

# ARTICLES OF ASSOCIATION OF THE CENTRE FOR SCIENTIFIC ENTERPRISE<sup>1</sup>

## 1. MEMBERSHIP

1.1 The number of members with which the company proposes to be registered is unlimited

1.2 The Company must maintain a register of members in accordance with Section 352 of the Act

1.3 Membership of the Company is open to any individual or organisation interested in promoting the Objects who

1.3.1 applies to the Company in the form required by the Directors

1.3.2 is approved by the Directors and all of the existing members

1.3.3 signs the Register of members or consents in writing to become a member either personally or (in the case of a member organisation) through an authorised representative

1.4 The Directors may establish different classes of membership and prescribe their respective privileges and duties and set the amounts of any subscriptions

1.5 Membership is terminated if the member concerned

1.5.1 gives written notice of resignation to the Company

1.5.2 dies or (in the case of an organisation) ceases to exist

1.5.3 is six months in arrears in paying the relevant subscription (if any) (but in such a case the member may be reinstated on payment of the amount due) or



1.5.4 is removed from membership by unanimous resolution of the Directors on the ground that in their reasonable opinion the member's continued membership is harmful to the Company (but only after notifying the member in writing and considering the matter in light of any written representations which the member concerned puts forward within 14 clear days after receiving notice)

1.6 Membership of the Company is not transferable

## **2. GENERAL MEETINGS**

2.1 Members are entitled to attend general meetings either personally or (in the case of a member organisation) by an authorised representative. General meetings are called on at least clear 21 days written notice specifying the business to be discussed

2.2 There is a quorum at a general meeting if the number of members or authorised representatives personally present is at least two (or fifty one per cent of the members if greater)

2.3 Except where otherwise provided by the Act, every issue is decided by a majority of the votes cast

2.4 Every member present in person (or through an authorised representative) has one vote on each issue

2.5 A written resolution signed by all those entitled to vote at a general meeting is as valid as a resolution actually passed at a general meeting (and for this purpose the written resolution may be set out in more than one document and will be treated as passed on the date of the last signature)

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<sup>1</sup> Articles 3.5.1 and 3.5.2 were amended by a written resolution of the Company dated 11 October 2004

- 2.6 The Company must hold an AGM in every year which all members are entitled to attend. The first AGM may be held within 18 months after the Company's incorporation
- 2.7 At an AGM the members:
- 2.7.1 receive the accounts of the Company for the previous financial year
  - 2.7.2 receive the Directors' report on the Company's activities since the previous AGM
  - 2.7.3 accept the retirement of those Directors who wish to retire
  - 2.7.4 subject to Article 3.5 elect persons to be Directors to fill the vacancies arising
  - 2.7.5 appoint auditors for the Company
  - 2.7.6 may confer on any individual (with his or her consent) the honorary title of Patron, President or Vice-President of the Company and
  - 2.7.7 discuss and determine any issues of policy or deal with any other business put before them
- 2.8 Any general meeting which is not an AGM is an EGM
- 2.9 An EGM may be called at any time by the Directors and must be called within 28 days on a written request from at least one member
- 2.10 In addition and without prejudice to the provisions of Section 303 of the Act the Company may by Ordinary Resolution remove any Director before the expiration of his period of office and may by Ordinary Resolution appoint another suitably qualified person in his stead but any person so appointed shall hold his office only until the next AGM

### **3. THE DIRECTORS**

3.1 The Directors as charity trustees have control of the Company and its property and funds

3.2 The Directors when complete consist of at least three and not more than eight individuals

3.3 The subscribers to the Memorandum are the first Directors of the Company.

3.4 Every Director must sign a declaration of willingness to act as a charity trustee of the Company before he or she is eligible to vote at any meeting of the Directors

3.5.1 One of the Directors shall be the nominee of LBS ("the LBS Director") and subject to Article 3.4 LBS shall be entitled to remove the LBS Director and appoint an additional or substitute Director to be the LBS Director by written notice lodged at the registered office of the Company

3.5.2 One of the Directors shall be the nominee of UCL ("the UCL Director") and subject to Article 3.4 UCL shall be entitled to remove the UCL Director and appoint an additional or substitute Director to be the UCL Director by written notice lodged at the registered office of the Company

3.6 A Director's term of office automatically terminates if he or she:

3.6.1 is disqualified under the Charities Act 1993 from acting as a charity trustee

3.6.2 is incapable, whether mentally or physically, of managing his or her own affairs

3.6.3 is absent from three consecutive meetings of the Directors

3.6.4 resigns by written notice to the Directors (but only if at least two Directors will remain in office) or

3.6.5 is removed by resolution passed unanimously by the members present and voting at a general meeting after the meeting has invited the views of the Director concerned and considered the matter in the light of any such views

3.6.6 is removed in accordance with Article 3.5

3.7.1 The Directors may at any time co-opt any person duly qualified to be appointed as a Director to fill a vacancy in their number or as an additional Director Provided Always that if either the LBS Director or the UCL Director shall be removed from office pursuant to Article 3.6 then LBS or UCL respectively shall be entitled to appoint a nominee to act as the LBS Director or the UCL Director as the case may be

3.7.2 A co-opted Director who is not the LBS Director or the UCL Director holds office only until the next AGM

3.8 A technical defect in the appointment of a Director of which the Directors are unaware at the time does not invalidate decisions taken at a meeting

#### **4. PROCEEDINGS OF DIRECTORS**

4.1 The Directors must hold at least four meetings each year

4.2 A quorum at a meeting of the Directors is three Directors

4.3 A meeting of the Directors may be held either in person or by suitable electronic means agreed by the Directors in which all participants may communicate with all the other participants

4.4 The Chairman or (if the Chairman is unable or unwilling to do so) some other Director chosen by the Directors present presides at each meeting

4.5 Subject to Article 4.6 every issue may be determined by a simple majority of the votes cast at a meeting but a written resolution signed by all the Directors is as valid as a resolution passed at a meeting (and for this purpose the resolution may be contained in more than one document and will be treated as passed on the date of the last signature)

4.6 Any decision of the Board relating to any of the following matters shall require approval by the affirmative vote or the consent in writing of each of the LBS Director and the UCL Director:

- (a) the approval of the balance sheet and profit and loss account or any other account of the Company;
- (b) the sale or disposal of the whole or a substantial part of the undertaking or the assets of the Company;
- (c) the amalgamation or merger of the Company with any other company or concern;
- (d) any alteration to the Memorandum or these Articles;
- (e) any resolution to place the Company in voluntary liquidation or receivership, or to appoint an administrative receiver over all or any part of the Company's assets or undertaking, or relating to a composition or arrangement with its creditors generally;
- (f) the assignment, creation or permission to subsist of any mortgage, charge, lien or other security whatsoever upon the whole or any part of the Company's undertaking, properties or assets present and future (including uncalled capital) other than expressly provided for in or by this Agreement;
- (g) the giving of any guarantee or indemnity or security of any indebtedness, liability or obligation of any person, firm or company whatsoever;
- (h) any transaction or dealing or contract by the Company having a duration of six months or longer or being unusual or onerous or the making by the Company of any capital commitment in excess of £10,000 or any delegation to committee authorising such transactions, dealings, contracts or the making of such capital commitments;
- (i) the formation or acquisition of any subsidiary of the Company;

- (j) the acquisition by the Company of any shares of any other company or the participation by the Company in any partnership or joint venture;
- (k) the borrowing of any moneys by the Company;
- (l) the lending of any moneys by the Company (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits);
- (m) the alteration of any mandate given to the Company's bankers relating to any matter concerning the operation of the Company's bank account and the changing of the Company's bankers;
- (n) the factoring or assignment of any of the book debts of the Company;
- (o) the appointment, removal and initial remuneration of any Managing Director and/or any Associate Director and/or any General Manager of the Company;
- (p) the appointment by the Company of any employee with an aggregate annual remuneration or variation of the remuneration or terms of employment of any such employee;
- (q) the payment of any service or consultancy fees in respect of any services supplied to the Company by or at the request of any of its members;
- (r) the appointment and removal of the auditors of the Company;
- (s) the adoption by the Company of the annual capital and operating budgets and the approval by the Company of any changes therein and the adoption of any business plan in variance to the Proposal dated July 1999 and submitted by LBS to the Office for Science and Technology;
- (t) the granting of any pension rights by the Company;

(u) the institution of material legal proceedings and the submission to arbitration of any material dispute or the settlement of any material dispute involving the Company; and

(v) the carrying on of any business outside the territory in which the Company normally operates

4.7 Except for the chairman of the meeting, who has a second or casting vote, every Director has one vote on each issue

4.8 A procedural defect of which the Directors are unaware at the time does not invalidate decisions taken at a meeting

## **5. POWERS OF DIRECTORS**

The Directors have the following powers in the administration of the Company:

5.1 to appoint (and remove) any person (who may be a Director) to act as Secretary to the Company in accordance with the Act

5.2 to appoint a Chairman, Treasurer and other honorary officers from among their number

5.3 to delegate any of their functions to committees consisting of two or more individuals appointed by them (but at least one member of every committee must be a Director and all proceedings of committees must be reported promptly to the Directors)

5.4 to make Standing Orders consistent with the Memorandum, these Articles and the Act to govern proceedings at general meetings

5.5 to make Rules consistent with the Memorandum, these Articles and the Act to govern proceedings at their meetings and at meetings of committees



- 5.6 to make Regulations consistent with the Memorandum, these Articles and the Act to govern the administration of the Company and the use of its seal (if any)
- 5.7 to establish procedures to assist the resolution of disputes within the Company
- 5.8 to exercise any powers of the Company which are not reserved to a general meeting
- 5.9 if the Directors shall at any time be or be reduced in number to less than the number prescribed by Article 3.2 it shall be lawful for them to act as Directors for the purposes of admitting persons as Directors filling up vacancies in their body or summoning a General Meeting but not for any other purpose

## **6. RECORDS & ACCOUNTS**

- 6.1 The Directors must comply with the requirements of the Act and (in so far as they apply to exempt charities) of the Charities Act 1993 as to keeping financial records, the audit of accounts and the preparation and transmission to the Registrar of Companies and the Commission of:

- 6.1.1 annual reports

- 6.1.2 annual returns

- 6.1.3 annual statements of account

- 6.2 The Directors must keep proper records of

- 6.2.1 all proceedings at general meetings

- 6.2.2 all proceedings at meetings of the Directors

- 6.2.3 all reports of committees and

6.2.4 all professional advice obtained

6.3 Accounting records relating to the Company must be made available for inspection by any Director at any reasonable time during normal office hours and may be made available for inspection by members who are not Directors if the Directors so decide

6.4 A copy of the Company's latest available statement of account must be supplied on request to any Director or member, or to any other person who makes a written request and pays the Company's reasonable costs, within two months

## **7. NOTICES**

7.1 Notices under these Articles may be sent by hand, or by post or by suitable electronic means or (where applicable to members generally) may be published in any suitable journal or national newspaper or any newsletter distributed by the Company

7.2 The only address at which a member is entitled to receive notices is the address shown in the register of members

7.3 Any notice given in accordance with these Articles is to be treated for all purposes as having been received

7.3.1 24 hours after being sent by electronic means or delivered by hand to the relevant address

7.3.2 two clear days after being sent by first class post to that address

7.3.3 three clear days after being sent by second class or overseas post to that address

7.3.4 on the date of publication of a newspaper containing the notice

7.3.5 on being handed to the member (or, in the case of a member organisation, its authorised representative) personally or, if earlier,

7.3.6 as soon as the member acknowledges actual receipt

7.4 A technical defect in the giving of notice of which the Directors are unaware at the time does not invalidate decisions taken at a meeting

## **8. DISSOLUTION**

The provisions of the Memorandum relating to dissolution of the Company take effect as though repeated here

## **9. INTERPRETATION**

In the Memorandum and in these Articles:

9.1 "The Act" means the Companies Act 1985

"AGM" means an annual general meeting of the Company

"these Articles" means these articles of association

"authorised representative" means an individual who is authorised by a member organisation to act on its behalf at meetings of the Company and whose name is given to the Secretary

"Chairman" means the chairman of the Directors

"the Company" means the company governed by these Articles

"charity trustee" has the meaning prescribed by section 97(1) of the Charities Act 1993

"clear day" means 24 hours from midnight following the relevant event

"the Commission" means the Charity Commissioners for England and Wales

"EGM" means an extraordinary general meeting of the Company

"financial expert" means an individual, company or firm who is an authorised person or an exempted person within the meaning of the Financial Services Act 1986

"LBS" means the London Business School

"material benefit" means a benefit which may not be financial but has a monetary value

"member" and "membership" refer to membership of the Company

"Memorandum" means the Company's Memorandum of Association

"month" means calendar month

"the Objects" means the Objects of the Company as defined in clause 3 of the Memorandum

"Secretary" means the Secretary of the Company

"taxable trading" means carrying on a trade or business on a continuing basis for the principal purpose of raising funds and not for the purpose of actually carrying out the Objects

"Director" means a director of the Company and "Directors" means all of the directors.

"UCL" means University College London

"written" or "in writing" refers to a legible document on paper not including a fax message

"year" means calendar year

9.2 Expressions defined in the Act have the same meaning

9.3 References to an Act of Parliament are to the Act in question as amended or re-enacted from time to time and to any subordinate legislation made under it