

THE COMPANIES ACTS 1985  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
of  
**WANSBECK LIFE LIMITED**

THURSDAY



A07 05/03/2009 244  
COMPANIES HOUSE

(adopted by a written resolution dated 16<sup>th</sup> November 2007)

**1. INTERPRETATION**

1.1 In these Articles the following words have the following meanings:-

"Act"	the Companies Act 1985 (as amended by the Companies Act 1989) and every statutory modification or re-enactment of it for the time being in force;
"Articles"	the Articles of Association of the Company from time to time;
"Voting Shares"	the Voting Shares of £1 each having the rights set out in these Articles;
"Voting Shareholder"	a holder of Voting Shares;
"Board"	the Directors from time to time;
"clear days"	in relation to the period of a notice, the period excluding the day when the notices is given or deemed to be given and the day of which it is given or on which it is to take effect;
"Committee"	a committee of the Directors;
"Company"	Wansbeck LIFE Limited;
"Director"	a director of the Company appointed in accordance with these Articles;
"LG and H Act"	the Local Government and Housing Act 1989;
"Memorandum"	the Memorandum of Association of the Company;
"Officer"	the Secretary and any Director for the time being and any such other persons as the Board may appoint in accordance with Article 12.2;
"Ordinary Director"	a Director of the Company appointed in accordance with Article 9.2;

"Secretary"	the secretary of the Company;
"Wansbeck"	Wansbeck District Council or any statutory successor;
"year"	a calendar year.

**1.2 In these Articles:-**

- 1.2.1 any gender includes any other gender;
- 1.2.2 the singular includes the plural and vice versa;
- 1.2.3 references to persons include bodies corporate, unincorporated associations, governments, states, partnerships and trusts (in each case, whether or not having separate legal personality);
- 1.2.4 the headings in these Articles are for convenience only. They do not affect their meaning;
- 1.2.5 any words or expressions defined in the Act shall bear the same meaning in these Articles;
- 1.2.6 any examples do not restrict the width or meaning of any provision of the Articles; and
- 1.2.7 references to writing include any method of reproducing words in a legible and non-transitory form.

**2. TABLE A**

- 2.1 The regulations contained in Table A shall apply to the Company except in so far as they are excluded by or are inconsistent with these Articles.
- 2.2 Regulations 50, 52, 64, 73, 74, 75, 77, 94, 95, 97, 102-108 (inclusive), 110-112 (inclusive) 115 and 118 of Table A shall not apply to the Company.
- 2.3 Regulations 8, 24, 40, 53, 64, 88, 89 and 99 of Table A shall apply to the Company with the modifications set out below.

**3. SHARE CAPITAL**

- 3.1 The authorised share capital of the Company at the date of adoption of these Articles is £1,000 divided into:

- 3.1.1 500 Ordinary Shares of £1 each;
- 3.1.2 500 Voting Shares of £1 each;

Each class of shares having the rights attached to that class below.

**3.2 Income**

The profits of the Company otherwise available for distribution shall not be applied in paying to the holders of shares of whatever class and the Company shall not declare any

dividend or approve any other distribution to or for the benefit of its members (save for a purchase of its own shares at their nominal value) but shall apply any profits or surplus only for the purposes of its objects.

### **3.3 Capital**

On a return of assets by the Company, whether on a liquidation or reduction of capital or otherwise, the assets of the Company remaining after the satisfaction of all its debts and liabilities shall be applied in accordance with the Memorandum of Association.

## **4. VOTING**

- 4.1 All Members shall be entitled to receive notice of and to attend and speak at any meeting of the Company.
- 4.2 The holders of Ordinary Shares shall not be entitled to vote at any such meeting except on a resolution to wind up the Company.
- 4.3 Save as provided in Article 4.2, the Voting Shareholders alone shall be entitled to vote at meetings of the Company.
- 4.4 If Wansbeck ceases to be the holder of Ordinary Shares and Voting Shares, the holders of the Voting Shares which were not immediately prior to such cessation held by Wansbeck:
  - 4.4.1 shall cease to be entitled to receive notice of or to attend or speak at or vote at any meeting of the Company;
  - 4.4.2 shall cease to be entitled to appoint Directors and the provisions in these Articles as to the appointment and removal of Directors shall cease to have any effect; and
  - 4.4.3 any Directors appointed by such Voting shareholders shall ipso facto vacate office notwithstanding anything in these Articles to the contrary.

## **5. CLASS RIGHTS**

- 5.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class of shares may be varied or abrogated only with the written consent of a 75% majority of the shareholders of that class.
- 5.2 Without prejudice to the generality of Article 5.1, the special rights attached to the Ordinary Shares but not those attached to the Voting Shares shall be deemed to be varied by any of the following:
  - 5.2.1 a disposal of the undertaking of the Company or any of its subsidiaries or any substantial part thereof including, for the avoidance of doubt, the housing stock of Northern Coalfields Property Company Limited;
  - 5.2.2 a disposal of any share in the capital of any subsidiary of the Company;

- 5.2.3 the acquisition by the Company or any of its subsidiaries of an interest in the share capital of any company or the establishment of a subsidiary by the Company or any of its subsidiaries;
- 5.2.4 the allotment by the Company of any shares;
- 5.2.5 the redemption or purchase by the Company of any Voting Shares not held by Wansbeck;
- 5.2.6 any alteration in the memorandum or articles of association of the Company or any of its subsidiaries;
- 5.2.7 entering into a written service agreement by the Company with any Director of connected person (as defined in section 346 of the Act) or a material variation of any such existing service agreement with any such Director or connected person;
- 5.2.8 without prejudice to the generality of the foregoing, doing or refraining from doing by the Company of any act or thing which has the effect of making the Company a regulated company within the meaning of the Local Authorities (Companies) Order 1995; and
- 5.2.9 save as provided in this Article 5.2, the rights attached to any class of shares shall not, unless otherwise expressly provided in the rights attached to, or in the terms of issue of, such shares, be deemed to be varied by the creation or issue of further shares.

### **Allotment of Shares**

- 5.3 Subject to Articles 5.1, 5.2 and 5.4, the Board is generally and unconditionally authorised during the period of five years from the date of adoption of these Articles to offer, allot, grant options over or otherwise dispose of relevant securities (as defined in section 80(2) of the Act) of the Company up to the maximum nominal amount of the authorised but unissued share capital of the Company at the date of the adoption of these Articles to such persons at such times and on such terms and conditions as it thinks fit save always that 100 Voting Shares must be offered or allotted to shareholders drawn only from the private sector or third party sector with each shareholder so drawn to hold 25 Voting Shares each, and to make any offer or agreement of the kind referred to in section 80(7) of the Act. Section 89(1) of the Act shall not apply to the Company.
- 5.4 Before exercising the power conferred by Article 5.3 to offer, allot, grant options over or otherwise dispose of relevant securities (as defined in section 80(2) of the Act) of the Company in favour of a third party, the Board shall first offer to allot, grant an option over or otherwise dispose of relevant securities in favour of Wansbeck which shall be entitled to a reasonable time (which shall in any event not be less than two months) to consider any such offer and may accept any such offer in whole or in part.

## **6. LIEN**

The Company shall have a first and paramount lien upon all the shares (whether or not fully paid up) registered in the name of each Member (whether solely or jointly and with other persons) for any amount payable by such Member to the Company whether the period or time for payment shall have actually arrived or not and such lien shall apply and extend to all

payments due to such Member from the Company. Regulation 8 of Table shall be modified accordingly.

## **7. TRANSFER OF SHARES**

- 7.1 Subject to Article 7.2 to 7.4 (inclusive), the Board may in its absolute discretion and without assigning any reason therefore decline to register any share transfer by a Voting Shareholder whether or not the Voting Shares transferred are fully paid.
- 7.2 Ordinary Shares shall be freely transferable and any transfer of Ordinary Shares shall be registered by the Board.
- 7.3 Voting Shares may only be transferred to or in favour of transferee approved in writing by Wansbeck. Wansbeck may approve itself as a transferee.
- 7.4 If Wansbeck is unwilling to be a transferee and no other transferee of the Voting Shares acceptable to Wansbeck can be found within two months from the date the Company receives notice of an intention to transfer by a Voting Shareholder, the Company may, subject to the provisions of the Act, purchase such shares provided that at the same time it purchases an equal number of Voting Shares held by Wansbeck if Wansbeck so desires.

## **8. GENERAL MEETINGS**

### **Proceedings**

- 8.1 The quorum for the transaction of the business of a general meeting shall be an Ordinary Shareholder and one Voting Shareholder. Regulation 40 of Table A shall be modified accordingly.
- 8.2 In the case of a body corporate or unincorporate, the signature of a duly authorised representative thereof and, in the case of joint holders the signature of any one of such joint holders, shall be sufficient for the purpose of passing resolutions in writing pursuant to regulation 53 of Table A.
- 8.3 A written resolution may be used in accordance with regulation 53 of Table A which shall be amended to allow a resolution to be passed when at least 75 per cent of members being entitled to vote have executed the written resolution.
- 8.4 No person associated with Wansbeck within the meaning of section 69 of the LG and H Act may be appointed an authorised representative of any body corporate or unincorporate or proxy for the purpose of regulation 54 of Table A. Nothing in this Article 8.4 shall prevent Wansbeck from appointing a person associated with it as an authorised representative or proxy for any purpose.
- 8.5 Subject to any rights or restrictions attached to any shares, in particular, the rights and/or restrictions specified in Article 5, on a show of hands every Voting Shareholder who is present in person or by proxy shall have one vote and on a poll every Voting shareholder who is present in person or by proxy shall have one vote for every Voting share of which he is a holder PROVIDED that on a resolution to wind up the Company every Ordinary shareholder who is present in person or by proxy shall have one vote for every Ordinary Share of which he is a holder.

- 8.6 A proxy shall be entitled to vote on a show of hands.
- 8.7 The chairman of any meeting of the Company shall be entitled to a casting vote only if that person is not an authorised representative of Wansbeck nor a person associated with Wansbeck within the meaning of the LG and H Act.

#### **Chair of General Meetings**

- 8.8 The chair of the Directors will be the chair at every general meeting, if he is willing and able to take the chair. If he is not willing or able to take the chair, the Ordinary Directors who are present will choose one of themselves to act as chair. If there is only one Ordinary Director present, he will be chair if he agrees. If there is no Ordinary Director willing and able to be chair, then the members who are personally present at the meeting will decide which one of them is to be chair. Nothing in these Articles will restrict or exclude any of the powers or rights of a chair of a meeting which are given to him by the general law.

#### **Company Representatives**

- 8.9 A company which is a member can authorise any person to act as its representative at any meeting. This person is called a company representative. If the governing body of the company is not a board of directors, the resolution can be passed by its governing body. A company representative can exercise all the powers on behalf of the company which the company could exercise if it were an individual member. This includes the power to vote on a show of hands when the company representative is personally present at the meeting. The Directors may require evidence of the authority of a company representative.
- 8.10 Any vote cast by a company representative and any demand by him for a poll, will be valid even though he is, for any reason, no longer authorised to represent the company. However, this does not apply if written notice of the fact that he is no longer authorised has been received at the Company's registered office before the date of the relevant meeting or adjourned meeting or before the day a poll is taken.

### **9. DIRECTORS**

#### **Number and Appointment**

- 9.1 The number of Directors shall not be less than four nor more than eight. Regulation 64 of Table A shall be modified accordingly.
- 9.2 The Ordinary Shareholder may at any time and from time to time by notice in writing signed on behalf of the Ordinary Shareholder (which shall be effective immediately upon its delivery to the registered office of the Company) appoint any three persons to be directors of the Company and appoint any other person in the place of any person so appointed who has ceased for any reason to be a Director.
- 9.3 The Voting Shareholders may at any time and from time to time by notice in writing signed on behalf of the Voting Shareholders (which shall be effective immediately upon its delivery to the registered office of the Company) appoint four directors in proportion to the number of Voting Shares they each hold provided always that the said four shareholders are drawn only from the private sector or third party sector. Further, they

may appoint any other person in the place of any person so appointed who has ceased for any reason to be a Director.

- 9.4 The Board may appoint co-optees ("Co-optees") to serve on the Board on such terms as the Board resolved and may remove such Co-optees as it sees fit. A Co-optee may act in all respects as a Director, but they cannot take part in the deliberations nor vote on the election of Officers of the Company nor any matter directly affecting members.
- 9.5 For the purpose of the Memorandum of Association and these Articles and the Act a Co-optee is not included in the expression "Director" or "member of the Board".
- 9.6 Not more than five Co-optees can be appointed to the Board or any Committee at any one time.
- 9.7 Neither the Board nor the Company in general meeting shall have power at any time to appoint a Director whether to fill a casual vacancy or as an additional Director or otherwise.
- 9.8 Any purported appointment (other than by Wansbeck) of any person associated with Wansbeck within the meaning of section 69 of the LG and H Act as a Director shall be void and of no effect.
- 9.9 The provisions of Article 9.1 to 9.9 (inclusive) shall not apply at any time when Wansbeck is the only Member.

#### **Functions of the Board**

- 9.10 The Board shall direct the affairs of the Company in accordance with its Memorandum of Association and these Articles. Amongst the Board's functions shall be to:-
  - 9.10.1 to define and ensure compliance with the objects and values of the Company and with the strategic policies determined by the annual general meeting and ensure these are set out in each annual report;
  - 9.10.2 establish policies and plans to achieve the Company's objectives and to implement its strategic policies;
  - 9.10.3 approve each year's accounts prior to publication and approve each year's budget;
  - 9.10.4 establish and oversee a framework of delegation and systems of control;
  - 9.10.5 agree policies and make decisions on all matters that create significant financial risk to the Company or which affect material issues principle;
  - 9.10.6 monitor the Company's performance in relation to these plans, budget, controls and decisions;
  - 9.10.7 appoint (and if necessary remove) the chief executive (if any);
  - 9.10.8 satisfy itself that the Company's affairs are conducted in accordance with generally accepted standards of performance and propriety;

9.10.9 take appropriate advice; and

9.10.10 review and amend as required the obligations of Directors to the Board and the Company;

and none of the functions set out in this Article 9.10 shall be capable of delegation by the Board.

## **10. DISQUALIFICATION FROM VOTING**

10.1 No Director, Co-optee or member of a Committee shall have any financial interest:-

10.1.1 personally;

10.1.2 as a member of a firm;

10.1.3 as a Director or other Officer of a business trading for profit; or

10.1.4 in any other way whatsoever

in any contract or other transaction with the Company, unless it is expressly permitted by a decision of the Board. The Board shall establish a written policy relating to Directors' interests.

10.2 The Company shall not pay or grant any benefit to anyone who is a Director or Co-optee or a member of a Committee, unless it is expressly permitted by these Articles.

10.3 Any Director, Co-optee or member of a Committee, having an interest in any arrangement between the Company and someone else shall disclose their interest, before the matter is discussed by the Board or any Committee. Unless it is expressly permitted by the Board in its written policy they shall not remain present while the matter is discussed unless requested to do so by the Board or Committee, and they shall not have any vote on the matter in question. Any decision of the Board or of a Committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.

10.4 Every Director, Co-optee and member of a Committee shall ensure that the secretary at all times has a list of all other bodies in which they have an interest as:

10.4.1 a director or officer; or

10.4.2 as a member of a firm; or

10.4.3 as an official or elected member of any statutory body; or

10.4.4 as the owner or controller of more than 2% of a company the shares in which are publicly quoted or more than 10% of any other company; or

10.4.5 as the occupier of any property owned or managed by the Company; or

10.4.6 any other significant or material interest in any company or body.



- 10.5 If requested by a majority of the Board or members of a Committee at a meeting convened specially for the purpose, a Director, Co-optee or member of a Committee failing to disclose an interest as required by these Articles, shall vacate their office either permanently or for a period of time.
- 10.6 The Company may pay properly authorised expenses to Directors, Co-optees and members of Committees when actually incurred on the Company's business.
- 10.7 A Director, Co-optee or member of a Committee shall not have an interest for the purpose of Articles 10.1 to 10.3 (inclusive) as a Director, or Officer of any body whose accounts are or ought to be consolidated with the Company's accounts.
- 10.8 Directors, Co-optees or members of Committees who are tenants of the Company shall not have an interest for the purpose of Article 10.3 in any decision affecting all or a substantial group of tenants.
- 10.9 The grant of a tenancy by the Company at the direction of another body to a Director, Co-optee or member of a Committee is not the grant of a benefit for the purpose of Article 10.2.

## **11. PROCEEDINGS OF THE DIRECTORS**

- 11.1 The quorum for the transaction of the business of the Board shall be an Ordinary Director and one Director appointed by the Voting Shareholders. Regulation 89 of Table A shall be modified accordingly.
- 11.2 At meetings of the Board or any committee thereof, there shall be a chairman's casting vote only if the chairman is not representative of Wansbeck nor a person associated with Wansbeck within the meaning of the LG and H Act. Regulation 88 of Table A shall be modified accordingly.

### **Disqualification of directors**

- 11.3 Without prejudice to the provisions of the Act and these Articles, if a Director (other than an Ordinary Director) shall become associated with Wansbeck within the meaning of section 69 of the LG and H Act his appointment shall ipso facto cease.

### **Remuneration of directors**

- 11.4 The directors shall not be entitled to any remuneration by reason only of holding such office and shall only be paid such reasonable and proper remuneration as employees or for services rendered to the Company as shall be approved by the board of directors.

### **Appointment and removal of secretary**

- 11.5 The Ordinary Shareholder shall be entitled to appoint the secretary of the Company and to remove from office any person so appointed and appoint any other person in the place of the person so removed. Regulation 99 of Table A shall be modified accordingly.

### **Meetings of the Board**

- 11.6 The Board shall meet at least three times every calendar year. At least seven days written notice of the date and place of every Board meeting shall be given by the secretary to all Directors and Co-optees.
- 11.7 Meetings of the Board may be called by the secretary, or by the chair, or by two Directors who give written notice to the secretary specifying the business to be carried out. The secretary shall send a written notice to all Directors and Co-optees to the Board as soon as possible after receipt of such a request. The secretary shall call a meeting on at least seven but not more than fourteen days' notice to discuss the specified business. If the secretary fails to call such a meeting then the chair or two Directors whichever is the case, shall call such a meeting.

### **Management and Delegation**

- 11.8 The Board may delegate any of its powers under written terms of reference to Committees or to employees (subject to Article 9.11). Those powers shall be exercised in accordance with any written instructions given by the Board.
- 11.9 The membership of any Committee shall be determined by the Board. Every Committee shall include one Board member or Co-optee to the Board. The Board will appoint the chair of any Committee and shall specify the quorum.
- 11.10 All acts and proceedings of any Committee shall be reported to the Board.
- 11.11 No Committee can incur expenditure on behalf of the Company unless at least one Board member or Co-optee of the Board on the Committee has voted in favour of the resolution and the board has previously approved a budget for the relevant expenditure.

### **Miscellaneous provisions**

- 11.12 All decisions taken at a Board or any Committee meeting in good faith shall be valid even if it is discovered subsequently that there was a defect in the calling of the meeting, or the appointment of the members at a meeting.
- 11.13 A resolution in writing sent to all Directors and signed by three quarters of the board members or all the members of a Committee shall be as valid and effective as if it had been passed at a properly called and constituted meeting of the Board or Committee.
- 11.14 The Company shall have a chair, who shall also chair Board meetings, and shall be elected by the directors appointed by the Voting Shareholders.

### **The Chair**

- 11.15 The chair on election shall hold office until the commencement of the first Board meeting after the next annual general meeting of the Company (or until the chair resigns as chair). The first item of business for any Board meeting when there is no chair or the chair is not present shall be to elect the chair in accordance with Article 11.14. The chair shall at all times be a Director.

11.16 The chair of the Company may be removed at a Board meeting called for the purpose provided the resolution is passed by at least two thirds of the members of the Board at the meeting.

#### **The Chair's responsibilities**

11.17 The chair shall seek to ensure that:

11.17.1 the Board's business and the Company's general meetings are conducted efficiently;

11.17.2 all Directors are given the opportunity to express their views;

11.17.3 a constructive working relationship is established with, and support provided or the chief executive (if any);

11.17.4 the Board delegates sufficient authority to its Committees, the chair, the chief executive (if any), and others enable the business of the Company to be carried on effectively between Board meetings;

11.17.5 the Board receives professional advice when it is needed;

11.17.6 the Company is represented as required; and

11.17.7 the Company's affairs are conducted in accordance with generally accepted codes of performance and propriety.

11.18 The chair shall seek to ensure that there is a written statement of the chair's responsibilities which shall be agreed with the Board, and reviewed from time to time.

#### **The Chief Executive**

11.19 The Company may have a chief executive appointed by the Board. The chief executive shall be appointed on a written contract of employment, which shall include a clear statement of the duties of the chief executive.

#### **Attendance and Voting**

11.20 Any or all of the Directors, or members of a Committee, can take part in a meeting of the Directors or of a Committee:-

11.20.1 by way of a conference telephone, video conferencing or similar equipment, designed to allow everybody to take part in the meeting; or

11.20.2 by a series of telephone calls from the chair of the meeting.

Taking part in this way will be counted as being present at the meeting. A meeting which takes place by a series of calls from the chair will be treated as taking place where the chair is calling from. Otherwise meetings will be treated as taking place where most of the participants are.

## **12. WINDING UP**

The provisions of paragraph 5 of the Memorandum of Association relating to the winding up or dissolution of the Company shall have effect and be observed as if the same were repeated in these Articles.

## **13. INDEMNITY**

- 13.1 The Company will indemnify, from its own assets, every Director or other Officer or auditor of the Company against all losses and liabilities (including those referred to in section 310(3) of the Act) which they may suffer in carrying out their duties, in trying to carry out their duties or in any other way in connection with carrying out or trying to carry out their duties. Nor will any of them be liable for any loss, damage or misfortune which the Company suffers as a result of their carrying out or trying to carry out their duties or in any other way relating to their duties. This Article applies only so far as the Act allows.
- 13.2 The Directors can take out and renew for any Director, Officer or auditor of the Company insurance against any such liabilities as is referred to in section 310 of the Act.
- 13.3 However, any such insurance or the indemnity in Article 13.1 shall not extend to any claim arising from wilful fraud or wrongdoing or wilful neglect or default on the part of a Director, Officer or auditor of the Company.

Name and Address of Subscriber

Name ROBERT ALEXANDER STEPHENSON

R.A. Stephenson

Address WESTWIDE OPEN COTTAGE  
NORTH ROAD  
NEWCASTLE UPON TYNE  
NE 13 6LL

x RS Signature

Occupation CHIEF EXECUTIVE

Dated 31 JAN 2008

Witness to the above signature:-

Name x PETER MILICAN

Address x WANSBECK ENTERPRISE CENTRE  
LINTONVILLE ENTERPRISE PARK  
ASHINGTON  
NORTHUMBERLAND

Occupation x SOLICITOR

x Sign   
