

THE COMPANIES ACT 2006

WRITTEN RESOLUTION

-OF-

DELEGATED SERVICES CIC (the "Company")

Company Number: 08032458

PRIVATE COMPANY LIMITED BY SHARES

ADOPTION OF NEW ARTICLES OF ASSOCIATION

I the undersigned, being the only member of the Company who at the date of this resolution is entitled to attend and vote at general meetings of the Company, hereby unanimously resolve upon the following resolution and agree that it shall be as valid and effective as if it had been passed as a special resolution at a general meeting of the Company duly covered and held.

THAT the existing articles of association in their entirety be removed and substituted for the new articles of association attached to this resolution.

DATED: 21/12/2018

SIGNED: 

_____ Mr Peter John McCarthy



The Companies Act 2006

Community Interest Company Limited by Shares

Articles of Association¹
of
Delegated Services CIC

(CIC Limited by Shares, Schedule 3, Small Membership)

**The Companies Act 2006
Articles of Association
of**

Delegated Services CIC

INTERPRETATION

1. Defined terms

The Interpretation of these Articles is governed by the provisions set out in the Schedule to the Articles

COMMUNITY INTEREST COMPANY AND ASSET LOCK

2. Community Interest Company

The Company shall be a community interest company

3. Asset Lock²

3.1 The Company shall not transfer any of its assets other than for full consideration

3.2 Provided the conditions in Article 3.3 are satisfied, Article 3.1 shall not apply to:

- (a) the transfer of assets to any specified asset-locked body, or (with the consent of the Regulator) to any other asset-locked body,
- (b) the transfer of assets made for the benefit of the community other than by way of a transfer of assets into an asset-locked body,
- (c) the payment of dividends in respect of shares in the Company,
- (d) the distribution of assets on a winding up;
- (e) payments on the redemption or purchase of the Company's own shares,
- (f) payments on the reduction of share capital; and
- (g) the extinguishing or reduction of the liability of shareholders in respect of share capital not paid up on the reduction of share capital

3.3 The conditions are that the transfer of:

- (a) assets must comply with any restrictions on the transfer of assets for less than full consideration which may be set out elsewhere in the Memorandum and Articles of the Company; and
- (b) must not exceed any limits imposed by, or by virtue of, Part 2 of the Companies (Audit, Investigations and Community Enterprise) Act 2004

3.4 If

3.4.1 the Company is wound up under the Insolvency Act 1986, and

3.4.2 all its liabilities have been satisfied

any residual assets shall be given or transferred to the asset-locked body specified in Article 3.5 below.³

3.5 For the purposes of this Article 3, the following asset-locked body is specified as a potential recipient of the Company's assets under Articles 3.2 and 3.4:

Name [*VOSCUR*]

Charity Registration Number (If applicable) [*1148403*]

Company Registration Number (if applicable): [*3918210*]

Registered Office [*ROYAL OAK HOUSE, ROYAL OAK AVE*
BRISTOL BS1 4GB.]

4. **Not for profit**

The Company is not established or conducted for private gain any surplus or assets are used principally for the benefit of the community

OBJECTS, POWERS AND LIMITATION OF LIABILITY

5. **Objects⁵**

The objects of the Company are to carry on activities which benefit the community and in particular (without limitation) to provide a range of best value support services for the community and educational sectors

6. **Powers**

To further its objects the Company may do all such lawful things as may further the Company's objects and, in particular, but, without limitation, may borrow or raise and secure the payment of money for any purpose including for the purposes of investment or of raising funds

7. **Liability of shareholders⁶**

The liability of the shareholders is limited to the amount, if any, unpaid on the shares held by them

DIRECTORS
DIRECTORS' POWERS AND RESPONSIBILITIES⁷

8. Directors' general authority

Subject to the Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

9. Shareholders' reserve power

9.1 The shareholders may, by special resolution, direct the Directors to take, or refrain from taking, specific action

9.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution

10. Chair

The Directors may appoint one of their number to be the chair of the Directors for such term of office as they may determine and may at any time remove him or her from office

11. Directors may delegate⁸

11.1 Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles or the implementation of their decision or day to day management of the affairs of the Company:

- (a) To such person or committee;
- (b) by such means (including by power of attorney);
- (c) to such an extent,
- (d) In relation to such matters or territories; and
- (e) on such terms and conditions;

as they think fit.

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

11.3 The Directors may revoke any delegation in whole or part, or later its terms and conditions

DECISION-MAKING BY DIRECTORS

12. Directors to take decisions collectively⁹

Any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 18. In the event of the Company having only one Director, a majority decision made when that single Director makes a decision.

13. Calling a Directors' meeting

13.1 Two Directors may (and the Secretary)=, if any, must at the request of two Directors) call a Directors' meeting.

13.2 A Directors' meeting must be called by at least seven Clear Days' notice unless either

13.2.1 all the Directors agree, or

13.2.2 urgent circumstances require shorter notice.

13.3 Notice of Directors' meetings must be given to each Director.

13.4 Every notice calling a Directors' meeting must specify

13.4.1 the place, day and time of the meeting; and

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

13.5 Notice of Directors' meetings need not be in writing.

13.6 Notice of Directors' meetings may be sent by electronic means to an Address provided by the Director for the purpose.

14. Participation in Directors' meetings

14.1 Subject to the Articles, Directors participate in a Directors' meeting, or part of a

14.1.1 the meeting has been called and takes place in accordance with the Articles, and

14.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

14.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other¹⁰

14.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is

15. Quorum for Directors' meetings¹¹

15.1 At a Directors' meeting unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting

15.2 The quorum for Directors' meetings may be fixed from time to time by a decision of the Directors in the event of the Company having only one Director, the quorum is one

15.3 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:

15.3.1 to appoint further Directors, or

15.3.2 to call a general meeting so as to enable the shareholders to appoint further Directors

16. Chairing of Directors' meetings

The Chair, if any, or in his or her absence another Director nominated by the Directors present shall preside as chair of each Directors' meeting

17. Voting¹²

17.1 Questions arising at a Directors' meeting shall be decided by a majority of votes

17.2 In all proceedings of directors each director must not have more than one vote¹³

17.3 In case of an equality of votes, the Chair shall have a second or casting vote

18. Decisions without a meeting¹⁴

18.1 The Directors may take a unanimous decision Without a Directors' meeting by indicating to each other by any means, including without limitation by electronic means, that they share a common view on a matter Such a decision may, but need not, take the form of a resolution in writing, copies of which have been signed by each Director or to which each Director has otherwise indicated agreement in writing.

18.2 A decision which is made in accordance with Article 18.1 shall be valid and effectual as if it had been passed at a meeting duly convened and held, provided the following conditions are complied with:

18.2.1 approval from each Director must be received by one person being either such person as all the Directors have nominated in advance for that purpose or such other person as volunteers if necessary ("the Recipient"), which person may, for the avoidance of doubt, be one of the Directors,

18.2.2 following receipt of responses from all of the Directors, the Recipient must communicate to all of the Directors by any means whether the resolution has been formally approved by the Directors in accordance with this Article 18.2,

18.2.3 the date of the decision shall be the date of the communication from the Recipient confirming formal approval,

18.2.4 the Recipient must prepare a minute of the decision in accordance with Article 47

19. Conflicts of interest ¹⁵

19.1 Whenever a Director finds himself or herself in a situation that is reasonably likely to give rise to a Conflict of Interest, he or she must declare his or her interest to the Directors unless, or except to the extent that, the other Directors are or ought reasonably to be aware of it already

19.2 Whenever a matter is to be discussed at a meeting or decided in accordance with Article 18 and a Director has a Conflict of Interest in respect of that matter then, subject to Article 20, he or she must:

19.2.1 remain only for such part of the meeting as in the view of the other Directors is necessary to inform the debate;

19.2.2 not be counted in the quorum for that part of the meeting, and

19.2.3 withdraw during the vote and have no vote on the matter

19.3 If any question arises as to whether a Director has a Conflict of Interest, the question shall be decided by a majority decision of the other Directors

19.4 When a Director has a Conflict of Interest which he or she has declared to the Directors, he or she shall not be in breach of his or her duties to the Company by withholding confidential information from the Company if to disclose it would result in a breach of any other duty or obligation of confidence owed by him or her

20. Directors' power to authorise a conflict of interest

20.1 The Directors have power to authorise a Director to be in a position of Conflict of Interest provided

20.1.1 In relation to the decision to authorise a Conflict of Interest, the conflicted Director must comply with Article 19.3;

20.1.2 In authorising a Conflict of Interest, the Directors can decide the manner in which the Conflict of Interest may be dealt with and, for the avoidance of doubt, they can decide that the Director with a Conflict of Interest can participate in a vote on the matter and can be counted in the quorum,

20.1.3 the decision to authorise a Conflict of Interest can impose such terms as the Trustees think fit and is subject always to their right to vary or terminate the authorisation, and

- 20.2 If a matter, or office, employment or position, has been authorised by the Directors in accordance With Article 20.1 then, even If he or she has been authorised to remain at the meeting by the other Directors, the Director may absent himself or herself from meetings of the Directors at which anything relating to that matter, or that office, employment or position, will or may be discussed
- 20.3 A Director shall not be accountable to the Company for any benefit which he or she derives from any matter, or from any office, employment or position, which has been authorised by the Directors In accordance With Article 20.1 (subject to any limns or conditions to which such approval was subject)

21. Register of Directors' interests

The Directors shall cause a register of Directors' Interests to be kept A Director must declare the nature and extent of any Interest, direct or Indirect, which he or she has in a proposed transaction or arrangement with the Company or in any transaction or arrangement entered into by the Company which has not previously been declared.

APPOINTMENT AND RETIREMENT OF DIRECTORS¹⁶

22. Methods of appointing Directors

- 22.1 Those persons notified to the Registrar of Companies as the first Directors of the Company shall be the first Directors
- 22.2 Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director by a decision of the Directors
- 22.3 Each member of the company shall be a Director

23. Termination of Director's appointment

A person ceases to be a Director as soon as

- (a) that person ceases to be a Director by virtue of any provision of the Companies Act 2006 or is prohibited from being a Director by law;
- (b) a bankruptcy order is made against that person, or an order is made against that person in individual Insolvency proceedings In a Jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy,
- (c) a composition IS made with that person's creditors generally in satisfaction of that person's debts,
- (d) the Directors reasonably believe he or she IS suffering from mental disorder and incapable of acting and they resolve that he or she be removed from office,
- (e) notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with Its terms (but only if at least two Directors will remain in office when such resignation has taken effect), or

- (f) the Director fails to attend three consecutive meetings of the Directors and the Directors resolve that the Director be removed for this reason the Director ceases to be a member

24. Directors' remuneration ¹⁷

- 24.1 Directors may undertake any services for the Company that the Directors decide
- 24.2 Subject to the Articles, and in particular Article 3, Directors are entitled to such remuneration as the Directors determine:
 - (a) for their services to the Company as Directors; and
 - (b) for any other service which they undertake for the Company.
- 24.3 Subject to the Articles, and in particular Article 3, a Director's remuneration may
 - (a) take any form, and
 - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director
- 24.4 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.
- 24.5 Unless the Directors decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as Directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested

25. Directors' expenses

- 25.1 The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at
 - (a) meetings of Directors or committees of Directors,
 - (b) general meetings; or
 - (c) separate meetings of the holders of any class of shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company

SHARES

26. All shares to be fully paid up and issued at nominal value to a Director

- 26.1 No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue
- 26.2 This does not apply to shares taken on the formation of the Company by the subscribers to the Company's Memorandum

26.3 No share shall be issued to a person except a Director.

27. Powers to issue different classes of share ¹⁸

27.1 Subject to the Articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution

27.2 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the Directors may determine the terms, conditions and manner of redemption of any such share

28. Company not bound by less than absolute interests

Except as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or the Articles, the Company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it

29. Share certificates

29.1 The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds

29.2 Every certificate must specify

- (a) in respect of how many shares, of what class, it is issued,
- (b) the nominal value of those shares,
- (c) that the shares are fully paid, and
- (d) any distinguishing numbers assigned to them

29.3 No certificate may be issued in respect of shares of more than one class

29.4 If more than one person holds a share, only one certificate may be issued in respect of it

29.5 Certificates must

- (a) have affixed to them the Company's common seal, ¹⁹ or

- (b) be otherwise executed in accordance with the Companies Acts

30. Replacement share certificates

30.1 If a certificate issued in respect of a shareholder's shares is

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed,

that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

30.2 A shareholder exercising the right to be issued with such a replacement certificate

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates,
- (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced, and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

31. Share transfers²⁰

31.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which executed by or on behalf of the transferor

31.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

31.3 The Company may retain any instrument of transfer which is registered

31.4 The transferor remains the holder of a share until the transferee's name is entered in the register of shareholders as holder of it

31.5 The Directors may refuse to register the transfer of a share to a person of whom they do not approve.

31.6 They may also refuse to register the transfer unless it is lodged at the registered office of the Company or at such other place as the Directors may appoint and is accompanied by such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and by such other information, as they may reasonably require

31.7 If the Directors refuse to register such a transfer, they shall, within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal

- 31.8 The provisions of this Article apply in addition to any restrictions on the transfer of a share which may be set out elsewhere in the Memorandum or Articles of the Company

32. Purchase of own shares²¹

Subject to the articles, the company may purchase its own shares (including any redeemable shares) and may make a payment in respect of the redemption or purchase of its own shares otherwise than out of the distributable profits of the Company or the proceeds of a fresh issue of shares. Any share so purchased shall be purchased at its nominal value.

33. Transmission of shares²²

- 33.1 If title to a share passes to a transferee, the Company may only recognise the transferee as having any title to that share.
- 33.2 A transferee who produces such evidence of entitlement to shares as the Directors may properly require
- (a) may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person, and
 - (b) subject to the Articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 33.3 But transferees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

34. Exercise of transferees' rights

- 34.1 Transferees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.
- 34.2 If the transferee wishes to have a share transferred to another person, the transferee must execute an instrument of transfer in respect of it.
- 34.3 Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the transferee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

35. Transferees bound by prior notices

- 35.1 If a notice is given to a shareholder in respect of shares and a transferee is entitled to those shares, the transferee is bound by the notice if it was given to the shareholder before the transferee's name has been entered in the register of shareholders.

11
DIVIDENDS AND OTHER DISTRIBUTIONS

36. Procedure for declaring dividends

No dividends may be declared or paid. The company is not established or conducted for private gain. Any surplus or assets are used principally for the benefit of the community.

CAPITALISATION OF PROFITS

37. Authority to capitalize and appropriation of capitalized sums

Subject to the Articles, the Directors may, If they are so authorised by an ordinary resolution

- (a) decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve, and
- (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions

37.2 Capitalised sums must be applied

- (a) on behalf of the persons entitled, and
- (b) in the same proportions as a dividend would have been distributed to them

37.3 Any capitalised sum may be applied in paying up new shares if a nominal amount equal to the capitalized sum which are then allotted credited as fully paid to the persons entitled or as they may direct

37.4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.

37.5 Subject to the Articles the Directors may

- (a) apply capitalised sums in accordance with Articles 42.3 and 42.4 partly in one way and partly in another,
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments), and
- (c) authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this Article

DECISION-MAKING BY SHAREHOLDERS

38. Shareholders Meetings²³

- 38.1 The Directors may call a general meeting at any time
- 38.2 General meeting must be held in accordance with the provisions regarding such meetings in the Companies Act. ²⁴
- 38.3 A person who is not a shareholder of the Company shall not have any right to vote at a general meeting of the Company, but this is without prejudice to any right to vote on a resolution affecting the rights attached to a class of the Company's debentures
- 38.4 Article 43.3 shall not prevent a person who is a proxy for a shareholder or a duly authorised representative of a shareholder from voting at a general meeting of the Company

WRITTEN RESOLUTIONS

39. Written resolutions

Subject to Article 44.3, a written resolution of the Company passed in accordance with this Article 44 shall have effect as if passed by the Company in general meeting

- 39.1.1 A written resolution is passed as an ordinary resolution if it is passed by a simple majority of the total voting rights of eligible shareholders
- 39.1.2 A written resolution is passed as a special resolution if it is passed by shareholders representing not less than 75% of the total voting rights of eligible shareholders. A written resolution is not a special resolution unless it states that it was proposed as a special resolution
- 39.1.3 In relation to a resolution proposed as a written resolution of the Company the eligible shareholders are the shareholders who would have been entitled to vote on the resolution on the Circulation Date of the resolution
- 39.1.4 A shareholders' resolution under the Companies Acts removing a Director or an auditor before the expiration of his or her term of office may not be passed as a written resolution
- 39.1.4 A copy of the written resolution must be sent to every shareholder together with a statement informing the shareholder how to signify their agreement to the resolution and the date by which the resolution must be passed if it is not to lapse. *Communications in relation to written notices shall be sent to the Company's auditors in accordance with the Companies Acts.*
- 39.1.5 A shareholder signifies their agreement to a proposed written resolution when the Company receives from him or her an authenticated Document Identifying the resolution to which it relates and indicating his or her agreement to the resolution
 - 39.1.5.1 If the Document is sent to the Company in hard copy form, it is authenticated if it bears the shareholder's signature
 - 39.1.5.2 If the Document is sent to the Company by electronic means, it is authenticated if it bears the shareholder's signature or if the identity of the shareholder is confirmed in a manner agreed by the Directors or if

it is accompanied by a statement of the identity of the shareholder and the Company has no reason to doubt the truth of that statement or If it IS from an email Address notified by the shareholder to the Company for the purposes of receiving Documents or information by electronic means

- 39.6 A written resolution IS passed when the required majority of eligible shareholders have signified their agreement to It
- 39.7 A proposed written resolution lapses if it IS not passed within 28 days beginning With the Circulation Date.

ADMINISTRATIVE ARRANGEMENTS AND MISCELLANEOUS

40 Means of communication to be used

- 40.1 *Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Companies Act 2006 provides for Documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.*
- 40.2 Subject to the Articles, any notice or Document to be sent or supplied to a Director in connection With the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied With such notices or Documents for the time being
- 40.3 A Director may agree With the Company that notices or Documents sent to that Director in a particular way are to be deemed to have been received within an agreed time of their being sent, and for the agreed time to be less than 48 hours

41. Irregularities

The proceedings at any meeting or on the taking of any poll or the passing of a written resolution or the making of any decision shall not be Invalidated by reason of any accidental Informality or Irregularity (Including any accidental omission to give or any non-receipt of notice) or any want of qualification in any of the persons present or voting or by reason of any business being considered which is not referred to In the notice unless a provision of the Companies Acts specifies that such informality, irregularity or want of qualification shall Invalidate It

42. Minutes

- 42.1 The Directors must cause minutes to be made in books kept for the purpose

- 42.1.1 of all appointments of officers made by the Directors,
- 42.1.2 of all resolutions of the Company and of the Directors (Including, without limitation, decisions of the Directors made without a meeting), and
- 42.1.3 of all proceedings at meetings of the Company and of the Directors, and of committees of Directors, including the names of the Directors present at each such meeting,

and any such minute, If purported to be Signed (or In the case of minutes of Directors' meetings Signed or authenticated) by the chair of the meeting at which the proceedings were had, or by the chair of the next succeeding meeting, shall, as

against any shareholder or Director of the Company, be sufficient evidence of the proceedings

- 42.2 The minutes must be kept for at least ten years from the date of the meeting, resolution or decision

43. **Records and accounts²⁶**

The Directors shall comply with the requirements of the Companies Acts as to maintaining a shareholders' register, keeping financial records, the audit or examination of accounts and the preparation and transmission to the Registrar of Companies and the Regulator of:

- 43.1.1 annual reports,

- 43.2 annual returns, and

- 43.3. annual statements of account

- 43.4 Except as provided by law or authorised by the Directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or Documents merely by virtue of being a member

44. **Indemnity**

- 44.1 Subject to Article 49 2, a relevant Director of the Company or an associated company may be indemnified out of the Company's assets against'

- (a) any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;
- (b) any liability incurred by that Director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
- (c) any other liability incurred by that Director as an officer of the Company or an associated company

- 44 2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

- 44 3 In this Article

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant Director" means any Director or former Director of the Company or an associated company

45. **Insurance**

45.1 The Directors may decide to purchase and maintain Insurance, at the expense of the Company, for the benefit of any relevant Director in respect of any relevant loss

45.2 In this Article:

- (a) a "relevant Director" means any Director or former Director of the Company or an associated company,
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant Director in connection with that Director's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

46. **Exclusion of model articles**

The relevant model articles for a company limited by shares are hereby expressly excluded

SCHEDULE

INTERPRETATION

In the Articles, unless the context requires otherwise, the following terms shall have

the following meanings

| Term | Meaning |
|---------------------|--|
| "Address" | includes a number or address used for the purposes of sending or receiving Documents by Electronic Means, |
| "Articles" | means the Company's articles of association, |
| "asset-locked body" | means (i) a community interest Company or a charity ²⁷ or a Permitted Industrial and Provident Society; or (ii) a body established outside the United Kingdom that is equivalent to any of those, |
| "bankruptcy" | Includes Individual Insolvency proceedings in a Jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy, |
| "Chair" | has the meaning given in Article 10, |

| | |
|--|---|
| "Circulation Date" | In relation to a resolution, has the meaning given to it in the Companies Acts, |
| "Clear Days" | In relation to the period of a notice, 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" | is to be construed in accordance with the section 35(5) of the Companies (Audit, Investigations and Community Enterprise) Act 2004, |
| "Companies Acts" | means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company; |
| "Company" | Delegated Services C I C , |
| "Conflict of Interest" | any direct or indirect interest of a Director (whether personal, by virtue of a duty of loyalty to another organisation or otherwise) that conflicts or might conflict with the interests of the Company, |
| "Director" | means a director of the Company, and includes any person occupying the position of director, by whatever name called, |
| "distribution recipient" | has the meaning given in Article 37, |
| "Document" | includes, unless otherwise indicated, any document sent or supplied in Electronic Form, |
| "Electronic Form and Electronic Means" | have the meanings respectively given to them in section 1168 of the Companies Act 2006, |
| "fully paid" | in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company; |
| "Hard Copy Form" | has the meaning given in section 1168 of the Companies Act 2006; |
| "holder" | in relation to shares means the person whose name is entered in the register of shareholders as the holder of the shares; |
| "instrument" | means a document in Hard Copy Form, |

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| "Memorandum" | the Company's memorandum of association, means paid or credited as paid, |
| "participate" | in relation to a Directors' meeting, has the meaning given in Article 14; |
| "Permitted Industrial and Provident Society" | means an Industrial and provident society which has a restriction on the use of its assets in accordance with regulation 4 of the Community Benefit Societies (Restriction on Use of Assets) Regulations 2006 or regulation 4 of the Community Benefit Societies (Restriction on Use of Assets) Regulations (Northern Ireland) 2006, |
| "the Regulations" | means the Community Interest Company Regulations 2005 (as amended), |
| "the Regulator" | means the Regulator of Community Interest Companies; |
| "Secretary" | the secretary of the Company (if any), |
| "shareholder" | means a person who is the holder of a share, |
| "shares" | means shares in the Company, |
| "specified" | means specified in the memorandum or articles of association of the Company for the purposes of this paragraph; |
| "subsidiary" | has the meaning given in section 1159 of the Companies Act 2006, |
| "transfer" | includes every description of disposition, payment, release or distribution, and the creation or extinction of an estate or interest in, or right over, any property, |
| "transmittee" | means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law, and |
| "Writing" | means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise |
| 2 | Subject to clause 3 of this Schedule, any reference in the Articles to an enactment includes a reference to that enactment as re-enacted or amended from time to time and to any subordinate legislation made under it. |

3. Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Acts as in force on the date when these Articles become binding on the Company

Explanatory Notes : CIC Limited by Shares, Schedule 3, Small Membership

On articles of association generally, see [Part 5] of the Regulator's Information and guidance notes. If you are an existing company wishing to become a community interest company, there is no need to adopt completely new articles, but you must comply with the requirements of the Regulations by including the provisions set out in Schedule 3 to the Regulations in the articles of your company.

2 See [Part 6] of the Regulator's Information and guidance notes. Inclusion of the provisions contained in articles 3.1 to 3.3 (reflecting paragraph 1(1) to (3) of Schedule 3 to the Regulations) is mandatory.

3 When a CIC is wound up, its "residual assets" are any property remaining after satisfaction of the company's liabilities under the Insolvency Act 1986. The Regulations permit shareholders to be paid back, out of the residual assets, the nominal value of their shares. Anything left over after this process is classed as "remaining residual assets" and must be paid to a specified Asset Locked Body (or, if no such body is specified, to an Asset Locked Body chosen by the Regulator in consultation with the company).

4 See regulation 23 of the Regulations and Parts [6 and 10.3] of the Regulator's Information and guidance notes. If the company does not specify that the remaining residual assets are to be transferred to a particular Asset Locked Body, an appropriate recipient will be chosen by the Regulator, in consultation with the company's directors and shareholders.

5 On the specification of the company's objects, see [Part 5] of the Regulator's Information and guidance notes. 6 On limited liability and share capital generally, see [Part 3] of the Regulator's information and guidance notes.

7

Note that although this model constitution assumes that all directors are issued shares and the directors are given wide powers, under the Articles (and company law more generally) there are still some decisions which shareholders must make as shareholders (either in general meeting under the Companies Act 2006 (article 43), or by written resolution in accordance with article 44). [See in general the Companies House guidance booklet, "Resolutions" (available online at <http://www.companieshouse.gov.uk/about/gbhtml/gba7.shtml>)]

8 Article 11 permits the directors to delegate any of their functions. Delegation may take the form of, for instance, the directors giving a managing director general authority to run the company's day to day business, or responsibility for specific matters being delegated to particular directors (e.g. financial matters to a finance director). Or, it may be equally appropriate to delegate matters to persons other than directors. In all cases, it is important to remember that delegation does not absolve directors of their general duties towards the company and their overall responsibility for its management. This means that, amongst other things, directors must be satisfied that those to whom responsibilities are delegated are competent to carry them out.

9

Article 12 states that the directors must make decisions by majority at a meeting subject to article 14, or unanimously if taken in accordance with article 18.

10 Article 14.2 is designed to facilitate the taking of decisions by the directors community via telephone or video conference calls. Note the requirement to keep a written record of meetings and decisions (article 47).

The quorum may be fixed in absolute terms (e.g. "two directors") or as a proportion of the total number of directors (e.g. "one third of the total number of directors"). You may even wish to stipulate that particular named directors, or directors representing particular stakeholder interests, must be present to constitute a quorum.

12 Article 17 reflects paragraph 4 of Schedule 3 to the Regulations, which required to be included in the articles of all community interest companies limited by shares.

13 You may wish to include a provision which gives the Chair of the board a casting vote. This will enable the directors to resolve any deadlock at board level.

14 Article 18 is designed to facilitate the taking of decisions by directors following discussions in the form of, for example, email exchanges copied to all the directors. Note the requirements as to recording the decision in articles 18.2 and 47.

The provisions in articles 19 and 20 reflect the position under the Companies Act 2006. However, it is recommended that, as a matter of good practice, all actual and potential conflicts of interest are disclosed in writing or at a meeting, as the case may be. Private companies are obliged to have at least one director. Provisions can be inserted into the articles providing for a minimum number of directors. Where the company has just one director, that director must be a natural person. Article 12 notes that, where there is only one director, a majority decision is reached when that director makes a decision. In the case of a single director, the quorum provisions (article 15) will need to be amended accordingly.

See the guidance on directors' remuneration in [Part 9] of the Regulator's Information and guidance notes.

Note that unless specific wording is added to the contrary, the directors of a company with only one class of shares will be able to issue new shares without needing the consent of the existing shareholders. If appropriate, limitations (such as a cap on the number of shares) can be added but bespoke drafting will be required.

If the company does not have a common seal, share certificates can be executed by two directors, by one director and the secretary (if there is one), or by one director in the presence of an independent witness.

Articles 31.5 — 31.8 are mandatory, reflecting paragraph 2 of Schedule 3 to the Regulations. The model constitution does not contain any other additional restrictions on the transfer of shares, but note that the Directors may refuse to register a transfer of shares to a person of whom they do not approve.

This article in itself does not provide sufficient authority for the company to purchase its own shares. The company must also comply with the relevant statutory requirements, in particular sections 693 — 700 of the Companies Act 2006. We recommend that you take legal advice before taking any steps towards the company purchasing its own shares. It is important that any purchase of shares made in accordance with this article is also made in accordance with article 3 (asset lock).

In the event of the death of a shareholder, the share will pass according to the will of the deceased shareholder, or the intestacy rules.

The Companies Act 2006 has removed the need for private companies to hold annual general meetings and therefore these Articles follow suit, however, if you wish, you can insert an additional provision which obliges the company to hold annual general meetings.

Article 43.2 provides that general meetings must be held in accordance with the provisions of the Companies Act 2006. You may insert additional provisions that specify how many shareholders are required to be present to hold a valid general meeting. The quorum may be fixed in absolute terms (e.g. "four shareholders") or as a proportion of the total number of shareholders (e.g. "three quarters of the shareholders from time to time"). You may even wish to stipulate that particular named shareholders, or shareholders representing particular stakeholder interests, must be present to constitute a quorum. In any event, it is recommended that the quorum should never be less than half of the total number of shareholders.

Article 43.3 reflects paragraph 3(1) of Schedule 3 to the Regulations and is mandatory. [See the Companies House guidance booklet, "Accounts and Accounting Reference Dates" (available online at <http://www.companies-house.gov.uk/about/gbhtml/gba3.shtml>)] On the annual community interest company report, see [Part 8] of the Regulator's Information and guidance notes.

Section 1(1) of the Charities Act 2006 defines "charity" as an institution which "is established for charitable purposes only, and falls to be subject to the control of the High Court in the exercise of its jurisdiction with respect to charities".

NOTES

- (1) On the formalities required when an existing company becomes a CIC, see generally section 37 of the Companies (Audit, Investigations and Community Enterprise Act) 2004 and Chapters 4.2, 5.1 and 5.3 of the Regulator's guidance notes (available from the website www.cicregulator.gov.uk)
- (2) This precedent is drafted as a certificate of passing of the special resolutions which a company must pass as part of the process of becoming a CIC. It is to be signed by the chairman of the general meeting at which the special resolutions are passed, certifying that the meeting was duly convened and the resolutions duly passed. As such, it is the sort of document which should be forwarded to Companies House to show that the resolutions have been passed as required.
- (3) Section 32 obliges every CIC to include in its articles a statement that it is to be a CIC. Section 37(1)(c) and section 33 of the Act oblige companies converting to become CICs to change their names to include one of the prescribed CIC corporate designations rather than "limited" or "plc". In addition, section 32 of the Act, and regulations made under it (see Part 3 of, and Schedules 1 to 3 to, the Community Interest Company Regulations 2005) prescribe that certain provisions relating to the governance of the company, and transfers of its assets (the "prescribed provisions"), must be included in CICs' articles.
- (4) The precedent resolution complies with all these requirements. You may also want to make other changes. Broadly speaking, any provision of the company's articles can be changed by special resolution or notice of change of name by resolution, as appropriate. However, there are certain exceptions to this:
 - (a) the clause in the articles which specifies whether the company's registered office is to be located in England and Wales, Wales or Scotland, and
 - (b) any clause which the articles state is unalterable, or can only be altered by some procedure more onerous than the passing of a special resolution.
- (5) With the exception of the statement of CIC status, the precedent assumes that, rather than setting out each change introduced in the articles as a result of section 32 and the Regulations, the resolution will simply substitute a complete new form of memorandum and articles which includes all the changes. If, instead, you wish to introduce the prescribed provisions required by the Regulations (see note 3 above) piecemeal, you will need to add resolutions to that effect. But in any event, you must file a consolidated text of the articles as altered by any special resolution. It is an offence not to do so (see section 34 of the Companies Act 2006).