

2  
**Company Number: 04238862**

**Centre for Engineering and Manufacturing Excellence Limited**

**The Companies Acts 1985 and 2006**

**Company Limited by Guarantee**

**Special Resolution**


**Passed 20 May 2009**

---

By Written Resolution of Centre for Engineering and Manufacturing Excellence Limited the following Special Resolution was duly passed:-

Adoption of New Company Memorandum and Articles of Association

That the existing Memorandum and Articles of Association of the Company be deleted in their entirety and that the new Memorandum and Articles of Association contained in the printed document marked "A", hereby attached, be approved and adopted as the Memorandum and Articles of Association of the Company in substitution for and to the exclusion of all the existing Memorandum and Articles of Association thereof.

  
.....  
Company Secretary – Martin Graf Saurma-Jeltsch

WEDNESDAY



\*L5SZOA7M\*  
LD5 27/05/2009 214  
COMPANIES HOUSE

**THE COMPANIES ACT 2006**

**COMPANY LIMITED BY GUARANTEE**

**MEMORANDUM OF ASSOCIATION**

(as amended by Special Resolution of the members on 20 May 2009)

**OF**

**CENTRE OF EXCELLENCE FOR MANUFACTURING AND ENGINEERING  
LIMITED**

1. The name of the Company is "Centre of Excellence for Manufacturing and Engineering Limited".
2. The registered office of the Company is to be situated in England and Wales.
3. The objects for which the Company is established ("the Objects") are the promotion for the public benefit of urban or rural regeneration in selected areas of social and economic deprivation in the boroughs of Tower Hamlets, Hackney, Newham, Greenwich, Bexley, Barking & Dagenham, Havering, Thurrock, Waltham Forest, Redbridge, Lewisham, Enfield, Haringay and Dartford (together the "Boroughs") by all or any of the following means:
  - 3.1. the advancement of education, training or re-training;
  - 3.2. the relief of unemployment and disadvantage in such ways as may be thought fit, including assistance to find employment;
  - 3.3. the provision of technical assistance, business advice or consultancy in order to provide training and employment opportunities for people in need who are resident in or working in the Boroughs through help:
    - (I) in setting up their own business, or
    - (II) to existing businesses
  - 3.4. the creation of training and employment opportunities for those in need by the provision of workspace, buildings and/or land for use on favourable terms;
  - 3.5. the maintenance, improvement or provision of public amenities;
  - 3.6. the provision of public health and welfare facilities where needed;
  - 3.7. the development of the capacity and skills of needy members of the community in the Boroughs in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society; and

- 3.8. the establishment carrying on and conduct of a centre of excellence for manufacturing and engineering in Dagenham, Essex as a centre for the provision of industrial, commercial, scientific and technological education training or re-training;
  - 3.9. such other means as may from time to time be agreed by the members subject to the prior consent of the Charity Commission for England & Wales.
4. In furtherance of the Objects but not otherwise the Company has power to do anything within the law that may promote or may help to promote the Objects or any of them. In particular (but without limitation) the Company has the following powers:
- 4.1. to promote or carry out research, training or re-training schemes, to provide advice and publish or distribute information (with or without charging a fee or fees);
  - 4.2. to co-operate with other bodies and to enter into any arrangements with and to provide facilities and services to any Government department, local authority, university or college or to any other body, person, firm or company conducive to the promotion and attainment of the Objects;
  - 4.3. to raise funds by any means that comply with relevant statutory regulations and for that purpose to enter into agreements with grant making bodies and other bodies and donors on such terms and conditions as shall be thought expedient;
  - 4.4. to payout of the Company's funds the costs incurred in forming the Company;
  - 4.5. to acquire, lease or hire property of any kind and maintain and equip it for use, and to acquire any interests in or rights over property of any kind;
  - 4.6. to acquire the whole or any part of the business or assets of any person, firm, or company carrying on any activity in support of the Objects and to give any form of consideration in return for the business or assets;
  - 4.7. to borrow and raise money in any manner; and to secure and guarantee by any means the repayment of any money borrowed, raised or owing, and the performance by the Company of any obligation or liability, by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future) subject to compliance with sections 38 and 39 of the Charities Act 1993 where land is to be charged;
  - 4.8. to invest and deal with the moneys of the Company not immediately required in any manner and to hold or otherwise deal with any investments made;
  - 4.9. to sell, dispose of, let, mortgage, or charge any property of the Company and to grant licences, options, rights and privileges in respect of, or otherwise deal with, all or any part of the property and rights of the Company subject to compliance with sections 36 to 39 of the Charities Act 1993 for any land transactions;
  - 4.10. to make grants or loans of money and to give guarantees and indemnities on any terms; and to support and subscribe to any charitable purpose within the Objects and to establish charitable trusts, associations or institutions for any of the Objects;
  - 4.11. to promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which (in the opinion of the

Directors) is likely to assist or benefit the Company; and to subscribe for or otherwise acquire all or any part of the shares or securities of any such company;

- 4.12. to act as agent or broker or trustee for any person, firm or company, and to undertake and perform any form of contract;
- 4.13. to employ staff and remunerate such staff as are necessary for carrying out the work of the Company or otherwise to reward any person, firm or company not being a director or a person closely connected with a director (except as provided for in Clause 5) rendering services to the Company by cash payment or by any other means;
- 4.14. to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non contributory) for the benefit of any of the employees of the Company or of any subsidiary, holding company or fellow subsidiary of the Company and of their spouses, children and other relatives and dependants; and to lend money to any such employees or to trustees on their behalf to enable any such schemes to be established or maintained;
- 4.15. to set aside income as a reserve against future expenditure but only in accordance with a written policy about reserves;
- 4.16. to amalgamate with or support any other charity whose objects may (in the opinion of the Directors of the Company) advantageously be combined with the Objects or to enter into partnership or joint venture arrangement with any such charity;
- 4.17. to sell or otherwise dispose of the whole or any part of the business of the Company, either together or in portions, and to accept anything of value in return;
- 4.18. to do all or any of the things or matters permitted by this Memorandum of Association in any part of the world, and as principal, agent, contractor or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others; and
- 4.19. to do all such other lawful things as are necessary for the achievement of the Objects.

5.

5.1. The income and capital of the Company must be applied solely towards the promotion of the Objects.

5.2. –

(a) A director is entitled to be reimbursed from the property of the Company or may pay out of such property reasonable expenses properly incurred by him or her while acting on behalf of the Company;

(b) A director may benefit from trustee indemnity insurance cover purchased at the Company's expense in accordance with the provisions of section 73F Charities Act 2006;

(c) A director may receive an indemnity from the company in the circumstances specified in article 9;

(d) A director may receive a benefit from the company in the capacity of a beneficiary.

5.3. None of the income or property of the company may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to any member of the charity. This does not prevent a member who is not also a director receiving -

- (a) a benefit from the company in the capacity of a beneficiary,
- (b) reasonable and proper remuneration for any goods or services supplied to the company,
- (c) any return of capital contributions in accordance with clause 8.2;

5.4. No director may -

- (a) buy any goods or services from the company,
- (b) sell goods, services or any interest in land to the company,
- (c) be employed by, or receive any remuneration from the company,
- (d) receive any other financial benefit from the company;

unless

- (i) the payment is permitted by sub-clause (5) below, does not exceed an amount which is reasonable in all the circumstances, and does not result in a majority of the directors having received a financial benefit from the company, or
- (ii) the directors obtain the prior written approval of the Commission and fully comply with any procedures it prescribes;

5.5. (a) -

- (i) A director may be employed as Chief Executive Officer or as Chief Financial Officer of the company in accordance with article 3 of the articles of association, or may be remunerated for acting as a director, subject to the condition that the person concerned is disqualified from acting as a director in relation to any decision or other matter connected with his employment or proposed employment, or with his acting as a director as the case may be;
- (ii) A director may enter into a contract for the supply of services to the company where that is permitted in accordance with, and subject to the conditions in, section 73A Charities Act 1993;
- (iii) A director may receive interest on money lent to the Company at a reasonable and proper rate, which must be 2% (or more) per annum below the base rate of a clearing bank to be selected by the directors;
- (iv) A company of which a director is a member may receive fees, remuneration or other benefit in money or money's worth, provided that the shares of the company are listed on a recognised stock exchange, and the director holds no more than 1% of the issued share capital of that company;
- (v) A director may receive rent for premises let by the director to the Company if the amount of the rent, and the other terms of the lease are reasonable and proper, and provided that such a director shall withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion;

(b) The employment or remuneration of a Director includes the engagement or remuneration of any firm or company in which the Director is:

- (i) a partner;
- (ii) an employee;
- (iii) a consultant;
- (iv) a director; or
- (v) a shareholder, unless the shares of the company are listed on a recognised stock exchange and the Director holds less than 1% of the issued capital;

5.6. In sub-clauses (2)-(5) of this clause 5:

(a) "Charity" shall include any company in which the Charity:

- holds more than 50% of the shares; or
- controls more than 50% of the voting rights attached to the shares; or
- has the right to appoint one or more directors to the Board of the company;

(b) "Director" shall include any child, parent, grandchild, grandparent, brother, sister or spouse of the Director or any person living with the Director as his or her partner.

5.7. If a conflict of interest arises for a director because of a duty of loyalty owed to another organisation or person and the conflict is not authorised by virtue of any other provision in this memorandum or the articles the unconflicted directors may authorise such a conflict of interests where the following conditions apply –

- (i) the conflicted director is absent from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person;
- (ii) the conflicted director does not vote on any such matter and is not to be counted when considering whether a quorum of directors is present at the meeting;
- (iii) the unconflicted directors consider it is in the interests of the charity to authorise the conflict of interest in the circumstances applying.

6. The liability of the members is limited.

7. If the Company is wound up while a person is a member or within one year after that person ceases to be a member, every member of the Company will contribute such amount as may be required not exceeding £1 to the assets of the Company, for payment of the Company's debts and liabilities accrued before the member ceases to be a member, and of the costs and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

8. –

8.1 The members of the company may at any time before, and in expectation of, its dissolution resolve that any net assets of the company shall, on or before the dissolution of the company, be applied or transferred in any of the following ways -

- (a) directly for the Objects;
- (b) by transfer to any charity or charities for purposes similar to the Objects;
- (c) to any charity for use for particular purposes that fall within the Objects.

8.2 Subject to any such resolution of the members of the company, the directors of the company may at any time before and in expectation of its dissolution, resolve that any net assets of the company shall on the dissolution of the company be applied or transferred in any of the following ways -

- (a) directly for the Objects;
- (b) by transfer to any charity or charities for purposes similar to the Objects;
- (c) to any charity for use for particular purposes that fall within the Objects.

8.3 In no circumstances shall the net assets be paid to or distributed among the members of the company (except to a member that is itself a charity) and if no such resolution is passed by the members or the directors the net assets of the company shall be applied for charitable purposes as directed by the court or the Charity Commission.

8.4 "Net assets" means all the assets of the company after -

- (a) all its debts and liabilities have been paid, or provision has been made for them; and
- (b) capital contributions made by certain members of the company to the company conditionally on its continued existence have been repaid in accordance with the following sub-clause.

8.5 -

- (a) The capital contributions referred to in the previous sub-clause are the sums of £11,000,010 contributed to the company by the Ford Motor Company, the sum of £1,528,863 contributed to the company by Barking College and the sum of £1,528,863 contributed to the company by the Havering College of Further and Higher Education.
- (b) In each case the repayment shall not exceed the actual contribution made by the member in question, and shall only be made out of any assets available after all the company's debts and liabilities have been paid or provision has been made for them.

9. Expressions defined in the Articles of Association have the same meanings in this Memorandum of Association.

We, the persons whose names are written below, wish to be formed into a Company under this Memorandum of Association.

<b>Name and address of Subscribers</b>	<b>Signature of Subscribers</b>	<b>Date</b>	<b>Signature of witness Address and occupation</b>
Ford Motor Company Limited Eagle Way, Warley, Brentwood, Essex CMI3 3BW			
Heart of Thames Gateway Ltd. Romm6/111 Gate 25 Chequers Lane Dagenham, Essex RM9 6LA			
Havering College Ardleigh Green Road, Hornchurch, Essex RM11 2LL			
Barking College Dagenham Road, Romford RM7 0XU			



**The Companies Act 2006**

**COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL**

**ARTICLES OF ASSOCIATION OF CENTRE FOR ENGINEERING AND  
MANUFACTURING EXCELLENCE LTD.**

(as adopted by Special Resolution dated 28 July 2006 and further amended on 20 May 2009)

**1. MEMBERSHIP**

- 1.1. The subscribers to the Memorandum of Association of the Company and such other persons as are admitted to membership in accordance with the Articles shall be members of the Company.
- 1.2. The Company must maintain a register of members.
- 1.3. Membership of the Company is open to any individual or organisation interested in promoting the Objects who is approved by the Directors.
- 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 6 months in arrears in paying the relevant subscription (if any) (but in such a case the member may be re-instated on payment of the amount due) or;
  - 1.5.4. assigns its membership rights in accordance with Article 1.6 below.
- 1.6. Membership of the Company shall not be transferable save that membership shall be assignable:
  - 1.6.1. in the case of Ford Motor Company Limited to any of its directly or indirectly owned subsidiaries or associated companies from time to time or to Ford Motor Company or any of its directly owned subsidiaries or associated companies from time to time;
  - 1.6.2. in the case of Havering College to one of its subsidiaries from time to time or to any successor college to Havering College, or to Barking College or one of its subsidiaries from time to time or any successor college to Barking College, any new further education college resulting from the complete or partial merger

of Havering College with any other college;

1.6.3. in the case of Barking College to one of its subsidiaries from time to time or to any successor to Barking College, or to Havering College or one of its subsidiaries from time to time or any successor college to Havering College, or to any new further education college resulting from the complete or partial merger of Barking College with any other college; and

1.6.4. in the case of London Borough of Havering to one of its subsidiaries or associated companies from time to time or to any government body from time to time nominated by London Borough of Havering.

1.7. Any organisation which is a member of the Company may by resolution of its directors 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 that organisation could exercise if it were an individual member of the Company.

## **2. GENERAL MEETINGS**

2.1. Members are entitled to attend general meetings personally or (in the case of a member organisation by authorised representative). General meetings are called on at least 21 clear days written notice specifying the business to be discussed but a general meeting may be called by shorter notice if it is so agreed:

(a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and

(b) in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than 95 per cent of the total voting rights at the meeting of all the members.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

(c) No business shall be transacted at a general meeting unless a quorum is present. Three members personally present (or, in the case of a member organisation, present by an authorised representative) of whom one shall be or represent Ford Motor Company Limited, one shall be or represent Barking College or Havering College and one shall be or represent London Borough of Havering shall be the quorum for these purposes. If a quorum is not present within half an hour after the time set for the meeting, the meeting is automatically adjourned to the same day in the next week, at the same time and place, to another day, time and place decided by the Board.

(d) The Chairman or (if the Chairman is unable or unwilling to do so) a member elected by those present presides at a general meeting. Unless the Chairman of the meeting is a member of the Company, or a representative of a member of the Company, the Chairman will not be entitled to a vote, whether a casting vote or otherwise.

(e) Except where otherwise herein provided or provided by the Act, every issue is decided by a majority of the votes cast.

(f) On a show of hands every member present in person or by authorised representative has one vote on each issue and on a poll:

(i) Ford Motor Company Limited shall have one vote;

(ii) London Borough of Havering shall have one vote;

(iii) Havering College shall have  $\frac{1}{2}$  vote; and

(iv) Barking College shall have  $\frac{1}{2}$  vote.

2.2. The instrument appointing a proxy shall be in writing in any usual or common form and shall (except in the case of an appointment by facsimile or electronic transaction otherwise complying with the requirements of this Article) be executed by the appointor or his attorney duly authorised in writing or in such other form as the directors may approve. A proxy need not be a member of the company.

2.3. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is executed, or a notarially certified copy of such power or authority, shall be deposited or received at the office (or at such other place in the United Kingdom as is specified for that purpose in any instrument of proxy sent by the company in relation to the meeting) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or handed to the chairman of the meeting or adjourned meeting, and, in default, the instrument of proxy shall be valid.

2.4. A poll vote may be demanded by any of the members of the Company or a proxy or any of them or the Chairman.

2.5. Subject to the provisions of the Act 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).

2.6. The Company must hold an AGM in every year which all members are entitled to attend. The interval between the date of one AGM and the date of the next AGM must not be more than 15 months.

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 business since the previous AGM;
- 2.7.3. appoint auditors for the Company; and
- 2.7.4. discuss and determine any issues of policy or deal with any other business 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 of a written request from any member.

2.10. The appointment and removal of a Company Secretary (if any) shall be determined by the members of the Company.

### **3. THE DIRECTORS**

3.1. There shall be no more than eight Directors of which a maximum of six Directors will be non-executive.

3.2. Appointment of the Directors shall be in accordance with the following provisions:

3.2.1. For so long as Ford Motor Company Limited or any party to whom Ford Motor Company Limited may have transferred its membership is a member, it shall be entitled to appoint one person to act as a non-executive Director of the Company and to remove any non-executive Director so appointed.

3.2.2. For so long as Havering College and Barking College or any parties to whom either College may have transferred its membership are members, they shall be entitled jointly, to appoint one person to act as a non-executive Director of the Company and to remove any non-executive Director so appointed. In such circumstances whereby the aforementioned parties are unable to determine a suitable person to act in this capacity, the duly appointed Chairman will intercede and appoint a person who he nominates as appropriate for this position.

3.2.3. For so long as London Borough of Havering or any party to whom London Borough of Havering may have transferred its membership is a member, it shall be entitled to appoint one person to act as a non-executive Director of the Company and to remove any non-executive Director so appointed.

- 3.2.4. There shall at all times be a non-executive Director on the Board to provide business and commercial expertise to the Board. The appointment and removal of such a non-executive Director will be proposed by the Chairman, and subject to approval by the Directors requiring, under Article 5.11 consent of a Specified Majority of the Directors. Where a vacancy arises in this position, the Directors shall seek to fill this position as soon as is reasonably practical.
- 3.2.5. There shall at all times be a non-executive Director on the Board to provide expert advice on the higher education sector to the Board. The appointment and removal of such a non-executive Director will be proposed by the Chairman, and subject to approval by the Directors requiring, under Article 5.12 consent of a Specified Majority of the Directors. Where a vacancy arises in this position, the Directors shall seek to fill this position as soon as is reasonably practical.
- 3.2.6. There shall at all times be a non-executive Director on the Board who is designated to act as Chairman of the Board. The Chairman will be appointed and can be removed by the members of the Company. Where a vacancy arises in this position, the members shall seek to fill this position as soon as is reasonably practical, although where there is a continuing vacancy, the Directors shall appoint one of their number as Chairman until the position is filled.
- 3.2.7. There shall at all times be two executive Directors on the Board who shall hold executive office with the Company and are accordingly designated to act as the Chief Executive Officer and the Chief Financial Officer. The appointment and removal of such executive Directors will be proposed by the Chairman, and subject to approval by the Directors requiring, under Article 5.13 consent of a Specified Majority of the Directors. Where a vacancy arises in these positions, the Directors shall seek to fill them as soon as is reasonably practical, and, in the case of a vacancy in the Chief Executive Officer, the Chairman shall assume the executive responsibilities of the Chief Executive Officer until the position is filled.
- 3.2.8. For so long as the LDA and the Learning Skills Council have an interest as stakeholders of the Company, a representative of these bodies shall be entitled to attend and speak at the meetings of the Board. These representatives shall not be considered in the quorum or have any voting rights in this capacity. The representative chosen to attend meetings of the Board on behalf of the LDA and the Learning Skills Council will be by agreement with the Chairman.
- 3.2.9. Any appointment or removal in accordance with this Article 3.2 shall be in writing served on the Company and signed by or on behalf of the relevant appointor and, if an appointment, shall be accompanied by notice in writing signed by the Director so appointed of willingness to act as Director and such appointment and removal shall take effect on receipt at the registered office of the Company. In respect of a Director who is appointed by them in accordance with this Article 3.2 (excluding Articles 3.2.4 -3.2.8 inclusive) each member ("the appointing member") severally undertakes to indemnify the Company and the other members against all

losses, damages, awards and reasonable costs and expenses which it or they incur by reason of any claim for loss of office brought by such a Director by reason of his removal from office by the appointing member in accordance with this Article 3.2 (excluding Articles 3.2.4 -3.2.8 inclusive).

3.3. A Director's term of office automatically terminates if he:

- 3.3.1. is disqualified under the Company Directors Disqualification Act 1986 or otherwise;
- 3.3.2. is incapable, whether mentally or physically, of managing his or her own affairs;
- 3.3.3. is removed by notice in writing to the Company under Article 3.2;
- 3.3.4. resigns by written notice to the Directors (but only if at least three Directors remain in office);
- 3.3.5. is removed by a simple majority of the members of the Company, following the procedure laid down in Section 303 of the Companies Act 1985;
- 3.3.6. dies, becomes bankrupt or makes any arrangement with his creditors, or is convicted of an indictable offence for which he is sentenced to a term of imprisonment.

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

3.5. The Board has control over all the affairs and property of the Company and may exercise all the powers of the Company except as otherwise provided by the Memorandum of Association of the Company and these Articles.

3.6. The Board may delegate any of their powers to any committee consisting of two or more Directors and/or one or more third parties. Any such delegation may be made subject to such conditions as the Directors may impose, and either collaterally with or to the exclusion of their own powers, and may be revoked or altered.

3.7. The Board shall, within 6 months of the date of adoption of these Articles, establish an Audit Committee and a Stakeholder Committee, subject to the provisions of Article 3.6. The Chairman will represent the findings and recommendations of these Committees to the Board. The terms of reference and membership of these sub-committees will be agreed by the Board, excepting that a designated Ford Motor Company Limited representative will be part of the membership of the Audit Committee.

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

- 4.1. The Directors must hold at least four meetings each year.
- 4.2. No business shall be transacted at a board meeting unless a quorum is present. The quorum at a meeting of the Directors is three including the Chairman or nominee of the Chairman and one non-executive Director appointed by Ford Motor Company Limited. For the avoidance of doubt reference to Ford Motor Company Limited shall in this Article 4, where appropriate be taken as references to any to whom Ford Motor Company Limited may have transferred its membership.
- 4.3. A meeting of the Directors may be held either in person or by suitable electronic or telephonic means agreed by the Directors in which all participants may communicate with all the other participants.
- 4.4. The Company Secretary (if any) is entitled to attend all board meetings, and this entitlement cannot be abrogated or otherwise removed by the Board of Directors.
- 4.5. Every issue may be determined by a simple majority of the votes cast at a meeting, excepting those requiring, under Article 5, consent of a Specified Majority of the Directors. Each Director shall have one vote.
- 4.6. A procedural defect of which the Directors are unaware at the time does not invalidate decisions taken at a meeting.
- 4.7. With regard to the transactions and arrangements specified below a Director may vote, at any meeting of the Directors or of any committee of the Directors, on any resolution to approve the transaction or arrangement, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest, and if he shall vote on any such resolution his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting. Each Director shall comply with his obligations to disclose his interest in transactions and arrangements under Sections 177 and 182 of the Act. The specified transactions and arrangements are:
  - 4.7.1. Rental, lease and space sharing agreements with Members
  - 4.7.2. Provision of education and training services to Members
  - 4.7.3. Utilisation of CEME shared facilities by Members
  - 4.7.4. Provision of conference and events facilities and services to Members
  - 4.7.5. Management of an apprentice programme of a Member
  - 4.7.6. General facilities and services offered by CEME to Members
  - 4.7.7. Purchase by CEME of goods and services from a Member
  - 4.7.8. Lease, rental or other utilisation by CEME of a Member's facility

4.8. Any director may appoint any other person employed by or contracted to their own appointing organisation or corporate body, as specified under Article 3.2, or in the case of the Executive Directors any other person employed by or contracted to the Company, but only if approved beforehand by resolution of the directors and if that person has confirmed in writing his willingness to act, to be an alternate director in the event of that Director's incapacity for any reason and may remove from office an alternate director so appointed by him, such appointment to be on the following terms:

4.8.1. an alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him will not personally present, due to incapacity, and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the company for his services as an alternate director. But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom;

4.8.2. an alternate director shall cease to be an alternate director if his appointor ceases to be a director;

4.8.3. any appointment or removal of an alternate director shall be by notice to the company signed by the director making or revoking the appointment or in any other manner approved by the directors;

4.8.4. save as otherwise provided in the articles, an alternate director shall be deemed for all purposes to be a director as long as the director appointing him remains incapacitated and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

## **5. MATTERS REQUIRING CONSENT OF A SPECIFIED MAJORITY OF THE DIRECTORS**

The following matters shall require the consent of a Specified Majority of the Directors:

5.1. the acquisition, sale or disposal by the Company of any assets or property having a value in excess of £50,000 other than in the ordinary course of business;

5.2. the giving of any guarantee or indemnity by the Company;

5.3. the incorporation by the Company of any subsidiary or the establishment of any joint venture or partnership;

5.4. the consolidation or amalgamation by the Company with any other company, association, partnership or legal entity;



- 5.5. the entering into by the Company of any contract of a material nature other than in the ordinary course of business;
- 5.6. the acquisition by the Company of share capital or other securities of any body corporate or the acquisition of an interest in any association, partnership or other non-corporate body;
- 5.7. the settling by the Company of any litigation, arbitration or other proceedings which are material in the context of the Company's operations;
- 5.8. the appointment by the Company of a managing director or delegation of Directors' powers;
- 5.9. the creation by the Company of any mortgage or charge or encumbrance on any of the Company's assets;
- 5.10. any change in the nature of the Company's operations;
- 5.11. the appointment and removal of a non-executive director providing business and commercial expertise in accordance with Article 3.2.4;
- 5.12. the appointment and removal of a non-executive director providing higher education sector expertise in accordance with Article 3.2.5;
- 5.13. the appointment and removal of an executive director in accordance with Article 3.2.7;
- 5.14. the approval of the Company's annual business plan;
- 5.15. any borrowing by the Company in excess of £50,000.

## **6. RECORDS & ACCOUNTS**

- 6.1. The Directors must comply with the requirements of the Act and the relevant regulations made thereunder as to keeping financial records, the preparation and audit of accounts and the preparation and transmission to the Registrar of Companies of annual returns and an annual report and accounts. The Directors must also file a copy of those accounts and a trustees' report for the year in accordance with the Charities Act 1993 and the relevant regulations made thereunder, together with an annual return for that year, with the Charity Commission and must notify the Commission promptly of any changes to the Company's entry on the Central Register of Charities.
- 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;
- 6.2.4. all professional advice obtained.

## **7. FINANCIAL INFORMATION**

### **7.1. Each member shall be entitled to receive:**

- 7.1.1. Within 120 days of the Company's accounting reference date in each year, audited accounts for the Company comprising a balance sheet and statement of financial activities incorporating an income and expenditure account, together with supporting explanatory notes;
- 7.1.2. Within 21 days of the end of each calendar month, management accounts for the Company comprising a balance sheet and statement of financial activities incorporating an income and expenditure account.

## **8. NOTICES**

- 8.1. Notices under these Articles may be sent by hand, or by post, or by facsimile or electronically.
- 8.2. The only address at which a member is entitled to receive notice is the address shown in the register of Members or in relation to electronic communications (as defined in the Electronic Communications Act 2000), includes any number or address used for the purposes of such communications.
- 8.3. Any notice given in accordance with these Articles is to be treated for all purposes as having been received:
  - 8.3.1. 24 hours after being sent by facsimile (subject to the sender having received a correct answerback and confirmation of the transmission of the notice in full to the recipient), or electronically (subject to confirmation that the electronic mail has been successfully sent and received by the recipient), or delivered by hand to the relevant address.
  - 8.3.2. two clear days after being sent by first class post to that address;
  - 8.3.3. three clear days after being sent by second class post to that address;

8.3.4. on being handed to the member personally or, if earlier;

8.3.5. as soon as the member acknowledges actual receipt;

8.3.6. in the case of a notice under Article 3.2 on receipt at the registered office of the company;

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

## **9. INDEMNITY**

Subject to the provisions of the Act every Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in that capacity in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court or the Charity Commission from liability for negligence default breach of duty or breach of trust in relation to the affairs of the Company.

## **10. DISSOLUTION**

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

## **11. INTERPRETATION**

11.1. In the Memorandum and these Articles:

"The Act" means the Companies Act 2006;

"The Charities Acts" means the Charities Acts of 1993 and 2006 or any consolidation of those Acts

"AGM" means an annual general meeting of the Company;

"these Articles" means these articles of association

"Chairman" means the chairman of the Directors; "the Company" means the company governed by these Articles; "clear day" mean 24 hours from midnight following the relevant event;

"Director" means a member of the board of Directors of the Company and "Directors" means all

of the Directors;

"EGM" means an extraordinary general meeting of the Company;

"executive director" means any Director holding executive office with 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;

"LDA" means the London Development Agency;

"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;

"non-executive director" means any Director appointed other than the Executive Directors;

"the Objects" means the objects of the Company as defined in the Memorandum;

"Secretary" means the Company Secretary (if any);

"Specified Majority" means the holders of at least three quarters of the total number of votes which can be cast by the directors in accordance with Article 4.5.

"written" or "in writing" refers to a legible document on paper including a fax message, or in electronic form;

"year" means calendar year;

11.2. References to the male gender include the female gender;

11.3. Expressions defined in the Act have the same meaning in these Articles of Association

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