

Company Number: 5062487

THE COMPANIES ACT 1985
(as amended by the Companies Act 1989)

COMPANY LIMITED BY GUARANTEE

WRITTEN RESOLUTION

OF

EAST BIRMINGHAM AND NORTH SOLIHULL REGENERATION ZONE
LIMITED

("the Company")



We, being all the members entitled to attend and vote at general meetings of the Company, hereby resolve that the following Resolution is passed as a Written Resolution pursuant to section 381A Companies Act 1985 and shall take effect as a Special Resolution:

WRITTEN RESOLUTIONS

THAT the regulations contained in the document attached to this Written Resolution and for the purpose of identification signed by a director on behalf of the Company be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association.

THAT the Memorandum of Association be amended by deleting the wording "may be thought expedient" in clause 4.11 and replacing it with the wording "may be appropriate" as set out in the copy of the Memorandum of Association attached to this Written Resolution and for the purpose of identification signed by a director on behalf of the Company.

Signed by:

Mr Christopher John Baranowski

) *CJ Baranowski*

Councillor James Donald Blake

) *J Blake*

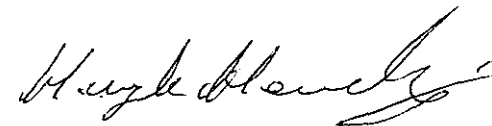
Councillor Ken Hardeman

) *K Hardeman*

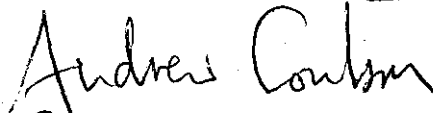
Councillor Jeremy Evans

) *J Evans*

Councillor Hugh Hendry

) 

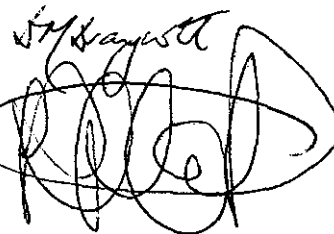
Councillor Andrew Coulson

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Mr Andrew Martin Clutterbuck

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Mr David Michael Draycott

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Ms Kim Elizabeth Harper

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Mr Zualfkar Hussain

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~~Councillor Tony Kennedy~~

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Professor Geoffrey Eric Petts

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Rev Neil Adrian Roberts

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~~Mr James Patrick Ryan~~

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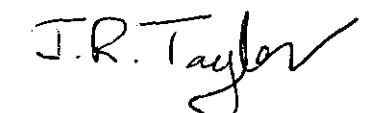
Mr Hamid Ahsan Salim

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Mr Mohammed Shafique

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Mr John Ronald Taylor

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Mrs Margaret Anne Tovey

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Ms Nicollette Yvonne Walker

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Dated 30th November 2004

THE COMPANIES ACT 1985
COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL
ARTICLES OF ASSOCIATION
OF
EAST BIRMINGHAM AND NORTH SOLIHULL REGENERATION ZONE LIMITED
("the Company") Company Number: 5062487

(Adopted by Special Resolution Passed on 30 November 2004)

1. PRELIMINARY

The regulations contained in Table C in the Schedule to the Companies (Tables A to F) Regulations 1985 in force at the time of adoption of these Articles shall not apply to the Company and these Articles alone shall constitute the regulations of the Company.

2. OPERATIVE CLAUSES

In these Articles the following expressions have the following meanings unless inconsistent with the context:

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| "Act" | the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force; |
| "Annual ZIP" | the regeneration plan/zone implementation plan (or its equivalent successor plan) for the Zone adopted by the Board and approved by AWM pursuant to the Board Rules; |
| "AWM Director" | a director (if any) appointed by AWM in accordance with Article 10.3; |
| "AWM" | Advantage West Midlands; |
| "BL" | Birmingham Business Link; |

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| "BL Director" | a director appointed by BL in accordance with Article 10.6; |
| "Board" | the board of directors of the Company; |
| "Board Observers" | Individuals nominated from time to time by each of AWM, Government Office for the West Midlands, BL, the Borough Council, the City Council, and LSC. Each such person shall be Director or Assistant Director or equivalent unless agreed otherwise by the Board. No alternates will be allowed; |
| "Board Rules" | any rules of the Company adopted pursuant to Article 8.2; |
| "Borough Council Director" | a director(s) appointed by the Borough Council in accordance with Article 10.4; |
| "the Borough Council" | Solihull Metropolitan Borough Council; |
| "Borough Council Member" | the member(s) admitted pursuant to Article 3.6; |
| "Chairman" | the chairman of the Board appointed pursuant to Article 13.10; |
| "clear days" | in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect; |
| "Community Directors" | those directors appointed pursuant to Article 10.9; |
| "Community Members" | those members admitted pursuant to Article 3.5; |
| "City Council Director" | a director(s) appointed by the City Council in accordance with Article 10.4; |
| "the City Council" | Birmingham City Council; |
| "City Council Member" | the member(s) admitted pursuant to Article 3.7; |

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| “Current ZIP” | whichever of the first zone implementation plan or any later Annual ZIP was most recently adopted and approved by AWM at the relevant time; |
| “directors” | the directors for the time being of the Company or (as the context shall require) any of them acting as the board of directors of the Company; |
| “executed” | includes any mode of execution; |
| “Group” | the Company and any of its subsidiaries (as defined in Section 736 of the Companies Act 1985) and “Group Company” shall be any of those companies; |
| “HE Director” | a director drawn from the higher education sector and appointed pursuant to Article 10.7; |
| “HE Member” | a member appointed pursuant to Article 3.3; |
| “JC Director” | a director appointed pursuant to Article 10.10; |
| “JC Member” | a member appointed pursuant to Article 3.8; |
| “LSC” | Birmingham and Solihull Learning and Skills Council; |
| “LSC Director” | a director appointed by LSC in accordance with Article 10.5; |
| “members” | the members of the Company from time to time; |
| “office” | the registered office of the Company; |
| “Prohibited Person” | any person who is disqualified from election and holding office as a member of a local authority pursuant to Section 80 Local Government Act 1972; |
| “Project” | the physical, social and economic regeneration of the Zone in accordance with the Current ZIP; |

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| "PS Directors" | those director(s) and appointed pursuant to Article 10.8; |
| "PS Members" | those member(s) admitted pursuant to Article 3.4; |
| "secretary" | the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary; |
| "these Articles" | these Articles of Association, whether as originally adopted or as from time to time altered by special resolution; |
| "United Kingdom" | Great Britain and Northern Ireland; |
| "Zone" | the Project Area defined in the Company's Memorandum of Association; |

Any reference in these Articles to a person, company, body or organisation is intended to be a reference to that body only and not (save where specifically provided in these Articles or by any law) to any successor body unless the members by special resolution, and within the consent of AWM agree to the same.

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles become binding on the Company. References to the masculine or feminine shall include reference to the other gender and the neuter.

Any reference to a statute, statutory provision or subordinate legislation shall be construed as referring to that statute, statutory provision or subordinate legislation as amended, modified, consolidated, re-enacted or replaced and in force from time to time whether before or after the date of adoption of these articles.

3. MEMBERS

3.1 The following shall be entitled to be members of the Company;

3.1.1 AWM or such person as AWM may nominate pursuant to Article 3.2;

3.1.2 up to two Borough Council Members;

- 3.1.3 up to two City Council Members;
 - 3.1.4 LSC;
 - 3.1.5 BL;
 - 3.1.6 one HE Member;
 - 3.1.7 up to 5 PS Members;
 - 3.1.8 up to 7 Community Members; and
 - 3.1.9 the JC Member.
- 3.2 If AWM itself wishes to cease to be a member it may at any time resign and nominate one person to be appointed as a member of the Company (and remove and replace such nominated person) by notification in writing to the secretary of the Company.
- 3.3 The Vice-Chancellors of Birmingham University, University of Central England and Aston University may (after consulting with their own Councils or equivalent senior management teams) by majority decision:
- 3.3.1 jointly nominate one person to be appointed as a member of the Company; and
 - 3.3.2 remove and replace such nominated person;
- and any such appointment removal or replacement shall be notified in writing to the secretary of the Company and shall be the "HE Member".
- 3.4 Up to 5 PS Members may be nominated by the governing board of Birmingham and Solihull Chamber of Commerce ('the Chamber') as follows:
- 3.4.1 one shall be a nominated by the Chamber from within or outside its own membership to represent members of the African-Caribbean business community and in making their selection they shall have particular regard to any person nominated by the African-Caribbean Business Forum (or its equivalent replacement body);
 - 3.4.2 one shall be a nominated by the Chamber from within or outside its own membership to represent members of the Asian business community and in making their selection they shall have particular regard to any person

nominated by the Asian Business Forum (or its equivalent replacement body); and

- 3.4.3 up to 3 (from time to time) shall be nominated after the Chamber has advertised and/or otherwise invited businesses and appropriate business groups or associations (at its discretion) within the Zone to make applications or suggestions to the Chamber of persons willing to be nominated by the Chamber as PS Members. The Chamber shall carry out such short listing and/or other method as it deems fit to arrive at those persons that it feels are appropriate to be nominated,

and in all such cases such nominations may be removed or replaced by decision of the Chamber (but in the cases of PS Members nominated pursuant to 3.4.1 or 3.4.2, only after consultation with the Caribbean Business Forum or the Asian Business Forum (or their equivalent replacement bodies) as may be relevant.) The Chambers shall notify the secretary in writing of any such nominations, removals and replacements whereupon the same shall automatically be effective.

3.5

The Community Members shall be nominated for appointment as follows:

- 3.5.1 the Coalbridge Development Trust or its successor body may nominate up to two Community Members in total, such persons being selected from the residents of the following wards: Fordbridge, Smiths Wood, Chelmsley Wood, and Kingshurst;
- 3.5.2 the Sparkbrook, Sparkhill and Tyseley Regeneration Board or its successor body may nominate one Community Member in total, such person being selected from the residents of the following wards: Sparkbrook and Sparkhill;
- 3.5.3 the Saltley and Small Heath Regeneration Board or its successor body may nominate one Community Member in total, such person being selected from the residents of the following wards: Nechells, Small Heath and Washwood Heath;
- 3.5.4 a total of 3 Community Members may be nominated by the community regeneration partnership(s) or other equivalent regeneration partnership(s) or similar bodies recognised by the Board as operating for the benefit of the

areas currently represented by the following 9 wards in the Zone: Yardley, Acocks Green, Foxhollies Kingstanding, Stockland Green, Erdington, Kingsbury, Hodghill and Shard End.

As specific community representative regeneration bodies for individual or groups these 9 areas emerge and change over time the Board may resolve to recognise specific bodies as being entitled to nominate any of the 3 Community Members allocated for these areas. After a body has been so recognised the Board can resolve at any time to de-recognise and replace that body if it feels that such body is no longer appropriately representative. Each of these 3 nominated Community Member can be removed and replaced by their nominating body (or any successor body recognised by the Board) and in all cases such nomination, removal, or replacement shall be effected by notification to the Board whereupon the same shall automatically be effective.

- 3.6 The Borough Council Members shall be either the Borough Council itself and/or such Council Member(s) (at least one of which being a cabinet member with special responsibility for regeneration) who may be notified by the Borough Council to the secretary of the Company from time to time, and the Borough Council may notify the secretary at any time in writing of its desire to replace such nominated person whereupon any replacement shall then become a Borough Council Member.
- 3.7 The City Council Members shall be either the City Council itself and/or such Council Member(s) (at least one of which being a cabinet member with special responsibility for regeneration) who may be notified by the City Council to the secretary of the Company from time to time, and the City Council may notify the secretary at any time in writing of its desire to replace such nominated person whereupon any replacement shall then become a City Council Member.
- 3.8 The JC Member shall be either Jobcentre Plus itself (or its equivalent successor body) provided it is a separate legal entity, or in any event it may be such person as may be notified in writing to the secretary by the board of Jobcentre Plus (or its equivalent successor body) after due consideration by such board, and in the latter case the board of Jobcentre Plus (or its equivalent successor body) may notify the secretary in writing of its removal and/or replacement of such person whereupon any replacement shall then become the JC Member.
- 3.9 A member can resign at any time by giving a written notice of resignation to the Board.

3.10 The previous provisions of this Article 3 shall be subject to this Article 3.10. No person may become a member if (being an individual) they are Prohibited Person and each individual who wishes to be a member must complete a declaration to this effect in a form approved by the Board. A member (being an individual) of the Company shall cease to be a member in the event of him being or becoming a Prohibited Person or in the event of:

3.10.1 such member's retirement or resignation, by the giving of written notice to the Company;

3.10.2 where such member is also a director, such member ceasing to be a director;

3.10.3 such member's death, or being a corporation, its winding up or, being an unincorporated association, its dissolution;

3.10.4 in the cases of a PS Member, a Community Member, or an additional member appointed under article 3.11: either, (a) such Member ceasing to be a director (e.g. upon retirement by rotation or otherwise), or (b) the passing of an ordinary resolution to remove them as a member by the other members;

3.10.5 such member is, or may be, suffering from a mental disorder and either:

3.10.5.1 such member is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or

3.10.5.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;

3.10.6 such member is deemed to have resigned pursuant to Article 23.

3.11 Unless otherwise determined by a special resolution (and subject to Article 23), the number of members shall be no less than 11 and no more than 24. Subject thereto, the Board shall admit to membership such additional members as it shall by simple majority accept, provided that such proposed member has previously been approved in writing by AWM.

3.12 The members and directors shall use all reasonable endeavours to ensure that as far as practicable the membership of the Company reflects economic and ethnic composition of the Zone.

3.13 Membership shall not be transferable.

4. GENERAL MEETINGS

4.1 The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it; and not more than 15 months shall elapse between the date of one annual general meeting and that of the next. Provided that so long as the Company holds its first annual general meeting within 18 months of its incorporation, it need not hold it in the year of its incorporation. The annual general meeting shall be held at such time and place as the directors shall appoint. All general meetings other than annual general meetings shall be called extraordinary general meetings.

4.2 The Board may call extraordinary general meetings.

4.3 If at any time there are not within the United Kingdom sufficient directors capable of acting to form a quorum, any director or any two members of the Company may convene an extraordinary or annual general meeting in the same manner as nearly as possible as that in which such meetings may be convened by the directors.

4.4 If at any time AWM is not a member of the Company it may send an observer of its choosing to attend all members' meetings and AWM shall be sent notice of all members' meetings as if it were a member.

5. NOTICE OF GENERAL MEETINGS

5.1 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed in accordance with section 369(3) of the Act. The notice shall specify the time and place of the meeting and, only in the case of special business (see Article 5.2 below), the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

5.2 All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the

exception of the consideration of the profit and loss account, balance sheet, and the reports of the directors and auditors and the appointment of and the fixing of the remuneration of the auditors.

- 5.3 Notwithstanding that the Company does not have a share capital every notice convening a general meeting shall comply with the provisions of section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to all members and directors and to the auditors for the time being of the Company.

6. PROCEEDINGS AT GENERAL MEETINGS

- 6.1 Subject to Articles 6.2 and 6.3, no business shall be transacted at any general meeting unless a quorum is present. A quorum shall be half in number of all members from time to time (rounded up in the case of a fraction) present in person or by duly authorised representative (where appropriate).

- 6.2 If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed the member or members present in person or by duly authorised representative (where appropriate) entitled to vote upon the business to be transacted shall constitute a quorum and shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place.

- 6.3 The Chairman of the directors appointed pursuant to Article 13 shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if either shall not be present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act, or unable to attend, the directors present shall elect one of their number to be chairman of the meeting. If no director is willing to act as chairman or if no director is present within 15 minutes after the time appointed for holding the general meeting, the members present shall choose one of their number to be chairman of the meeting.

- 6.4 A director shall, notwithstanding that he is not a member, be entitled to attend and speak in person at any general meeting.

- 6.5 The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting had the adjournment not taken place.
- 6.6 Subject to the provisions of Articles 15 and 23, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result of the show of hands, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded by any member or the chairman.
- 6.7 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 6.8 In the case of an equality of votes, whether on a show of hands or on a poll (and subject always to Article 15) the chairman of the meeting shall **not** be entitled to a **casting vote**.
- 6.9 Any member may participate in a meeting of the members by means of a **conference telephone** or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Act, he shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
- 6.10 The person appointed by the Company as its Chief Executive shall have a standing invitation to attend and speak at (but not vote at) all members' meetings to offer advice and support. The said Chief Executive shall be entitled to invite any of the Company's secretariat to accompany him to such meetings also to offer advice and support. If the members feel that the Chief Executive or secretariat's attendance is not desirable or appropriate at a particular meeting the members may resolve that either the invitation to attend that meeting be withdrawn, or if the meeting has commenced, that the Chief Executive and/or the secretariat be required to leave the meeting.

- 6.11 The Board Observers shall have a standing invitation to attend and if invited to do so to speak at (but not vote at) all members' meetings to provide a secondary advisory resource to the membership as a whole. The Members may ask for evidence that the Board Observers (or any of them) have been validly nominated. Where any nominating body's nominated Member is unable or feels unable to attend or continue in attendance at a meeting due to a conflict of interest then that body's Board Observers shall cease to be entitled to attend that meeting.

7. VOTES OF MEMBERS

- 7.1 Subject to Article 6.9, Article 15 and Article 23, on a show of hands or on a poll every member (being an individual) present in person or (not being an individual) present by a duly authorised representative shall have one vote.
- 7.2 Members may not appoint a proxy to receive notice of, attend, vote at, or speak at any meeting or to do any other act on his or its behalf.
- 7.3 The provisions of Article 23 shall limit the voting rights of the Borough Council and the City Council and any other members associated with a local authority.

8. COMPLIANCE WITH THE ZIP AND BOARD RULES

- 8.1 Subject to Article 15, the members and directors shall procure that the business of the Company and any of its subsidiaries or other interests from time to time are conducted in all material respects in accordance with the Current ZIP.
- 8.2 Subject to the provisions of Article 15 (and the overriding objects of the Company described in the Company's Memorandum of Association from time to time) the Board may from time to time adopt (and amend or replace) such rules as they deem necessary or expedient or convenient for the proper conduct and management of the Company and having previously obtained AWM's written consent to the same.

9. NUMBER OF DIRECTORS

- 9.1 Unless and until otherwise unanimously agreed by the Board (and subject to Article 23) the number of directors shall be not less than 13 and not more than 24 of which:
- 9.1.1 one shall be the AWM Director (if nominated pursuant to these articles);
- 9.1.2 up to two shall be the Borough Council Directors (if nominated pursuant to these articles);

- 9.1.3 up to two shall be the City Council Directors (if nominated pursuant to these articles);
 - 9.1.4 one shall be the LSC Director (if nominated pursuant to these articles);
 - 9.1.5 one shall be the BL Director (if nominated pursuant to these articles);
 - 9.1.6 one shall be the HE Director (if nominated pursuant to these articles);
 - 9.1.7 up to five shall be PS Directors (if nominated pursuant to these articles);
 - 9.1.8 up to seven shall be Community Directors (if nominated pursuant to these articles); and
 - 9.1.9 one shall be the JC Director (if nominated pursuant to these articles).
- 9.2 If the number of directors falls below these limits in Article 9.1 then the remaining directors may continue to act only for the purpose of appointing new directors as may be necessary.

10. **APPOINTMENT AND RETIREMENT OF DIRECTORS**

- 10.1 All of the following Article is subject to Article 23.
- 10.2 All of the provisions of this Article 10 are subject to this Article 10.2. No person may be appointed a director:
- 10.2.1 if they are a Prohibited Person and unless they have lodged a declaration to this effect with the Company in a form approved by the Board;
 - 10.2.2 unless they have agreed to abide by any code of conduct or other protocols approved by the Board; and
 - 10.2.3 unless they have executed the Board Rules or a deed of adherence relating to the Board Rules (if any).
- 10.3 The AWM Director may be nominated by AWM's own board and such nominated person may be removed and replaced by AWM's board at anytime. In all such cases such nomination, removal or replacement shall be notified to the secretary in writing and then endorsed by the Board. If AWM do not nominate an AWM Director at any time then AWM may send an observer of their choosing to attend all Board meetings and AWM shall be sent notice of all Board meetings as if it were a duly appointed director of the Company.

- 10.4 The Borough Council and the City Council may each nominate two persons: firstly their cabinet member with special responsibility for regeneration matters (or equivalent) and secondly such other elected Council member as they may decide to be directors of the Company and may remove and replace those nominated persons at any time. In all cases such nomination, removal or replacement shall be notified to the secretary in writing and then endorsed by the Board.
- 10.5 The LSC Director may be nominated by LSC's own board from among its own board (or from outside its own board if the Board of the Company agree), and such nominated person may be removed and replaced by LSC's board at anytime. In all such cases such nomination, removal or replacement shall be notified in writing to the secretary and endorsed by the Board.
- 10.6 The BL Director may be nominated by BL's own board from among its own board (or from outside its own board if the Board of the Company agree), and such nominated person may be removed and replaced by BL's board at anytime. In all such cases such nomination, removal or replacement shall be notified in writing to the secretary and endorsed by the Board.
- 10.7 The single HE Director shall be nominated by the majority decision of the Vice-Chancellors of Birmingham University, University of Central England and Aston University (in each case after consulting with their own Councils or equivalent senior management teams). Such nominated person may be removed and replaced by the same process. In all such cases such nomination, removal or replacement shall be notified in writing to the secretary and then endorsed by the Board.
- 10.8 Up to 5 PS Directors may be nominated by the governing board of Birmingham and Solihull Chamber of Commerce ('the Chamber') as follows:
- 10.8.1 one shall be a nominated by the Chamber from within or outside its own membership to represent members of the Caribbean business community and in making their selection they shall have particular regard to any person nominated by the Caribbean Business Forum (or its equivalent replacement body);
- 10.8.2 one shall be a nominated by the Chamber from within or outside its own membership to represent members of the Asian business community and in making their selection they shall have particular regard to any person nominated by the Asian Business Forum (or its equivalent replacement body); and

10.8.3 up to 3 (from time to time) shall be nominated after the Chamber has advertised and/or otherwise invited businesses and appropriate business groups or associations (at its discretion) within the Zone to make applications or suggestions to the Chamber of persons willing to be nominated by the Chamber as PS Directors. The Chamber shall carry out such short listing and/or other method as it deems fit to arrive at those persons that it feels are appropriate to be nominated,

and in all such cases such nominations may be removed or replaced by decision of the Chamber (but in the cases of PS Directors nominated pursuant to 10.8.1 or 10.8.2, only after consultation with the Caribbean Business Forum or the Asian Business Forum (or their equivalent replacement bodies) as may be relevant.) The Chambers shall notify the secretary in writing of any such nominations, removals and replacements and the Board shall then endorse them.

- 10.9 Any Community Members appointed pursuant to Article 3.5 shall automatically become Community Directors and shall be removed from office automatically if they are removed or replaced as a Community Member. In all such cases such appointments, removals or replacements shall be notified to the secretary and the Board shall then endorse them.
- 10.10 The JC Director may be nominated by the board of Jobcentre Plus (or its equivalent replacement body) after due consideration by such board and such nominated person may removed and replaced by the board of Jobcentre Plus at any time. In all such cases such nomination, removal or replacement shall be notified in writing to the secretary and the Board shall endorse them.
- 10.11 The members may by ordinary resolution appoint any other person or persons who are willing to act (and in each case who is not a Prohibited Person) to be a director either to fill a vacancy or as an additional director including the appointment of a director for a fixed term provided that the appointment does not cause the number of directors to exceed any number fixed by these Articles as the maximum number of directors.
- 10.12 At the first annual general meeting all the Community Directors and PS Directors shall (subject always to their right to be re-appointment described in Article 10.15) retire from office, and at every subsequent annual general meeting one-third of the Community Directors and one-third of the PS Directors who are subject to retirement by rotation or, if in each case their number is not three or a multiple of three, the number nearest to one-third shall retire from office; but , if there is only one

Community Director or only one PS Director who is subject to retirement by rotations, he shall retire.

- 10.13 At the second annual general meeting all the directors (other than the AWM Director, the Borough Council Director, the City Council Director, the BL Director and the LSC Directors) shall (subject always to their right to be re-appointment described in Article 10.15) retire from office, and at every subsequent annual general meeting one-third of the directors (other than the AWM Director, the Borough Council Director, the City Council Director, the BL Director and the LSC Director) who are subject to retirement by rotation or, if in each case their number is not three or a multiple of three, the number nearest to one-third, shall retire from office.
- 10.14 Subject to the provisions of Article 10.13 the directors to retire by rotation shall be those subject to retirement by rotation who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 10.15 If the Company, at the meeting at which a director retires by rotation, does not fill the vacancy caused by a director appointed pursuant to article 10.11 retiring by rotation, the director so retiring shall, if he/she has indicated a willingness to act, be deemed to have been reappointed (provided always that no director may be re-appointed more than once in succession) unless a resolution for the reappointment of the director is put to the meeting and lost. In all other cases of retirement by rotation a director's reappointment or otherwise shall be made in accordance with articles 10.7 to 10.10.
- 10.16 The directors shall receive no remuneration but may recover costs and expenses incurred on Company business in accordance with any policy approved by the Board.
- 10.17 A director may resign at any time after giving not less than 30 days written notice to the Board.
- 10.18 The members and directors shall use all reasonable endeavours to ensure that as far as practicable the composition of the Board reflects the economic and ethnic composition of the Zone.

11. NO ALTERNATE DIRECTORS

- 11.1 No director may appoint an alternate director to receive notice of meetings, attend meetings, or vote or do anything in his place.

12. DISQUALIFICATION AND REMOVAL OF DIRECTORS

In addition to any obligation to retire by rotation described in Article 10, the office of a director shall (unless all of the directors agree otherwise) be immediately vacated by anyone who is or becomes a Prohibited Person or if:

- 12.1 he dies or he ceases to be a director by virtue of any provision of the Act or these Articles or he becomes prohibited by law from being a director;
- 12.2 where such director is also a member, such director ceases to be a member; or
- 12.3 he is, or may be, suffering from mental disorder and either:
 - 12.3.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
 - 12.3.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- 12.4 he resigns his office by notice to the Company in accordance with article 10.17; or
- 12.5 he shall for more than seven consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated; or
- 12.6 in the case of a PS Director or Community Director only the members determine by ordinary resolution of such members that such director shall vacate his office; or
- 12.7 in the case of a director appointed for a fixed term, at the end of that fixed term; or
- 12.8 he shall be deemed to have resigned by operation of Article 23.

13. PROCEEDINGS OF THE DIRECTORS

- 13.1 Subject to the provisions of these Articles and the Company's Memorandum of Association, the Board may meet together for the despatch of business, adjourn and regulate their meetings as they think fit. Any director may, and the secretary at the request of a director shall, call a meeting of the directors. A minimum of four Board meetings shall be held each year; with not more than four months between each meeting (unless all the directors agree otherwise). Subject to any provisions to the

contrary in these Articles, questions arising at any meeting shall be decided by a majority of votes and each director shall have one vote. Subject to Article 13.2, in case of an equality of votes, the Chairman **shall** have a second **casting vote**. If the Chairman is not present within 30 minutes of the appointed time of a Board meeting then the directors present shall elect any one of them to act as chair of that meeting. The acting chair shall not have a second casting vote in the event of a deadlock.

- 13.2 Any decision about the content of the draft Annual ZIP that is to be prepared in accordance with the Board Rules shall be by a majority of two thirds or more (rounding up in the case of fractions) of those Board members present at the Board meeting at which the same is discussed. Otherwise, in the case of ordinary Board business (and subject always to the limitations in these Articles, in particular Article 15) all decisions shall be by simple majority. In the case of deadlock over such ordinary business the Chairman shall call a poll of those present and if the matter remains deadlocked the matter shall be deferred until the next Board meeting to be called by the Chairman within five weeks of the meeting at which the deadlock arose if no meetings is otherwise scheduled to be held within that time. If at such later meeting the matter remains deadlocked after a poll is called, then the Chairman may (if he chooses) exercise a second casting vote to resolve the matter.
- 13.3 Subject to Article 13.4, no business shall be transacted at any Board meeting unless a quorum is present. A quorum shall be half of the Board members from time to time (rounded up in the case of a fraction) present in person). Continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, they may act only for the purpose of filling vacancies, or of calling a general meeting.
- 13.4 If a quorum is not present within half an hour from the time appointed for a Board meeting the Board meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine; and if at the adjourned Board meeting a quorum is not present within half an hour from the time appointed the director or directors present in person or (being a corporation) by duly authorised representative shall constitute a quorum and shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place.
- 13.5 Unless all the directors agree otherwise, meetings of the Board and any committee or sub-committee thereof shall be summoned by not less than four business days' notice served on the directors and in the case of any committee or sub-committee meetings, on the members of such committee or sub-committee. Any such notice must include

an agenda of the matters to be discussed at any such meeting and, unless all the directors present at the relevant meeting so decide, no matter may be discussed or voted on which is not included in any such agenda. A director who is absent from the United Kingdom shall still be entitled to be sent notice of a meeting to his usual United Kingdom address for such notices.

13.6 Any director may participate in a meeting of the directors or a committee of the directors of which he is a member by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Act, he shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

13.7 Unless the Board adopts a code of conduct or conflicts (or similar) policy or protocol with the prior approval of AWM that contradicts the provisions of these articles (in which case that policy or code shall prevail), then the following provisions of Article 13.7, 13.8 and 13.9 shall apply. The Company shall cause to be maintained a register of interests declared by the directors that shall be open for inspection by all members and all directors. Subject to the provisions of the Act, and provided that he has disclosed in writing to the directors the nature and extent of any interest of his (such interest be recorded on the aforesaid register of interests), a director notwithstanding his office and provided he is ever mindful of his primary duty to act in the best interests of the Company:

13.7.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;

13.7.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;

13.7.3 may or any firm or company of which he is a member or director may act in a professional capacity for the Company or any body corporate in which the Company is in any way interested; and

13.7.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office, service or employment or from any such transaction or arrangement or from any interest in any such body

corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

13.8 For the purposes of Article 13.7:

13.8.1 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;

13.8.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and

13.8.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when the Company was incorporated) connected with a director shall be treated as an interest of the director.

13.9 Whenever a director has an interest in a matter to be discussed at a meeting of the Board (or a committee of the Board) the director concerned shall:

13.9.1 declare such interest at or before discussions begin on the matter and the Chairman of the meeting shall record such interest in the minutes of the meeting;

13.9.2 unless the Board resolve otherwise:

13.9.2.1 withdraw from the meeting for that item;

13.9.2.2 not be counted in the quorum for that part of the meeting;

13.9.2.3 not be entitled to vote on the matter.

Appointment of Chairman

13.10 The Chairman shall remain in office (unless removed by a vote of the Board passed with the consent of the AWM Director) for the period described in this Article after which he shall resign and be eligible (if willing to act) to be re-elected to the position. The Board shall appoint such of their number as they deem has recent and appropriate private sector experience to be the Chairman by simple majority decision

(and subject to this Article 13.10 they shall consider, without obligation, any previous Chairman who has indicated a willingness to be re-appointed as Chairman). Upon acceptance such selected person shall (if willing to act) become the "Chairman" and shall remain in office (subject to him retiring as a director by rotation and not being reappointed) until the Board meeting immediately prior to the second annual general meeting (ignoring any annual general meeting that occurs within one month of his appointment) following the meeting at which he is appointed (i.e. typically a 2 year term) when he shall resign and be eligible for reappointment. Provided always that no person may be reappointed more than once in succession (i.e. no person to serve more than two consecutive terms). Pending the appointment of a Chairman with the said private sector experience, the Board may nominate one of their number to act as "Interim Chairman" for a period not exceeding three months. The Interim Chairman shall perform all the functions of the Chairman until replaced.

Miscellaneous

- 13.11 The person appointed by the Company as its Chief Executive shall have a standing invitation to attend and speak at (but not vote at) all Board meetings to offer advice and support to the Board. The said Chief Executive shall be entitled to invite any of the Company's secretariat to accompany him to Board meetings also to offer advice and support to the Board. If the Board feels that the Chief Executive or secretariat's attendance is not desirable or appropriate at a particular meeting the Board may resolve that either the invitation to attend that meeting be withdrawn, or if the meeting has commenced, that the Chief Executive and/or the secretariat be required to leave the meeting.
- 13.12 The members of the Board Observers shall have a standing invitation to attend and if invited to do so to speak at (but not vote at) all Board meetings to provide a secondary advisory resource to the Board as a whole. The Board may ask for evidence that the Board Observers (or any of them) have been validly nominated. Where any nominating body's nominated Director is unable or feels unable to attend or continue in attendance at a meeting due to a conflict of interest then that body's Board Observers shall cease to be entitled to attend that meeting. Board Observers must accept and adhere to all rules, processes and procedures adopted by the Board.
- 13.13 The provisions of Article 23 shall apply to limit the voting powers of the Borough Council Directors and the City Council Directors and any other directors associated with a local authority.

13.14 The Board shall procure the circulation to each member (at least every three months) of details of the Company's and Project's financial status and summary details of significant projects, in each case in such reasonable format as the Board or AWM may request. The Board shall also procure the circulation to each member of a copy of all minutes of all members' and all directors' meetings within 10 business days of each meeting.

13.15 AWM shall be entitled to rely on and enforce the terms of these articles against the Company, its directors, and members whether or not it is a member or has nominated an AWM Director from time to time.

14. **POWERS AND OPERATION OF THE BOARD**

14.1 Subject to the provisions of the Act, the Memorandum of Association, the Board Rules, and these Articles the business of the Company shall be managed by the directors who (subject to Article 8 and Article 15) may exercise all the powers of the Company.

14.2 In addition and with the prior consent of AWM, the Board may:

14.2.1 determine (after taking appropriate advice) that any particular aspect of the Project should be carried out through a separate subsidiary or through any trust, partnership or other contractual relationship (each being referred to as a "Subsidiary Body") that is felt to be most suitable for the efficient delivery of such aspect provided always that the Company shall procure that appropriate Articles of Association or other rules are adopted in relation to such Subsidiary Body to ensure that it does not become a local authority influenced company as described in Section 69 of the Local Government and Housing Act 1989 or any equivalent replacement legislation;

14.2.2 delegate any of its powers to committees or sub-committees consisting of such director or directors as the Board thinks fit, provided that each committee or sub-committee shall include the AWM Director if he/she wishes to be a member, and any committee or sub-committee so formed shall, in the exercise of the powers so delegated, conform to any regulations imposed on it by the Board. The meetings and proceedings of such committee or sub-committee shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Board so far as applicable and so far as the same shall not be superseded by any regulations made by the Board save that if any matter under discussion is deadlocked the Chairman of such committee or sub-committee shall not have a second

casting vote and instead the matter shall be referred to the main Board. Insofar as such power is so delegated, any reference in these Articles to the exercise by the directors of such power shall be read and construed as if it were a reference to such committee or sub-committee.

15. SIGNIFICANT TRANSACTIONS

15.1 Prior to the agreement and adoption of the first Current ZIP, no action shall be taken by or on behalf of the Company and no resolution shall be carried at any meeting (whether a meeting of members or directors) unless AWM have given their prior approval.

15.2 Following the adoption of the first Current ZIP the business and activities of the Company shall (and the Company shall procure that any subsidiaries shall) be conducted in pursuit of the Current ZIP and notwithstanding these general constraints, the Company shall not (and shall procure that any subsidiaries shall not) undertake any of the following without the prior written consent of AWM and after careful consideration of any conflict with the Company's objects described in its Memorandum of Association (save that the following shall not apply where the matter is entirely funded by monies or resources provided by persons or organisations other than AWM):

15.2.1 undertake any matters which constitute a fundamental change to the Project (including fundamental changes to the areas of land and properties to be developed) or the business of any Group Company;

15.2.2 enter into any material agreement other than with AWM or as may be clearly anticipated by the Current ZIP and/or any which are not on an arm's length basis;

15.2.3 use funding or assets provided by AWM in a manner which AWM acting reasonably indicates is not in accordance with the purposes for which such funding or assets were obtained;

15.2.4 adopt or amend the Board Rules, the Current ZIP, or the provisions of the Memorandum of Association or the Articles of Association of any Group Company;

15.2.5 establish any subsidiaries;

15.2.6 where the Company establishes any subsidiaries: issue or transfer any shares in the capital of such subsidiary to any person (where the subsidiary is a

company limited by shares) or admit any person to membership or remove any member (where the subsidiary is a company limited by guarantee), or appoint or remove any directors of any such subsidiaries;

15.2.7 pay any director any remuneration (other than reimbursement of reasonable expenses);

15.2.8 change the accounting reference date of any Group Company;

15.2.9 change the accounting policies principles or practices or bases of the any Group Company;

15.2.10 incur any material expenditure unless such expenditure is within the budget for such expenditure in the Current ZIP or unless it is covered by any available contingency for that year;

15.2.11 grant or permit to arise or to continue any mortgage, charge, debenture or lien over the whole or any part of its assets, property or undertaking;

15.2.12 borrow any money;

15.2.13 enter into any agreement or arrangement in the nature of a joint venture, partnership or consortium;

15.2.14 adopt their annual accounts;

15.2.15 make any loan to or give or provide any guarantee or collateral mortgage charge debenture or other security (including any letter of set off or postponement) on behalf of any other person firm or corporation which is not a subsidiary of such company;

15.2.16 dispose of or acquire any property or other asset at anything other than best consideration (taking into account the value of both tangible and intangible benefits obtained);

15.2.17 declare or pay any dividend or other distribution nor make or allow to be made any distribution to members;

15.2.18 institute any litigation (other than debt collection in the ordinary course of business);

15.2.19 commence any proceedings or pass any resolutions to wind up any Group Company other than as described in these Articles; and

15.2.20 put out to tender any contract.

16. ARTICLE 15 DEADLOCK ISSUES

16.1 AWM shall use all reasonable endeavours to promptly consider any matter that requires its consent. AWM shall be free to withhold its consent to any of the matters described in Article 15. Where AWM grants or refuses any such consent it shall notify the Board of its decision within 21 days, and in the case of any refusal it shall, if requested by another director or member, state in writing to the Board its reasons for such refusal.

16.2 If within 21 days after circulation of the reasons for AWM withholding their consent to any of the matters referred to in Article 16.1 agreement has still not been reached with AWM then:-

16.2.1 the matter may be referred for an independent (non binding) opinion by any director to such independent person as all the Board agree, or in the event of a failure to agree within 2 working days, to such expert as, upon application by any director, is nominated by the President at that time of the Chartered Institute of Arbitrators (or its equivalent replacement body); in either case such person being "the Expert". The Expert shall act as an expert and not an arbitrator and may seek advice from other experts as he/she feels is necessary in arriving at their opinion. The cost of the Expert's opinion shall be borne by the Company;

16.2.2 the Expert shall be asked to deliver their opinion (if they have one) to each director and to AWM itself as soon as possible, and if possible within 10 working days;

16.2.3 AWM and the Board shall then consider and discuss the Expert's opinion (if any) over a period of a further 10 working days in an attempt (without any obligation) to find a resolution.

17. SECRETARY

Subject to the provisions of the Act, the secretary shall be appointed by the directors and with the consent of AWM for such term, such remuneration/honorarium and upon such conditions as they think fit, and any secretary so appointed may be removed by them (with the consent of AWM), provided always that no director may hold office as secretary where such office is remunerated.

18. **THE SEAL**

The Company shall not (and shall procure that its subsidiaries shall not) use or adopt a seal. Any documents requiring execution as a deed shall be executed by any two directors or by any director and the company secretary.

19. **MINUTES**

19.1 The directors shall cause minutes to be made in books kept for the purposes of:

19.1.1 recording the names and addresses of all the members;

19.1.2 all appointments to executive offices made by the directors;

19.1.3 all proceedings at meetings of the Company and of the directors and of any committees constituted pursuant to Article 14 including the names of directors and members present at each such meeting.

20. **NOTICES**

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

20.2 The Company may give notice to a member either personally or by sending it by first class post in a pre paid envelope addressed to the member at his registered address or by leaving it at that address or (if he has no registered address in the United Kingdom) to or at that address, if any, within the United Kingdom supplied by him to the Company for the giving of notices to him, but otherwise no such member shall be entitled to receive any notice from the Company.

20.3 Where a notice is sent by first class post, proof of the notice having been posted in a properly addressed, prepaid envelope shall be conclusive evidence that the notice was given and shall be deemed to have been given at the expiration of 24 hours after the envelope containing the same is posted.

21. **WINDING UP**

21.1 The Company and its subsidiaries shall be wound up voluntarily only at such time as 75% of the members including AWM agree.

21.2 If the Company and its subsidiaries are to be wound up, whether pursuant to the provisions of this Article 21 otherwise then subject to the discharge of all liabilities of all Group Company's or the retention of sufficient reserves to discharge the same

and to pay the costs of winding up the Company and its subsidiaries the remaining assets of the Group Companies that are available for lawful distribution to the members ("the Distributable Assets") shall be distributed to AWM alone in cash or in such other lawful manner as AWM may determine.

22. INDEMNITY

22.1 Subject to the provisions of section 310 of the Act every director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the lawful execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 144 or section 727 of the Act in which relief is granted to him by the court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the lawful execution of the duties of his office or in relation thereto.

22.2 The directors shall have power to purchase and maintain for any director, officer or auditor of the Company insurance against any such liability as is referred to in section 310 (1) of the Act and, subject to the provisions of the Act, against any other liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a director, officer or auditor.

22.3 The directors may authorise the directors of companies within the same group of companies as the Company to purchase and maintain insurance at the expense of the Company for the benefit of any director, other officer or auditor of such company in respect of such liability, loss or expenditure as is referred to in Article 22.1.

23. AVOIDING INFLUENCED COMPANY STATUS

23.1. No person who is a "Local Authority Associated Person" (meaning any person associated with any local authority in accordance with Section 69 of the Local Government and Housing Act 1989) may be appointed a member of the Company if after the appointment takes effect the number of members who are Local Authority Associated Persons will represent 20% or more of the total number of members.

23.2 No person who is a Local Authority Associated Person may be appointed as a Director if at the time the appointment is to take effect the number of directors who

are also Local Authority Associated Persons represents 20% or more of the total number of directors.

- 23.3 No person who is a Local Authority Associated Person is eligible to be appointed to the office of director unless appointed to such office by the Local Authorities to which he or she is associated or unless all the directors consent.
- 23.4 If at the time of either his becoming a member of the Company or his first appointment to office as a director any member or director was not a Local Authority Associated Person but later becomes so during his membership or tenure as a director he shall be deemed to have immediately resigned his membership and/or from his office as a director as the case may be, unless all the directors consent.
- 23.5 If at any time the number of directors who are also Local Authority Associated Persons would (but for this Article) represent 20% or more of the total number of directors, then such number of the directors who are Local Authority Associated Persons shall be deemed to have resigned as directors immediately before the occurrence of such event to ensure that at all times the number of directors who are Local Authority Associated Persons shall never be 20% or more of the total number of directors of the Company. In the event of any disagreement about which directors shall be deemed to have resigned then all directors who are Local Authority Associated Persons shall be deemed to have resigned as directors at the appropriate time.
- 23.6 The members will each notify the Company and each other if at any time they believe that any Group Company has become subject to the influence of a local authority (as described in Section 69 of the Local Government and Housing Act 1989) ("an Influenced Company").
- 23.7 Notwithstanding any other provision of these Articles, at any time when the Company or any Group company has become an Influenced Company then on any vote at any general meeting of the Company (and the Company shall use its influence to procure the same restrictions apply to all other Group companies) the total aggregate voting rights of any members who are a local authority or are associated with a local authority shall be deemed not to exceed 19% of the total voting rights of all members having the right to vote at the general meeting. The aggregate voting rights of such local authorities and any persons who are associated with local authorities shall be limited accordingly and the votes of the other members having a right to vote at the meeting will be increased on a pro-rata basis.

- 23.8 Notwithstanding any other provision of these Articles, at any time when the Company or any Group Company has become an Influenced Company then, in relation to the Company (and the Company shall use its influence to procure the same in relation to any Group company) on any vote at a meeting of the board of directors of the Influenced Company the total aggregate voting rights of any directors associated with any local authorities shall not exceed 19% of the total voting rights exercisable at the meeting and the voting rights of such persons shall be limited accordingly and the votes of the other directors having a right to vote at the meeting will be increased on a pro-rata basis.
- 23.9 The provisions of this article 23 shall not apply if the Board (with the written consent of both the Borough Council and the City Council) agrees.