

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

OF

Loughborough BID Company Limited

Companies Act 2006

Articles of Association of Loughborough BID Company Limited

A company limited by guarantee and not having a share capital

Defined Terms

1. In the Articles, unless the context requires otherwise—

“Articles” means the Company’s articles of association;

“Area of Benefit” means the area of benefit identified on the map contained in the BID business plan produced for the BID committee in March 2011, a copy of which is kept with the Company’s statutory books as this may from time to time be amended;

“Bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

“BID Levy” means the levy paid by a BID Levy Payer in addition to its non-domestic rates for the purpose of supporting the Loughborough Business Improvement District;

“BID Levy Director” means a director who represents a BID Levy Member and who is appointed in accordance with the Articles;

“BID Levy Payer” means any person owning or occupying a business premises in the Area of Benefit liable to pay the BID Levy;

“BID Levy Member” means a person who is a BID Levy Payer and who has been admitted to the membership of the Company in accordance with Article 13 and whose name appears in the Company’s register of members and **“BID Levy Members”** means all of them;

“Chairman” has the meaning given in Article 100;

“Chairman of the Meeting” has the meaning given in Article 35;

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

“Company” means Loughborough BID Company Limited;

“Director” means any one of: the BID Levy Directors; or the Public Sector Directors, (and includes any person occupying the position of Director, by whatever name called) and **“Directors”** means all of them;

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

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

“Local Authority Associated Person” means a local authority or any other person or entity which is under the control of or subject to the influence of a local authority as those terms are used for the purposes of sections 67-69 Local Government and Housing Act 1989;

“Member” means either:

(a) the Subscriber Members; or

(b) any BID Levy Member,

and **“Members”** shall mean all of them;

“Objects” the objects of the Company set out in Article 6;

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

“participate”, in relation to a Directors’ meeting, has the meaning given in Article 95;

“Public Sector” means any local authority within or providing services for the benefit of Loughborough (including without limitation the Borough Council of Charnwood, Leicestershire County Council and the Leicestershire Police Authority);

“Public Sector Director” means a director who represents the Public Sector and who is appointed in accordance with the Articles;

“Proxy Notice” has the meaning given in Article 53;

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

“Subscriber Members” means the subscribers to the Company’s memorandum of association and whose names appear in the Company’s register of members;

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

“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:

a. other words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the Company;

b. each gender includes the others;

c. the singular and the plural each includes the other;

d. references to a person or persons include individuals, unincorporated bodies, government entities, companies and corporations; and

e. including means including without limitation and general words are not limited by example.

3. The model articles of association contained in Schedule 2 of the Companies

Act (Model Articles) Regulations 2008 shall not apply to the Company.

General

4. The name of the Company is “Loughborough BID Company Limited” and it is to be situated in England and Wales and it is a company limited by guarantee and not having a share capital.

5. The liability of each Member is limited to £1, being the amount that each Member undertakes to contribute to the assets of the Company in the event of its being wound up while he is a Member or within one year after he ceases to be a Member, for:

a. payment of the Company’s debts and liabilities contracted before he ceases to be a Member;

b. payment of the costs, charges and expenses of winding up; and

c. adjustment of the rights of the contributories among themselves.

Objects of the Company

6. The objects for which the Company is established are:

a. to promote the Business Improvement District established (in accordance with Part 4 of the Local Government Act 2003 (as the same may be amended, consolidated, modified or re-enacted from time to time)) in Loughborough (the “**Loughborough BID**”);

b. to operate and manage the Loughborough BID;

c. to deliver the Loughborough BID proposals set out in the Loughborough BID business plan (as the same may be amended from time to time);

d. to promote and encourage improvements to, and for, the Area of Benefit;

e. to support projects designed to improve the Area of Benefit; and

f. without prejudice to the forgoing, to generally maintain and improve the quality and viability of the Area of Benefit and bring benefits to the business and community in the Area of Benefit.

7. The Company has the power to do anything which is calculated to further its Objects or is conducive or incidental to doing so. In particular (but without limitation), the Company has the power to:

- a. raise funds;
- b. buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use;
- c. sell, lease or otherwise dispose of all or any part of the property belonging to the Company;
- d. borrow money and to charge the whole or any part of the property belonging to the Company as security for repayment of the money borrowed or as security for a grant or a discharge of an obligation;
- e. cooperate with other Business Improvement Districts, the Subscriber Member, local authorities and statutory authorities and to exchange information and advice with them;
- f. establish or support trusts, associations, institutions or other entities formed for the delivery of the Objects;
- g. acquire, merge with or to enter into any partnership or joint venture with any other entity or association with similar objectives to the Objects;
- h. subject to Article 8 and the provisions therein relating to Directors' remuneration employ and remunerate such staff as are necessary for the carrying out of the Company's work;
- i. enter into contracts and arrangements; and
- j. provide indemnity insurance for the Directors.

None of the provisions set forth in any sub-clause of this Article shall be restrictively construed but the widest interpretation shall be given to each such provision, and none of such provisions shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other provision set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this clause, or by reference to or inference from the name of the Company.

Income and Property

8. The income and the property of the Company shall be applied solely towards the promotion of the Objects and no portion thereof shall be paid or transferred directly or indirectly by dividend, bonus or otherwise howsoever by way of profit to the Members and no Director shall be appointed to any office of the Company paid by salary or fees, or save as provided in Article 108 (f) or otherwise hereinafter provided, receive any remuneration or other benefit in money or money's worth from the Company other than in respect of proper and reasonable expenses for any services rendered to the Company.

Dissolution

9. The Members of the Company may at any time before, and in expectation of, its dissolution resolve that any net assets of the Company after all of its debts and liabilities have been paid, or provision has been made for them, shall on or before the dissolution of the Company be applied or transferred in any of the following ways:

- a. directly for the Objects; or
- b. by transfer to any other entity or association with purposes similar to the Objects; or
- c. to any other entity or association for use for particular purposes that fall within the Objects.

10. Subject to any resolution of the Members of the Company, the Directors may at any time before, and in expectation of, its dissolution resolve that any net assets of the Company after all of its debts and liabilities have been paid, or provision has been made for them, shall on or before the dissolution of the Company be applied or transferred in any of the following ways:

- a. directly for the Objects; or
- b. by transfer to any other entity or association with purposes similar to the Objects; or
- c. to any other entity or association for use for particular purposes that fall within the Objects.

11. Save as provided in this Article 11, in no circumstances shall the net assets of the Company be distributed amongst the Members and if no resolution is passed in accordance with Articles 9 or 10, then the funds shall be paid to the Subscriber Members who shall apply such funds for delivering the Objects or any one of them.

MEMBERS

12. As regards admission and qualification for membership:

- a. There shall be no maximum number of Members of the Company.
- b. The Subscriber Members and such other persons or organisations who are BID Levy Payers as are admitted to the membership in accordance with the Articles shall be Members of the Company.
- c. Every person who wishes to become a Member shall deliver to the Company an application for membership in such form as the Directors shall require executed by him.

13. No person shall be admitted as a Member unless:

a. he is a BID Levy Payer and he supports the aims and Objects of the Company and wishes to take an active part in the support and furtherance thereof; and

b. his application for membership is approved either by the Directors (who shall not be required or obliged to give reasons for refusal of any application for membership which shall be at the Directors absolute discretion) or by the unanimous consent of all the Members from time to time (and no Member shall be required or obliged to give reasons for his refusal to consent to any application for membership which shall be at his absolute discretion),

and provided that he is not already a Member or does not already represent a Member in accordance with Article 48.

14. No person who is a local authority or Local Authority Associated Person may be appointed as a Member or to represent a Member of the Company if at the time the appointment is to take effect the number of Members or representatives of Members who are also a local authority or Local Authority Associated Persons represents 20% or more of the total number of Members or their representatives voting.

15. Every Member of the Company shall either sign a written consent to become a Member or sign the register of members on becoming a Member.

16. Membership of the Company is personal and is not transferable.

17. A person shall cease to be a Member if he shall give a letter of resignation to the Directors or if his membership is terminated under Article 18 or Article 19.

18. As regards expulsion and termination generally:

a. If any Member (or his representative appointed under Article 48):

(i) fails to observe any of the Articles or rules of the Company made under powers vested in the Directors; or

(ii) conducts itself in a manner which is prejudicial to the Company; or

(iii) does not pay his BID levy; or

(iv) is, in the reasonable opinion of the Directors, not committed to the attainment of the Objects; or

(v) in the reasonable opinion of the Directors, acts in a manner which may cause harm to the good name of the Company,

the Directors may convene a general meeting of the Company to consider passing a Special Resolution to expel such Member and on such Special Resolution being passed the name of the Member shall be removed from the register of members and he shall cease to be a Member.

b. Any Member who is the subject of a resolution to expel under the terms of the preceding clause (a) of this Article 18 shall be entitled to address the said general meeting either in person or through a representative.

19. Membership terminates when the Member dies or ceases to exist.

20. No Member of the Company is entitled to any refund of subscription or membership fee on ceasing to be a Member for any reason.

General Meetings

21. The Directors may call a general meeting when they think fit and a general meeting must also be convened on the requisition of members pursuant to the provisions of the Companies Act 2006.

Notice of General Meetings

22. All general meetings shall be called by at least fourteen clear days' notice in writing but a general meeting may be called by shorter notice if it is agreed by a majority in number of Members having a right to attend and vote, being a majority together holding not less than 90 percent of the total voting rights at the meeting of all the members.

23. The notice shall specify the time date and place of the meeting and the general nature of the business to be transacted. The text of all resolutions to be proposed at the meeting must be set out in the notice.

24. The notice shall be given to all Members and to the Directors and auditors (if any) for the time being of the Company but if anyone entitled to receive notice does not receive it, this does not invalidate the proceedings at the meeting if the failure to notify was accidental.

Attendance and Speaking at General Meetings

25. The Directors shall have the right at any time to invite any person or organisation to attend any of the meetings of the Company as an observer without the power to vote.

26. 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.

27. A Member (or its representative) 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.

28. 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.

29. 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.

30. 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.

Proceedings at General Meetings

31. No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. A quorum shall be fifteen percent (or if fifteen percent shall result in a fraction, then the next nearest whole number thereafter) of all Members entitled to vote upon the business to be transacted or four Members (whichever shall be the greater) present in person or by proxy.

32. If a quorum is not present within half an hour of the time appointed for the meeting or, if during a meeting a quorum ceases to be present, the meeting shall be adjourned to such time and place as the Directors may determine but those persons present may agree in principle upon the business set out in the notice to be transacted at the meeting, subject to the ratification of such business at the adjourned meeting.

Chairing General Meetings

33. If the Directors have appointed a chairman, the Chairman shall chair general meetings if present and willing to do so and in the absence of the Chairman, if the Directors have appointed a vice-chairman, the Vice-Chairman shall chair general meetings if present and willing to do so..

34. If the Directors have not appointed a chairman or a vice-chairman, or if both the Chairman and the Vice-Chairman are unwilling to chair the meeting or are not present within ten minutes of the time at which a meeting was due to start:

- a. the Directors present; or
- b. (if no Directors are present), the meeting,

must appoint a director or Member to chair the meeting, and the appointment of the Chairman of the Meeting must be the first business of the meeting.

35. The person chairing a meeting in accordance with Articles 33 or 34 (as applicable) is referred to as “the Chairman of the Meeting”.

Attendance and Speaking by Directors

36.1 Directors may attend and speak at general meetings, whether or not they are Members.

36.2 The Chairman of the Meeting may permit other persons who are not members of the Company to attend and speak at general meetings.

Adjournment

37. If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chairman of the Meeting must adjourn it.

38. The Chairman of the Meeting may adjourn a general meeting at which a quorum is present if:

a. the meeting consents to an adjournment; or

b. it appears to the Chairman of the Meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

39. The Chairman of the Meeting must adjourn a general meeting if directed to do so by the meeting.

40. When adjourning a general meeting, the Chairman of the Meeting must:

a. either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors; and

b. have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

41. 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.

42. 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 - general

43. 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.

44. Every Member of the Company whose name is entered in the Company's register of members shall be entitled to exercise one vote at every general meeting of the Company save that if the number of Members which are local authorities or Local Authority Associated Persons exceeds 19% of the total number of Members, then the votes cast by those Members or their representatives shall be deemed in aggregate to constitute the lower of:- (1) the number of votes cast by them; and (2) the number of votes which is 19% of the total number of votes available to be cast on the resolution.

45. A resolution proposed at any general meeting will be approved if, in accordance with the provisions of this Article, a simple majority of the votes cast in the meeting are in favour of the resolution, **EXCEPT WHERE** the Companies Acts or these Articles prescribe a different majority.

46. No Member shall be entitled to vote at any general meeting unless any monies then payable by him to the Company shall have been paid.

47. No objection shall be raised to the qualification of any voter except at the meeting or the 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 Chairman of the Meeting whose decision shall be final and conclusive.

48. Any Member which is an organisation may by resolution of its committee or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the organisation which he represents as the organisation could exercise if it were an individual Member of the Company. Every nomination made by any Member pursuant to this Article 48 shall be reviewed every year by the body that made the nomination. Every such nomination shall be confirmed in writing in such form as the Directors shall require in respect of the body confirming the appointment for the next 12 months. A representative whose appointment is not so confirmed shall automatically cease to be entitled to represent the Member with effect from the expiry of the said 12 month period. A representative shall be eligible for reappointment at any time.

Poll Votes

49. 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.

50. A poll may be demanded by:

a. the Chairman of the Meeting;

b. the Directors;

c. four 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.

51. A demand for a poll may be withdrawn if:

a. the poll has not yet been taken, and

b. the Chairman of the Meeting consents to the withdrawal.

52. Polls must be taken immediately and in such manner as the Chairman of the Meeting directs.

Content of Proxy Notices

53. Proxies may only validly be appointed by a notice in writing (a "**Proxy Notice**") which:

a. states the name and address of the Member appointing the proxy;

b. identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;

c. is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Directors may determine; and

d. is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.

54. The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.

55. 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.

56. 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

57. 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.

58. 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.

59. 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.

60. 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 appointer's behalf.

Amendments to Resolutions

61. An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:

a. notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chairman of the Meeting may determine);and

b. the proposed amendment does not, in the reasonable opinion of the Chairman of the Meeting, materially alter the scope of the resolution.

62. A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution, if:

a. the Chairman of the Meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and

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

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

DIRECTORS

Number

64. Until otherwise determined by Members in general meeting, the minimum number of Directors shall be ten and the maximum number of Directors shall be twenty five and at any one time there shall be:

- a. no more than twenty two BID Levy Directors; and
- b. no more than three Public Sector Directors; and

65. No Director who is a Local Authority Associated Person may either:-

- a. be appointed as a Director if at the time the appointment is to take effect, the number of Directors who are Local Authority Associated Persons will represent 20% or more of the total number of Directors; or
- b. be counted with any other Local Authority Associated Person to any extent greater in aggregate than 19% of the number of votes available to be cast on a resolution of the Directors; or
- c. be appointed Chairman.

Appointment and Removal of Directors

66.

66.1 No person shall be appointed:

- a. a BID Levy Director of the Company who does not represent a BID Levy Member of the Company;
- b. a Public Sector Director who does not represent the Public Sector,

and for the purposes of deciding whether or not a person represents a BID Levy Member or the Public Sector, written confirmation from the BID Levy Member or the relevant Public Sector body to the Company identifying the relevant person as its representative shall be sufficient.

66.2 In the case of BID Levy Directors only, no person shall be appointed as a BID Levy Director where the BID Levy Member purporting to give written confirmation pursuant to Article 66.1 has already provided such confirmation in respect of another serving BID Levy Director.

67. In addition to Article 66, no person shall be appointed a Director:-

- a. unless he is willing to act as a Director; and
- b. unless he is permitted by law to do so; and
- c. if he would be disqualified under the terms of Article 77.

68. Subject to Articles 65 to 67, the Directors may from time to time appoint as a Director:

- a. any person put forward by a BID Levy Member who is willing to act either to fill a casual vacancy for a, or as an additional, BID Levy Director provided that the maximum number at Article 64(a) is not exceeded;
- b. any person put forward by the Public Sector who is willing to act either to fill a casual vacancy for a, or as an additional, Public Sector Director provided that the maximum number at Article 64(b) is not exceeded.

69. Any Director appointed under Article 68 shall only hold office until the next general meeting but shall be eligible for re-nomination subject to the provisions of Article 70.

70. The Company shall circulate the text of a resolution to propose the appointment of a person as a Director (or re-appointment as a Director where that person has been appointed pursuant to Article 68) at a general meeting in accordance with the Articles, and in particular Article 23, provided that at least 21 clear days (or such other time period as the Directors may from time to time direct) before the general meeting, either

- (i) notice executed by a Member of the Company qualified to vote at the general meeting; and/or
- (ii) notice executed by a representative of the Public Sector,

has been given to the Company of the wish to propose that person's appointment as a Director or re-appointment as a Director (as the case may be) together with notice executed by that person of his willingness to be appointed or re-appointed (as the case may be).

71. Members may give notice pursuant to Article 70 in relation to any Director; the Public Sector may only give notice pursuant to Article 70 in relation to Public Sector Directors.

72. The Company may from time to time by Ordinary Resolution (whether at a general meeting properly called and convened in accordance with the Articles, or by written resolution) appoint persons (subject always to Articles 65 to 67) as Directors, and, where required for such appointment, shall by Special Resolution increase the maximum number of Directors permitted under Article 64.

73. Every appointment of a Director made pursuant to Article 72 shall be reviewed every third year by the Members and where considered appropriate the Members shall remove that Director by Ordinary Resolution. If an appointment is not so reviewed in accordance with this Article, the Director whose appointment should be so reviewed shall continue to serve as a Director until such a review latterly takes place and he is removed from office by Ordinary Resolution pursuant to that review, or his appointment is otherwise terminated in accordance with these Articles.

74. The first Directors shall be those persons named in the Company's incorporation documents and further Directors shall be appointed as provided in these Articles.

75. The Directors may appoint any relevant persons to attend any of its meetings without the power to vote.

76. In addition and without prejudice to the provisions of section 168 of the 2006 Act the Company may by Ordinary Resolution remove any Director before the expiration of his period of office.

77. A Director shall cease to hold office if he:

a. ceases to be a Director by reason of any provision in the Companies Acts or is disqualified from acting as a Director; or

b. becomes by reason of mental disorder, injury or illness incapable of managing his own affairs; or

c. by notice in writing to the Company resigns his office; or

d. the Member nominating him under Article 68 or 70 ceases to be a Member of the Company; or

e. the Member nominating him decides to remove him from his office as a representative of the Member; or

f. is absent without the permission of the Directors from all its meetings held within six months and the Directors resolve by a simple majority that his office be vacated; or

g. upon death, or if he becomes bankrupt or makes an arrangement with his creditors, or becomes of unsound mind, or is convicted of a serious and indictable offence which in the view of the Directors affects the ability to perform the necessary duties; or

h. ceases to be a Director in accordance with Articles 69 and/or 73; or

i. if he is removed by a simple majority of the members of the Company, following the procedure laid down in section 168 of the Companies Act 2006 or Article 76; or

j. on receipt of notice that, in the reasonable opinion of the other Directors, the Director is not committed to the attainment of the Objects; or

k. on receipt of notice from the other Directors that, in the reasonable opinion of the other Directors, the Director has acted in a manner which is: detrimental to the Company; and/or not consistent with the Company's Objects; and/or which may cause harm to the good name of the Company; or

l. in the case of a corporate Director, that entity is unable to pay its debts as they fall due or is otherwise insolvent; or

m. is directly or indirectly interested in any contract with the Company and fails to declare the nature of his interest as required by the Companies Act 2006.

78. 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.

79. For the purposes of Article 78, where two 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.

Directors' General Authority

80. 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

81. The Members may, by Special Resolution, direct the Directors to take, or refrain from taking, specified action.

82. No such Special Resolution made under Article 81 invalidates anything which the Directors have done before the passing of the resolution.

Directors May Delegate

83. Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles:

- a. to such 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.

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

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

Committees

86. 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.

87. 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.

Directors To Take Decisions Collectively

88. 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 90.

89. 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 the decisions set out in Article 99 without regard to any of the provisions of the Articles relating to Directors' decision-making.

Unanimous Decisions

90.

90.1 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.

90.2 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.

90.3 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.

90.4 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

91. 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.

92. Notice of any Directors' meeting must indicate:

a. its proposed date and time;

b. where it is to take place; and

c. if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

93. Notice of a Directors' meeting must be given to each Director, but need not be in writing.

94. 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.

Participation in Directors' Meetings

95. 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.

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

97. 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

98. The quorum for Directors' meetings shall be fixed by the Directors but shall not be less than one third of its number (or the next nearest whole number if one third would mean a fraction) or four Directors present in person and entitled to vote, whichever shall be the greater. Any meeting of the Directors at which at any time the number of Directors or their alternates attending and eligible to vote at the meeting who are Local Authority Associated Persons exceeds 19% of the total number of Directors or their alternates attending and eligible to vote, shall not be or as the case may be shall cease to be quorate.

99. 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

100. The Directors may appoint a director to chair their meetings and a vice-chairman to chair their meetings in the absence of the Chairman and the persons so appointed for the time being are known as the Chairman and the Vice-Chairman respectively.

101. The Directors may terminate the Chairman's and the Vice-Chairman's appointments at any time.

102. If neither the Chairman nor the Vice-Chairman is 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.

Voting and Conflicts

103. If the numbers of votes for and against a proposal are equal, the Chairman or other director chairing the meeting has a casting vote, BUT this does not apply if, in accordance with the Articles, the Chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

104. If at any time the number of Directors who are also Local Authority Associated Persons exceed 19% of the total number of Directors, then the votes cast by those Directors shall be deemed in aggregate to constitute the lower of:- (1) the number of votes cast by them; and (2) the number of votes which is 19% of the total number of votes available to be cast on the resolution.

105. A Director shall not vote or count in reckoning a quorum at any meeting at which a decision is to be made in respect of any actual or proposed transaction or arrangement with the Company in which he is interested or any matter arising out of it, and if he does so vote, his vote shall not be counted.

106. 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 when:

a. the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or

b. the Director's conflict of interest arises from a permitted cause (such permitted cause being: 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).

107. For the purposes of Article 105 and 106 references to meetings and proposed decisions and decision making processes includes any Director's meeting or part of a Director's meeting.

108.

a. The Directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

b. Any authorisation under this Article 108 will be effective only if:

(i) the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles;

(ii) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and

(iii) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

c. Any authorisation of a Conflict under this Article 108 may (whether at the time of giving the authorisation or subsequently):

ii) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

(ii) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;

(iii) provide that the Interested Director shall or shall not be an eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;

(iv) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;

(v) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence;

and

(vi) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.

d. Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

e. The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

f. A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to

any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

109. Subject to Article 110, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any Director other than the chairman is to be final and conclusive.

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

Alternate Directors

111. Any Director (other than an alternate Director) shall have the power at any time to appoint an alternate Director provided that such alternate Director is either another Director or any other person approved for that purpose by a resolution of the Directors (such approval not to be unreasonably withheld) and at any time may remove from office an alternate Director appointed by him. Every appointment and removal of an alternate Director shall be in writing signed by the appointor and (subject to any approval required) shall (unless all Directors agree otherwise) only take effect upon receipt of such written appointment or removal at the Company's registered office.

112. Where an alternate Director is also a Director or acts as an alternate Director for more than one Director, such alternate Director shall be entitled at Directors Meetings or any sub-committees to one vote for every Director whom he represents (in addition to his own vote if he himself is a Director), but he shall count as only one for the purposes of determining whether a quorum is present.

113. An alternate Director shall be entitled to attend and to vote as a Director at any meeting of the Directors at which his appointor is not personally present and generally in the absence of his appointor at such Directors' meetings to perform and exercise all functions, rights powers and duties as a Director of his appointor.

114. An alternate Director shall not be entitled as such to receive any remuneration from the Company except only such expenses otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and shall otherwise be subject to the provisions of these Articles with respect to Directors. An alternate Director shall during his appointment be an officer of the Company and shall not be deemed to be an agent of his appointor.

115. The appointment of an alternate Director shall automatically terminate on the happening of any event which if he were a Director would cause him to vacate office or if his appointor shall cease for any reason to be a Director.

Minutes and General

116. Any bank account in which any part of the assets of the Company is deposited shall be operated by the Directors and shall indicate the name of the Company. All cheques and orders for the payment of money from such account shall be signed by such people being not less than two in number as authorised by the Directors.

117. 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.

118. The Directors shall comply with all the requirements of the Companies Acts with regard to the preparation and submission of an annual report and return.

119. Any common seal may only be used by the authority of the Directors.

120. The Directors may decide by what means and in what form any common seal is to be used.

121. 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. 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.

122. Accounts shall be prepared in accordance with the provisions of the Companies Acts.

Means of Communication to be Used

123. 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.

124. 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.

125. 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.

No Right to Inspect Accounts and Other Records

126. 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.

Indemnity

127. Subject to Article 128 a relevant director of the 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;
- b. any liability incurred by that director in connection with the activities of the Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006);
- c. any other liability incurred by that director as an officer of the Company.

128. Article 127 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

129. In Article 127 a "relevant director" means any director or former director of the Company.

Insurance

130. 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.

131. In Article 130:

- a. a "relevant director" means any director or former director of the Company or an associated Company; and
- 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 or any pension fund or employees' share scheme of the Company.

Directors' Discretion to Make Further Rules

132. 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. In particular but without limitation to the generality of the foregoing, it may be such rules or bye-laws regulate;

a. the admission and classification of members of the Company (including the admission of organisations to membership) and the rights and privileges of such members, and the conditions of membership and the terms on which subscriptions, if any, shall be paid by members; or

b. the conduct of members of the Company in relation to one another and to the employees of the Company; or

c. the setting aside of the whole or any part or parts of the premises of the Company at any particular and for any particular purpose; or

d. the procedure at general meetings and at the meetings and committees of the Directors in so far as such procedure is not regulated by these Articles; or

e. generally, all such matters as are commonly the subject matter of Company rules.

133. The Company in general meeting shall have the power to alter, add to or repeal the rules or bye-laws and the Directors shall adopt such means as it thinks sufficient to bring to the notice of members of the Company all such rules or bye-laws, which shall be binding on all members of the Company provided that no such rule or bye-law shall be inconsistent with, or shall affect or repeal anything contained in the Articles.