24.2; or

(h) subject to prior approval of all Members, to Members (and any former Member(s) which contributed to a distributable surplus within the preceding five years) of any surplus of the Company.

9 **Limited liability**

The liability of the Members is limited.

10 **Members' guarantee**

Each Member undertakes to contribute to the assets of the Company in the event of the Company being wound up while they are a Member of the Company or within one year after they cease to be a Member of the Company for payment of the debts and liabilities of the Company contracted before they cease to be a Member of the Company and of the costs charges and expenses of winding up such amount as may be required not exceeding one pound.

11 **Winding up**

If upon the winding up or dissolution of the Company there remains after the satisfaction of all its debts and liabilities any property whatsoever such property shall be divided between the Members (whose names appear in the register of Members at the date of winding up or dissolution) and any former Member(s) which contributed to the surplus within the five years preceding such winding up or dissolution. The division shall be proportionate to the total contribution to such surplus by each Member or former Member (based on a reasonable relationship between the former Member(s) contribution and the distributable surplus) prior to the date of winding up or dissolution. For the purposes of this Article a certificate in writing

signed by the duly appointed auditors for the time being of the Company as to the proportions in which any property is to be divided will be sufficient.

12 **Admission of Members and cessation of Membership**

12.1 The Members of the Company shall be divided into "A" Members and "B" Members. "A" Members and "B" Members will have the rights as specified in these Articles.

12.2 The subscribers shall be the first Members of the Company and shall be designated as "A" Members.

12.3 The Members may admit any other Public Body to Membership on receiving:

12.3.1 a written application confirming that it agrees to be bound by the provisions of the Articles; and

12.3.2 where a Members' Agreement has been entered into, a signed deed of adherence to the Members' Agreement

from any such body.

12.4 A Member admitted under article 12.3 above shall be designated as an "A" Member or a "B" Member by the "A" Members upon admission.

12.5 A Public Body shall only be admitted as an "A" Member if they agree to ensure that at least 50% of the total procurement for that body of dwellings to support the discharge of that body's statutory responsibilities for homeless households (or those at risk of homelessness) is to be procured by the Company.

12.6 A Public Body admitted to Membership who does not agree as per article 12.5 but will receive services from the Company will be admitted as a "B" Member.

12.7 The rights powers and obligations of each Member under these Articles shall take effect on the admission of that organisation to Membership.

12.8 Each Member shall nominate a person to act as its representative in the manner provided in Section 323 of the Act. Such representative shall have the right on behalf of the Member to attend meetings of the Company and vote thereat and to exercise all rights of Membership on behalf of the Member. The relevant Member may by written notice to the Company revoke the nomination of such representative and may nominate another representative in his place.

12.9 The rights of each Member shall be personal and shall not be transferable and shall be exercisable only by the Member or its Voting Representative.

12.10 Membership shall not be transferrable.

12.11 An "A" Member shall cease to be a Member of the Company if (i) it serves no less than six months' written notice to do so or (ii) is removed or expelled for any reason by ordinary resolution of the Members passed at a General Meeting or under any agreement entered into between the Members from time to time and (iii) if at any time the Member ceases to be a Public Body or (iv) otherwise in connection with these Articles and the noting of the

cessation of Membership in the Company's register of Members shall be conclusive in this regard

12.12 A "B" Member shall cease to be a Member of the Company if (i) it serves no less than six months' written notice to do so or (ii) is removed or expelled for any reason by ordinary resolution of the Members passed at a General Meeting or under any agreement entered into between the Members from time to time and (iii) if at any time the Member ceases to be a Public Body or (iv) otherwise in connection with these Articles and the noting of the cessation of Membership in the Company's register of Members shall be conclusive in this regard.

12.13 At the end of each financial year, the "A" Members shall each confirm to the Company (in a form that shall be agreed by the "A" Members from time to time) the percentage of its total procurement for that "A" Member of dwellings to support the discharge of its statutory responsibilities for homeless households (or those at risk of homelessness) that was undertaken via the Company that financial year. In the event that this percentage is less than 50% the "A" Members have, at their discretion, the ability to terminate the "A" Member's Membership in accordance with article 12.14.

12.14 The decision to terminate an "A" Member's Membership in accordance with article 12.13 shall be taken at a meeting of the "A" Members (i) called on no less than 7 clear days' notice; (ii) attended in person or by proxy by at least 50% of the "A" Members (excluding the "A" Member whose Membership is being considered for termination); and (iii) made by no less than 50% of the total "A" Members excluding the "A" Member whose membership is being considered for termination.

12.15 In the event that an "A" Member's Membership is terminated pursuant to article 12.14 the Membership shall terminate immediately upon the decision having been taken.

12.16 In the event that an "A" Member's Membership is terminated in accordance with article 12.12 that Member may be re-admitted to the Membership of the Company as a "B" Member, subject to compliance with article 12.3 and 12.6.

13 General meetings and resolutions

13.1 The Company shall once in every calendar year hold a general meeting which for the purposes of these Articles shall be called the annual general meeting. The Directors may call general meetings and on the requisition of any two or more "A" Members shall forthwith proceed to convene a general meeting as required pursuant to the provisions of Section 304 of the Act.

13.2 Any general meeting not called on the requisition of a Member pursuant to Article 13 shall be called by at least twenty-one Clear Days' notice or by shorter notice if it is so agreed by not less than 75% of the "A" Members. The notice shall specify the time and place of the meeting, the general nature of the business to be transacted and if it is anticipated that Members 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. The notice shall be given to all Members and to the Directors and to the Company's auditors.

13.3 The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

13.4 A Director shall be entitled to attend and speak at any general meeting.

13.5 The Chair of the meeting may permit other persons who are not Members of the Company to attend and speak at a general meeting.

13.6 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.

13.7 A person is able to exercise the right to vote at a general meeting when:

13.7.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

13.7.2 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 other persons attending the meeting.

13.8 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.

13.9 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.

13.10 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.

13.11 No business shall be transacted at any general meeting unless a quorum is present. 50% of all Members present by their Voting Representative or by proxy including no less than two "A" Members shall be a quorum.

13.12 If a quorum is not present within half an hour from the time appointed for a general meeting it shall stand adjourned to the same day in the next week at the same time and place or to such later day and time and/or other place as the "A" Members present decide.

13.13 If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall constitute a quorum.

13.14 An entry in the minutes of any general meeting stating that a resolution has been passed or not passed shall be conclusive evidence of the fact.

14 Chair at General Meetings

14.1 The Chair or in his absence some other Director who is present and nominated by the Members shall Chair the meeting. If neither the Chair or such Director is present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act, the Members present shall elect another Director who is present to be the Chair and, if there is only one Director present and willing to act, he shall be the Chair. If no Director is present within fifteen minutes after the time appointed for holding the meeting or is willing to act as Chair the Members present shall elect one of their number to be the Chair.

15 **Adjournments**

15.1 The Chair may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the original meeting. It shall not be necessary to give notice of the adjourned meeting unless it is adjourned for fourteen days or more when at least seven Clear Days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted.

15.2 The Chair may also, without the consent of the meeting, adjourn the meeting (whether or not it has commenced or is quorate) either to a time and place to be determined pursuant to Article 15.3 or to such other time and place as he may decide if the unruly conduct of persons attending the meeting is preventing the orderly holding or continuance of the meeting.

15.3 When a meeting is adjourned pursuant to Article 15.2 without a decision to a new time and place, the time and place for the adjourned meeting shall be fixed by the Board. It shall not be necessary to give any notice of the adjourned meeting unless it is adjourned for fourteen days or more when at least seven Clear Days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted.

16 **Votes of Members**

16.1 A resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is demanded either before the meeting or on the declaration of the result of the show of hands. Subject to the provisions of the Act, a poll may be demanded:-

16.1.1 by the Chair; or

16.1.2 by any Member having the right to vote at the meeting;

16.1.3 and a demand by a person as proxy for a Member shall be the same as a demand by a Member.

16.2 On a show of hands every Member present by its Voting Representative shall have one vote. On a poll every Member present by its Voting Representative or by proxy shall have one vote.

16.3 In the case of an equality of votes, whether on a show of hands or on a poll, the Chair shall not have a casting vote.

16.4 Unless a poll is demanded, a declaration by the Chair that a resolution has been passed or not passed unanimously, or by a particular majority, or passed, or not passed by a particular majority shall be final and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

16.5 A demand for a poll may be withdrawn before the poll is taken but only with the consent of the Chair. A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of

a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

16.6 A poll shall be taken immediately. The results of the poll shall be the resolution of the meeting at which the poll was demanded.

16.7 No objection shall be raised to the qualification of any vote except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chair whose decision shall be final.

17 **Written Resolutions**

A written resolution may be passed in accordance with the Act.

18 **Reserved Matters**

Notwithstanding the provisions of Articles 16 to 17 inclusive, all resolutions that relate to a matter described in the Members' Agreement as a reserved matter or equivalent shall be passed by no less than 75% of the "A" Members. "B" Members shall not have a right to vote in a resolution that relates to a matter described in the Members' Agreement as a reserved matter or equivalent.

19 **Appointment of Proxies**

19.1 An appointment of a proxy shall be in writing, signed by or on behalf of the appointor and shall be in the following form (or in any other form which the Board may approve):-

[*Name of the Company*]

I/We,

being a ["A"] ["B"] Member/Members of the above-named Company, hereby appoint

of

or, failing him,

of , as my/our proxy to vote in my/our name(s) and on my/our behalf at the annual/extraordinary general meeting of the Company to be

held on , and at any adjournment thereof.

Signed .....

Date .....

19.2 Where it is desired to afford Members an opportunity of instructing the proxy how he shall act the document appointing a proxy shall be in the following form (or any other form which the Board may approve):

[*Name of the Company*]

I/We

being a ["A"] ["B"] Member/Members of the above-named Company, hereby appoint

of

or, failing him,

of , as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Company

to be held on , and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:-

Resolution Number 1 *for *against Resolution Number 2 *for *against

*strike out whichever is not desired

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed.....

Date .....

19.3 The document appointing a proxy and any authority under which it is signed or a copy of such authority certified notarially or in some other way approved by the Board shall be deposited at the Company's registered office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 24 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. An instrument of proxy which is not deposited or delivered in this manner shall be invalid.

19.4 A vote given or poll demanded by proxy or by the Voting Representative of a Member shall be valid unless termination of the proxy or representative's authority is received by the Company at its registered office or the place at which the meeting is due to be held before the meeting begins.

20 **Amendments to resolutions**

20.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if –

20.1.1 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 Chair of the meeting may determine), and

20.1.2 the proposed amendment in the reasonable opinion of the Chair of the meeting:

(a) does not, materially alter the scope of the resolution

(b) is no more onerous on the company and

(c) does not have the effect of negating the substantive resolution.

20.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution if –

20.2.1 the Chair of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

20.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

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

21 Directors

21.1 Methods of appointing Directors

21.1.1 The number of Directors at any time shall be no less than three and no more than twelve.

21.1.2 Subject to Article 21.1.6 each "A" Member shall be entitled to appoint one Director each (the **"A" Directors**).

21.1.3 Subject to Article 21.1.6 each "B" Member shall not be entitled to appoint a Director but may nominate to the "A" Members for consideration in accordance with article 21.1.3.

21.1.4 The "A" Members shall be entitled to jointly appoint one or more Directors who may be nominated by a "B" Member (the **"B" Directors**) in accordance with a policy set by the A Members from time to time. Any appointment under this Article shall be made by giving notice signed by all of the "A" Members in question to the Company.

21.1.5 The "A" Members shall be entitled to jointly appoint one or more Directors who may be independent of all Members (the "**C" Directors**) in accordance with a policy set by the A Members from time to time. Any appointment under this Article shall be made by giving notice signed by all of the "A" Members in question to the Company.

21.1.6 If at any time the number of Members exceeds twelve the Members together will by Ordinary Resolution agree (and send notice of the same to the Company) who will be the Directors so that there shall be no more than twelve Directors including any C Directors appointed under Article 21.2.5. The method for agreeing the Directors in these circumstances shall be in accordance with such Director's appointment policy as may be agreed by Members from time to time.

21.2 Disqualification of and cessation of office for Directors

21.2.1 A person shall be ineligible for appointment to the Board and if already appointed shall immediately cease to be a Director if the relevant individual:

(a) ceases to be a Director by virtue of any provision of the Act or becomes prohibited by law from being a company director; or

(b) is or becomes bankrupt or makes any arrangement or composition with his creditors generally; or

(c) a registered medical practitioner who is treating the Director 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

(d) resigns his office by written notice to the Company; or

(e) is removed from office by the Member that appointed him by giving notice signed by the relevant Member to Company; or

(f) Other than a Director appointed in accordance with Article 21.1.1 above, is removed from office by a resolution of or written notice signed by not less than three quarters of all the other Members from time to time; or

(g) Other than a Director appointed in accordance with Article 21.1.1 above, has been absent without permission of the Board from three consecutive meetings of the Board (including meetings of any Committee of which that Director is a member) and the Board resolves that his office be vacated; or

(h) is an "A" Director and the "A" Member ceases to be an "A" Member of the Company;

(i) is "B" Director and the "B" Member ceases to be a "B" Member of the Company

(j) an "A" Member that appointed any Director notifies the Company that the individual is to be removed as a Director;

(k) is an employee of the Company or of a Member of the Company, or of a Subsidiary or associate of the Company or of a Member, and at any time ceases to be so employed;

(l) is not included in the list notified pursuant to Article 21.1.6.

21.2.2 It is agreed that in the case of a Director appointed in accordance with Article 21.1.1 above, the Members shall in respect of the circumstances set out in Article 21.2.1(f) and the Board in respect of Article 21.2.1(g) be entitled to notify the Member which appointed the Director in question of the reasons and/or circumstance which they consider sufficient for that Director to be removed from office.

21.3 **Powers of the Board**

21.3.1 Subject to:

(a) the provisions of the Act;

(b) any resolution from time to time of the Members in accordance with these Articles; and

(c) these Articles;

the business of the Company shall be managed by the Board who may exercise all the powers of the Company. No alteration of these Articles and no resolution of the Members shall invalidate any prior act of the Board which would have been valid if that alteration or resolution had not been made. The powers given by this Article 21.3.1 shall not be limited by any special power given to the Board by these Articles and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.

21.4 **Delegation of Directors' powers**

21.4.1 The Board may delegate in writing any of its powers to any Committee consisting of two or more Directors together with such other persons as the Board sees fit.

21.4.2 The Board may delegate in writing to a Director or to any officer such of their powers as they consider desirable to be exercised by such person. Any such delegation may be made subject to any conditions the Board may impose and either collaterally with or to the exclusion of its own powers and may be revoked or altered. Subject to any such conditions the proceedings of any Committee shall be governed by the provision of these Articles insofar as they apply to proceedings of the Board.

21.5 **Alternate Directors**

No Director shall be entitled to appoint any person as an alternate Director.

21.6 **Directors' expenses**

21.6.1 Directors may be paid all expenses reasonably and properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board or general meetings of the Company or otherwise in connection with the discharge of their duties and such other sums as may be determined by the Members of the Company.

21.6.2 Where any Director is an elected member of a local authority that is a Member then such a Director may only be paid such fees and/or expenses as are permitted by the Local Authorities (Companies) Order 1995.

21.6.3 Where any Director is an officer of a local authority that is a Member then they may only claim expenses from their local authority and not from the Company and shall not be entitled to any fee from the Company.

21.7 **Directors' appointments and interests**

A Director may not have any financial interest personally or as a Member of a firm or as a director or senior employee (being an employee with managerial status) or in any contract or other transaction of the Company unless it is permitted by these Articles.

21.8 **Proceedings of Directors**

21.8.1 Subject to these Articles the Board may regulate their proceedings as they think fit.

21.8.2 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.

21.8.3 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.

21.8.4 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.

21.8.5 The Board shall hold at least four meetings a year. Meetings called under this Article shall be convened on not less than fourteen Clear Days' notice.

21.8.6 Any Directors may, by notice in writing given to the Company, requisition a meeting of the Board. In such circumstances it shall be the duty of the Company to convene such a meeting as soon as is reasonably practicable.

21.8.7 The quorum for the transaction of business of the directors shall no less than 50% of the total number of Directors and shall include no less than two Directors appointed by an "A" Member.

21.8.8 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 such number of further directors as are required to make up the quorum required; or

(b) to call a general meeting so as to enable the members to appoint further directors. If a quorum is not present within half an hour from the time appointed for a Board meeting the Board meeting shall if requested by a majority of those Directors present be adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors present may determine.

21.8.9 If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the adjourned meeting then the adjourned meetings shall if requested by a majority of those Directors present be adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors present may determine.

21.8.10 If at the meeting adjourned pursuant to Article 21.8.9 a quorum is not present within half an hour from the time appointed for the adjourned meeting then notwithstanding Article 21.8.6 at least two "A" Directors present shall constitute a quorum.

21.8.11 Save as expressly provided in these Articles questions arising at a Board meeting shall be decided by a majority of votes and each Director present in person shall

be entitled to one vote. In the case of an equality of votes at any Board meeting the Chair shall not have a second or casting vote.

21.8.12 The Board may invite such person as it deems appropriate to attend and (if appropriate) speak at Board meetings. Any such invitation may be made on such terms as the Board may determine and may be revoked at any time. Provided that such attendees shall not be Directors and may not vote on any matter discussed by the Board.

21.9 **Conflicts of interest**

21.9.1 Any Director having an interest in any arrangement between the Company and another person or body shall before the matter is discussed by the Board or any Committee of which they are a Member disclose that interest to the meeting

21.9.2 Unless the interest is of the type specified in Articles 21.9.3 or 21.9.4 the Director concerned shall not remain present during the discussion of that item unless requested to do so by the remaining Members of the Board or Committee of the Board. Unless permitted by Articles 21.9.3 or 21.9.4 the Director concerned may not vote on the matter in question but no decision of the Board or any Committee of the Board shall be invalidated by the subsequent discovery of an interest which should have been declared.

21.9.3 A Director may remain present during the discussion and may vote on the matter under discussion where the interest arises only by virtue of the fact that:

(a) the Director is a director or other officer of a company or body which is a Subsidiary undertaking of the Company as such term is defined in Section 1162 of the 2006 Act; or

(b) the Director is a director or other officer of a company or body which is a Member of the Company.

21.9.4 A Director shall not be treated as having an interest:

(a) of which the Director has no knowledge and of which it is unreasonable to expect him to have knowledge;

(b) in the establishment of a policy in respect of Director expenses or in any resolution relating to the remuneration of Directors.

21.9.5 For the purposes of section 175 of the Act, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach by a director of the duty to avoid conflicts of interest set out in that section of the Act. Any reference in these Articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

21.9.6 Authorisation of a matter under Article 21.9.5 shall be effective only if:

(a) the matter in question shall have been proposed in writing for consideration by the Directors, or in such other manner as the Directors may determine;

(b) any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Directors (together the Interested Directors); and

(c) the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

21.9.7 Unless otherwise determined by the Directors (excluding the Interested Directors), any authorisation of a matter under Article 21.9.5 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

21.9.8 Any authorisation of a matter under Article 21.9.5 shall be on such terms and/or conditions as the Directors (excluding the Interested Directors) may determine, whether at the time such authorisation is given or subsequently and may be varied or terminated by the Directors (excluding the Interested Directors) at any time. Such terms or conditions may include (without limitation) terms and conditions as to the duration, renewal and/or revocation of the authorisation, and/or the exclusion of the Interested Directors from all information and discussion of the matter in question. A Director shall comply with any obligations imposed on him by the Directors (excluding the Interested Directors) pursuant to any such authorisation.

21.9.9 If a Director receives or has received any information otherwise than by virtue of his position as a Director and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to:

(a) disclose any such information to the Company, the Directors or any other Director or employee of the Company; or

(b) use or apply any such information in connection with the performance of his duties as a Director;

(c) provided that to the extent that such duty of confidentiality arises out of a situation or relationship which would or might otherwise constitute or give rise to a breach by the Director of the duty to avoid conflicts of interest set out in section 175 of the Act, this Article shall apply only if such situation or relationship has been authorised by the Directors under Article 21.9.5.

21.9.10 A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the directors under Article 21.9.5 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

21.9.11 All acts done by the Board or by a Committee of the Board or by a person acting as a Director shall notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any Director was disqualified from holding office or had vacated office or was not entitled to vote be as valid as

if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

21.9.12 If a question arises at a meeting of the Board as to the right of a Director to vote the question may before the conclusion of the meeting be referred to the Chair or in his absence the Chair of the meeting and his ruling shall be final and conclusive.

21.10 **Appointment of Chair of the Board**

21.10.1 As soon as practicable after incorporation, and thereafter immediately prior to the conclusion of each annual general meeting the "A" Members shall by ordinary resolution appoint one of the Board to be the Chair of the Board (who shall not be a "B" Director) to hold office until he is either reappointed or until another Chair of the Board is appointed or removed by ordinary resolution of the "A" Members.

21.10.2 The Director so appointed as Chair shall preside at every meeting of the Board at which he is present. If there is no Director holding that office or if the Director holding it is not present within five minutes after the time appointed for the meeting the Directors present may appoint one of their number to be Chair of the meeting.

21.10.3 The Board may appoint a vice or deputy Chair to act in the absence of the Chair on such terms as the Board shall think fit.

21.11 **Written resolutions of the Board**

21.11.1 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.

21.11.2 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.

21.11.3 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.

21.11.4 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.

21.12 **Records of decisions to be kept**

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 and of all proceedings at meetings of the Company

22 **Means of communication to be used**

22.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Companies Act 2006 provides for

documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.

22.2 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.

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

23 **Notices**

23.1 Any notice to be given to or by any person pursuant to these Articles shall be in writing.

23.2 The Company may give any notice to the Members either personally, or by sending it by post in a prepaid envelope addressed to the Members at their registered address, or by leaving it at that address, or by suitable electronic means in accordance with the provisions of the Act.

23.3 The Members present by their Voting Representative at any meeting of the Company shall be deemed to have received notice of the meeting and where requisite of the purposes for which it was called.

23.4 Proof that an envelope containing a notice was properly addressed prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted, or 24 hours after being sent by electronic means or delivered by hand to the relevant address, or on being handed to a Member's Voting Representative or Director personally, or as soon as the Member or Director acknowledges actual receipt.

24 **Indemnity**

24.1 Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto including any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 1157 of the Act in which relief is granted to him and no Director or other officer shall be liable for any loss damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto provided that this Article 24.1 shall only have effect in so far as its provisions are not avoided by Section 232 of the Act.

24.2 The Board shall have power to purchase and maintain for any Director or officer of the Company insurance against any such liability as is referred to in Section 232 of the Act.