

**Articles of Association**

**of**

**Our Pride, Our Joy Limited**

COMPANY LIMITED BY SHARES

COMPANIES ACT 2006

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES

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## PART A: INTERPRETATION

### 1. DEFINITIONS

#### 1.1 In these Articles:

<b>“the Act”</b>	means the Companies Acts (as defined in Section 2 of the Companies Act 2006) insofar as they apply to the Company and any statutory modification or re-enactment thereof for the time being in force;
<b>“these Articles”</b>	means these Articles of Association of the Company, and <b>“Article”</b> is a reference to one of them;
<b>“the Board”</b>	means the board of Directors of the Company and (where appropriate) includes a Committee and the Directors or members of a Committee acting by written resolution;
<b>“Board Meeting”</b>	means a meeting of the Board or (where appropriate) of a Committee;
<b>“Chair”</b>	means (subject to the context) either the person elected as chair of the Company under Article 36 or, where the Chair of the Company is not present or has not taken the chair at a meeting, means the person who is chairing a Board Meeting or General Meeting at the time;
<b>“clear days”</b>	in relation to a period of notice means the 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;
<b>“Committee”</b>	means a committee of the Board;
<b>“the Company”</b>	means the company regulated by these Articles;
<b>“Companies House”</b>	means the office of the Registrar of Companies;
<b>“Director”</b>	means any director of the Company;
<b>“Electronic Communication”</b>	has the meaning given in the Electronic Communications Act 2000;
<b>“General Meeting”</b>	means a general meeting of the Members;
<b>“Group Organisation”</b>	means any organisation which is a parent or

	subsidiary of the Company or is a parent or subsidiary of such a parent or subsidiary (in each case under either section 1159 of the Act);
<b>“the holder”</b>	in relation to shares means the Member whose name is entered in the register of members;
<b>“including”</b>	means “including without limitation” and “include” and “includes” are to be construed accordingly;
<b>“Interested Director”</b>	has the meaning given in Article 28.1.1;
<b>“Member”</b>	means a shareholder for the time being of the Company;
<b>“the Parent”</b>	means Fierte Multi-Academy Trust, a company limited by guarantee with company number 07606026;
<b>“Registered Office”</b>	means the registered office of the Company;
<b>“Relevant Director”</b>	has the meaning given in Article 38;
<b>“Relevant Loss”</b>	has the meaning given in Article 38;
<b>“Secretary”</b>	means 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;
<b>“Standing Orders”</b>	means standing orders made by the Board under Article 43; and
<b>“United Kingdom”</b>	means Great Britain and Northern Ireland.

1.2 In these Articles:

- 1.2.1 terms defined in the Act are to have the same meaning;
- 1.2.2 references to the singular include the plural and vice versa, to the whole include part and vice versa and to the masculine include the feminine and neuter and vice versa;
- 1.2.3 references to “organisations” or “persons” include corporate bodies, public bodies, unincorporated associations and partnerships;
- 1.2.4 references to legislation, regulations, determinations and directions include all amendments, replacements or re-enactments and all regulations, determinations and directions made or given under it; and

1.2.5 the index and headings are not to affect their interpretation.

**2. NAME**

The Company's name is Our Pride, Our Joy Limited.

**3. OFFICE**

The Company's registered office is to be in England.

**4. POWERS**

The Company may do anything that a natural or corporate person can lawfully do which is not expressly prohibited by these Articles.

**5. LIMIT OF LIABILITY**

The liability of a Member is limited to the amount, if any, unpaid on the Shares held by him.

**6. MODEL ARTICLES**

The model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 do not apply to the Company.

## **PART B. SHARE CAPITAL**

### **7. ISSUE OF SHARES**

- 7.1 Except as required by law, no person is to be recognised by the Company as holding a Share on trust. The Company is not bound to recognise any interest in a Share other than the holder's absolute right to it.
- 7.2 An offer in relation to new Shares must be made by giving notice to each of the Members specifying the number of Shares offered. It must give at least 21 days for the offer to be accepted.
- 7.3 Any Shares which are not accepted within 21 day period under Article 7.2 will be deemed to have been declined and must be offered, in the same proportions, to the Members who have accepted the Shares offered to them. The further offer must be made on the same terms and subject to the same notice period as the original offer.
- 7.4 Any Shares not accepted (except by way of fractions) under Articles 7.2 or 7.3 and any Shares released from this Article by a special resolution are to be under the control of the Board. The Board may dispose of them as they decide but no Shares refused by the existing Members may be disposed of on terms which are more favourable to their subscribers than the terms on which they were offered to the Members.
- 7.5 Sections 561 and 562 of the Act do not apply to the Company.

### **8. SHARE CERTIFICATES**

- 8.1 Members are entitled without payment to one certificate for all the Shares of each class they hold (and, on transferring part of their Shares, to a certificate for the balance of their holding).
- 8.2 Every Share certificate must:
  - 8.2.1 specify the number, class and distinguishing numbers (if any) of the Shares to which it relates;
  - 8.2.2 specify the amount paid up for the Shares; and
  - 8.2.3 be executed by the Company.
- 8.3 The Company need not issue more than one certificate for Shares held jointly. The delivery of a certificate to one joint holder is a sufficient delivery to all of them.
- 8.4 If a Share certificate becomes defaced, or worn out or is lost or destroyed it may be renewed. The Board may specify conditions to be satisfied before it is renewed. Those conditions may relate to evidence, indemnity and provide for the payment of the Company's reasonable costs in investigating evidence. Apart from any payments due as a result of compliance with the Boards' conditions no other charge may be made. If

the Share certificate is defaced or wearing out the old certificate must be delivered to the Company before it can be renewed.

## **9. LIEN**

- 9.1 The Company is to have a first and paramount lien on every Share registered in the name of any person indebted or under a liability to the Company, (including a Share held jointly with another person) for all money payable by the holder or the holder's estate to the Company. The Board may exempt a Share from this Article at any time.
- 9.2 The Company may sell any Shares on which the Company has a lien if the debt secured by the lien is not paid within 14 clear days after notifying the holder of the Share (or the person entitled to it in consequence of the death or bankruptcy of the holder), demanding payment and stating that if the notice is not complied with the Shares may be sold.
- 9.3 In order to give effect to a sale the Board may authorise any person to sign a transfer of the Shares to, or as directed by the purchaser. The title of the purchaser will not be affected by any irregularity in or invalidity of the sale proceedings.
- 9.4 The net proceeds of the sale must be applied to discharge the debt secured by the lien. Any residue is to be paid to the person entitled to the Shares at the date of the sale when he surrenders the certificate for the Shares sold to the Company for cancellation.

## **10. CALLS ON SHARES AND FORFEITURE**

- 10.1 Subject to the terms of allotment, the Board may make calls on the Members for any money unpaid on their Shares (whether in respect of nominal value or premium). A call is made when the Board resolution authorising the call is passed.
- 10.2 Each Member must (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made) pay the Company the amount called as required by the notice. A call may require payment in instalments. A person on whom a call is made will remain liable for the call made even if the Shares on which it was made are later transferred. The joint holders of a Share are jointly and severally liable to pay all calls on it.
- 10.3 If a call is unpaid after it is due the person from whom it is payable must pay interest on the unpaid amount from when it became due until payment. The rate must be fixed by the terms of allotment of the Share or in the notice of the call. If no rate is fixed the rate is to be the appropriate rate (as defined in the Act). The Board may waive payment of the interest.
- 10.4 An amount payable on a Share on allotment on a fixed date (for the nominal value or a premium or as an instalment of a call) is to be deemed to be a call. If it is not paid this Article is to apply as if it had become payable because of a call.
- 10.5 Subject to the terms of allotment, the Board may make different arrangements on the issue of Shares for the holders of the amounts and times of payment of calls on their Shares.

- 10.6 A call may be revoked before the Company receives the sum due under it. Payment of a call may also be postponed.
- 10.7 If a call remains unpaid after it has become due the Board may give the person by whom it is payable at least 14 clear days' notice requiring payment of the call and any interest due and all expenses that may have been incurred by the Company as a result of the non-payment. The notice must state where payment is to be made and that, if it is not complied with, the Shares on which the call was made are liable to be forfeited.
- 10.8 If the notice is not complied with then, before the payment it required is made, the Shares on which it was given may be forfeited by a resolution of the Board. The forfeiture is to include all dividends or other money payable on the forfeited Shares which were not paid before the forfeiture.
- 10.9 Subject to the Act, a forfeited Share may be sold, re-allotted or otherwise disposed of as the Board decides. This may be to its holder before the forfeiture or to any other person. At any time before the sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Board decides. Where a forfeited Share is to be transferred to any person the Board may authorise any person to sign the Share transfer to that person.
- 10.10 Where a Member's Shares have been forfeited he will cease to be a Member in respect of them. He must surrender the certificate for the Shares forfeited to the Company for cancellation. He is still liable to the Company for all money which, at the date of forfeiture, was payable to the Company on them plus interest at the interest rate before forfeiture or, if no interest was payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment. The Board may waive payment or enforce payment without allowing for the value of the Shares at the time of forfeiture or the consideration received on their disposal.
- 10.11 A statutory declaration by a Director or the Secretary that a Share has been forfeited on a specified date is to be conclusive evidence of the fact stated in it as against all persons claiming to be entitled to the Share. The declaration is (subject to the execution of an instrument of transfer if necessary) to constitute a good title to the Share. The purchaser of the Share is not bound to see to the application of the consideration, if any. His/her title to the Share is not to be affected by any irregularity in or invalidity of the forfeiture or disposal proceedings.

## **11. TRANSFER OF SHARES**

- 11.1 A Share transfer may be in any usual form or in any other form the Board approves. It must be signed by or on behalf of the transferor.
- 11.2 The Board may in its absolute discretion and without giving any reason refuse to register a Share transfer. Whilst the Parent continues to be a Member the Board may not register a Share transfer without the consent of the Parent.
- 11.3 If the Board refuses to register a Share transfer it must notify the transferee of the refusal within two months after the date the transfer was lodged with the Company.

- 11.4 No fee may be charged for the registration of any transfer or other document relating to or affecting the title to any Share.
- 11.5 The Company may retain a transfer document which is registered, but any transfer which the Board refuses to register must (except in any case of fraud) be returned to the person lodging it when notice of the refusal is given.
- 11.6 The Board may destroy all instruments of transfer of Shares of the Company which have been registered in any manner that the Board approves as long as:
- 11.6.1 six years have passed since the date of registration of the transfer;
  - 11.6.2 the Board acts in good faith; and
  - 11.6.3 at the date of destruction, the Board has no notice of any claim to which the instrument of transfer might be relevant.
- 11.7 The Board may destroy all registered Share Certificates which have been cancelled in any manner that the Board approves as long as:
- 11.7.1 at least three years have passed since the date of cancellation of the Share certificate; and
  - 11.7.2 the Board acts in good faith; and
  - 11.7.3 at the date of destruction the Board has no notice of any claim to which the Share certificate might be relevant.
- 11.8 It is to be conclusively presumed in favour of the Company that any instrument of transfer destroyed in accordance with Article 11.6 was a valid and effective instrument duly and properly registered and that any Share certificate destroyed in accordance with Article 11.7 was a valid certificate duly and properly cancelled.
- 11.9 Nothing in this Article 11.2 is to impose any liability on the Company in relation to any instrument of transfer or Share certificate where the conditions specified in Articles 11.6 or 11.7 (as appropriate) have not been fulfilled.

## **12. TRANSMISSION OF SHARES**

- 12.1 The survivor of a joint holder who dies and/or the personal representatives of a sole holder are the only persons the Company must recognise as having any title to the Shares. Nothing in these Articles is to release the estate of a deceased Member from any liability in respect of any Share which had been jointly held by him.
- 12.2 Subject to the consent of both the Board and, (whilst the Parent continues to be a Member) the Parent and subject to producing such evidence as the Board requires, a person entitled to a Share on the death or bankruptcy of a Member may either become the holder of the Share or nominate some person to be registered as the transferee. If he elects to become the holder he must notify the Company in writing. If he elects to have another person registered he must transfer the Share to that person. The

Articles relating to Share transfers are to apply to the notice or transfer as if it were a transfer signed by the Member.

- 12.3 A person entitled to a Share on the death or bankruptcy of a Member is to have the same rights as the Member had except that the right to attend or vote at General Meetings or at a class meeting of the holders of any class of Shares shall not arise before that person is registered as the holder of the Share.

### **13. ALTERATION OF SHARE CAPITAL**

- 13.1 The Company may by ordinary resolution:

- 13.1.1 increase its share capital by new Shares of such amount as the resolution prescribes;
- 13.1.2 consolidate and divide its Share capital into Shares of larger amount than its existing Shares;
- 13.1.3 subject to the Act, sub-divide any of its Shares into Shares of smaller amount and create a preference in favour of some of the Shares resulting from the subdivision over the others; and/or
- 13.1.4 cancel unissued Shares which have not been agreed to be taken up and reduce its Share capital by the amount of the cancelled Shares.

- 13.2 Where as a result of a consolidation of Shares any Members would become entitled to a fraction of a Share, the Board may, on behalf of those Members, sell the Shares representing the fraction for the best price reasonably obtainable to any person (including, subject to the Act, the Company) and distribute the net sale proceeds among those Members. The Board may authorise a person to sign the Share transfer to, or as directed by the purchaser. The purchaser is not required to see to the application of the purchase money. His/her title to the Shares is not to be affected by an irregularity or invalidity in the sale proceedings.

- 13.3 Subject to the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account.

## **PART C. GENERAL MEETINGS**

### **14. GENERAL MEETINGS**

- 14.1 The Directors may call General Meetings.
- 14.2 On receiving a request from Members to call a General Meeting the Directors must promptly call a General Meeting in accordance with Article 14.
- 14.3 If there are insufficient Directors in the United Kingdom to form a quorum at a Board Meeting to call a General Meeting it may be called in the same way as a Board Meeting.

### **15. NOTICE OF GENERAL MEETINGS**

- 15.1 A General Meeting must be called by at least 14 clear days' notice.
- 15.2 A General Meeting may be called by shorter notice if this is agreed by a majority in number of the Members who may attend and vote and who together hold 90% or more in nominal value of the Shares giving that right.
- 15.3 The notice must specify:
  - 15.3.1 the time and place of the General Meeting; and
  - 15.3.2 the general nature of the business to be transacted.
- 15.4 Notice of a General Meeting must be given to all of the Members (except any living outside the United Kingdom who have not given an address for service in the United Kingdom), the Directors and the Company's auditors (if any).
- 15.5 The accidental omission to give notice of a General Meeting to, or the non-receipt of notice of a General Meeting by, any person entitled to receive notice will not invalidate the proceedings at that General Meeting.

### **16. QUORUM FOR GENERAL MEETINGS**

- 16.1 No business may be transacted at a General Meeting unless a quorum is present.
- 16.2 A quorum is one Member who is entitled to vote upon the business to be transacted present in person or by duly authorised representative but, whilst the Parent continues to be a Member, in order for a General Meeting to be quorate a representative of the Parent must be present.
- 16.3 A Member may be part of the quorum for a General Meeting if he can hear, comment and vote on the proceedings through telephone video conferencing or other communications equipment.

- 16.4 If a quorum is not present within 30 minutes from the time of the General Meeting or a quorum ceases to be present for a continuous period of 30 minutes during a General Meeting it must be adjourned to such time and place as the Board decides.
- 16.5 Notice of an adjournment of a General Meeting because of a lack of quorum and the time and place of the adjourned General Meeting must be given to all Members under Article 15.
- 16.6 If a quorum is not present within 30 minutes from the time of the adjourned General Meeting it is to be dissolved.

## **17. CHAIR AT GENERAL MEETINGS**

- 17.1 The Chair of the Board is to chair General Meetings.
- 17.2 If the Chair of the Board is not present within 10 minutes from the time of the General Meeting or is unwilling to act another Director nominated by the Board must chair the General Meeting.
- 17.3 If neither the Chair nor a Director nominated under Article 17.2 is present and willing to act within 10 minutes from the time of the General Meeting the Members present and entitled to vote must choose one of their number (who must be a Director if a Director is present and willing to act) to chair the General Meeting.

## **18. ADJOURNMENT OF GENERAL MEETINGS**

- 18.1 The Chair may, with the consent of a General Meeting at which a quorum is present (and must if so directed by the General Meeting), adjourn it to a time and place agreed by the General Meeting.
- 18.2 The Chair may also, without the consent of a General Meeting, adjourn it (whether or not it has commenced or is quorate) if it appears to the Chair that:
- 18.2.1 unruly conduct is likely to prevent the orderly holding of the meeting; or
  - 18.2.2 an adjournment is necessary for the business of the meeting to be conducted properly.
- 18.3 When a meeting is adjourned under Article 18.1, the time and place for the adjourned meeting is either to be fixed by the Chair at the time of the adjournment or in default it is to be fixed by the Board.
- 18.4 The only business which may be transacted at an adjourned General Meeting is that left unfinished from the General Meeting which was adjourned.
- 18.5 It is not necessary to give notice of a General Meeting which is adjourned under Article 18.1 or Article 18.2 unless it is adjourned for 14 days or more, in which case 7 clear days' notice must be given.
- 18.6 Resolutions passed at an adjourned General Meeting are to be treated as having been passed on the date on which they were actually passed.

## **19. VOTING AT GENERAL MEETINGS**

- 19.1 Resolutions are to be decided on a show of hands unless a ballot is properly demanded.
- 19.2 Every Member present in person or by representative has one vote on a show of hands. Proxies do not have a vote on a show of hands.
- 19.3 Directors who are not Members may speak but not vote at General Meetings.
- 19.4 A Member which is an organisation may, by resolution of its governing body (or a committee or officer of the organisation acting under powers delegated by its governing body) authorise such person as it thinks fit to act as its representative at General Meetings.
- 19.5 A person authorised under Article 19.4 may, to the extent that the organisation authorises him to do so, exercise the same powers on behalf of the organisation as the organisation could exercise if it were an individual Member. The Company may assume that the representative has unlimited authority to act on behalf of the organisation unless the Company has written notice of any limitation.
- 19.6 If there is an equality of votes on a show of hands or a ballot the Chair is not entitled to a second or casting vote.
- 19.7 An objection to the qualification of any voter may only be raised at the General Meeting at which the vote objected to is tendered. Every vote not disallowed at the General Meeting is valid. An objection made in time must be referred to the Chair whose decision is final.
- 19.8 A declaration by the Chair that a resolution has been carried (or not carried) unanimously, or by a particular majority, which is entered into the minutes of the meeting is conclusive evidence of the fact unless a ballot is demanded.

## **20. BALLOTS**

- 20.1 A ballot may be demanded at any time during a General Meeting by the Chair or by any Member.
- 20.2 The demand for a ballot may be withdrawn before the ballot is taken. If the demand for a ballot is withdrawn the result of the show of hands will stand.
- 20.3 A ballot must be taken immediately. The Chair may appoint scrutineers (who need not be Members).
- 20.4 On a ballot each Member present in person or by proxy is to have one vote for each Share held.

## **21. PROXIES**

- 21.1 A Member may appoint a proxy in writing. A proxy need not be a Member. The Board may from time to time prescribe a form to appoint a proxy by Standing Orders. A proxy may not appoint another proxy.
- 21.2 Votes may be cast in a ballot either personally or by proxy. The document appointing a proxy may instruct the proxy which way to vote on particular resolutions.
- 21.3 A proxy will only be valid if the document appointing a proxy (and any power of attorney or other authority (if any) under which it is signed) or a properly certified copy is deposited at the Registered Office at least 24 hours before the starting time for the General Meeting adjourned General Meeting or ballot at which the proxy proposes to vote.
- 21.4 No document appointing a proxy will be valid for more than 12 months.
- 21.5 A vote given or ballot demanded by proxy or by the duly authorised representative of an organisation which is a Member is to be valid despite the revocation of the proxy or authorisation or the death or insanity of the principal unless written notice of the death, insanity or revocation is received at the Registered Office before the start of the General Meeting or adjourned General Meeting at which the proxy is used.

## **22. MINUTES OF GENERAL MEETING**

The Secretary must keep minutes of all General Meetings.

## **23. MEMBERS' WRITTEN RESOLUTIONS**

- 23.1 Subject to the Act, a written resolution approved by the required majority of eligible Members (provided those Members would constitute a quorum at a General Meeting) is as valid as if it had been passed at a General Meeting.
- 23.2 A resolution under Article 23.1 may consist of several documents in similar form each approved by one or more Company Members.
- 23.3 A resolution under Article 23.1 may be signed for a corporate body which is a Member by its authorised representative, a director or secretary, its solicitor or by an attorney.

## **PART D. DIRECTORS**

### **24. NUMBER OF AND APPOINTMENT OF DIRECTORS**

24.1 No person may be appointed as a Director:

24.1.1 unless he is over 18; or

24.1.2 if he would immediately cease to be a Director under Article 25.

24.2 On or before the appointment of a person as a Director the person must either sign the prescribed Companies House form for the appointment of a Director or provide the information necessary to register the person online at Companies House as a Director. The appointment of any person as a Director, who has not complied with the requirements of this Article 24.2 within one month of appointment, is to lapse unless the Board resolves that there is good cause for the delay.

24.3 The minimum number of Directors is three.

24.4 Subject to Articles 24.1 and 24.2, all of the Directors are to be appointed by the Parent.

24.5 The Parent may remove any or all of the Directors at any time.

24.6 Subject to Articles 24.1 and 24.2, the Parent may appoint a person as a Director either in substitution for a Director it has removed or to fill a casual vacancy.

24.7 No Director may be appointed except as set out in these Articles.

24.8 Subject to Articles 24.1 and 24.2 the appointment or removal (as the case may be) of a Director under these Articles is to take effect when the Parent gives written notice of that appointment or removal to:

24.8.1 the Registered Office;

24.8.2 a Board Meeting; or

24.8.3 the Secretary.

### **25. RETIREMENT AND REMOVAL OF DIRECTORS**

25.1 A Director will cease to hold office if he:-

25.1.1 dies;

25.1.2 ceases to be a director under the Act or is prohibited by law from being a director;

- 25.1.3 in the reasonable opinion of the Board, becomes incapable of fulfilling his duties and responsibilities as a Director because of illness or injury and the Board resolves that he be removed as a Director;
- 25.1.4 is declared bankrupt or makes any arrangement or composition with his creditors;
- 25.1.5 is in the opinion of the Board guilty of conduct detrimental to the interests of the Company and the Board resolves by a 75% majority of the Directors present and voting at a properly convened Board Meeting that he should be removed provided that the Director concerned has first been given an opportunity to put his case and to justify why he should not be removed as a Director;
- 25.1.6 resigns by written notice to the Company at the Registered Office;
- 25.1.7 is absent without good reason from three consecutive Board Meetings held no more frequently than once per month and the Board resolves (by a 75% majority of the Directors present and voting at a properly convened Board Meeting) that he should cease to be a Director; or
- 25.1.8 he is removed as Director under Article 24.5.

## **26. DIRECTORS' REMUNERATION AND EXPENSES**

- 26.1 Directors are to be paid such remuneration (if any) as the Members decide by ordinary resolution. Unless the resolution states otherwise, it is deemed to accrue from day to day.
- 26.2 Directors are entitled to be paid all reasonable expenses properly incurred by them in attending Board Meetings and General Meetings and in carrying out their duties as Directors.

## **27. DIRECTORS' OBLIGATIONS**

- 27.1 The Board may set out in writing the principal obligations of every Director to the Board and to the Company (a "statement of obligations"). The statement of obligations is not intended to be exhaustive and the Board may review and amend it from time to time.
- 27.2 The statement of obligations may include (but is not obliged to and shall not necessarily be limited to):
  - 27.2.1 a commitment to the Company's values and objectives including equal opportunities;
  - 27.2.2 an obligation to contribute to and share responsibility for the Board's decisions;
  - 27.2.3 an obligation to read Board papers and to attend meetings, training sessions and other relevant events;

- 27.2.4 an obligation to declare relevant interests;
- 27.2.5 an obligation (subject to any overriding legally binding requirement to the contrary) to keep confidential the affairs of the Board;
- 27.2.6 an obligation to comply with fiduciary duties, including:
  - (a) to act in the best interests of the Company;
  - (b) to declare any interests a Director may have in accordance with Article 28 and not put himself/herself in a position where his/her personal interest or his/her duty owed to another conflicts with the duties owed to the Company;
  - (c) to secure the proper and effective use of the Company's property;
  - (d) to act personally;
  - (e) to act within the scope of any authority given;
  - (f) to use the proper degree of skill and care when making decisions, particularly when investing funds;
  - (g) to act in accordance with these Articles; and
  - (h) such other obligations as the Board deems appropriate or necessary from time taking account of the law and best practice in this area.
- 27.3 If required to do so by the Board, a Director must confirm in writing to the Board that he will meet his obligations to the Board and to the Company as set out in the statement of obligations within one month of his appointment.
- 27.4 The Director's obligations under this article are in addition to the duties and obligations imposed upon the Directors by company law (whether under the Act or otherwise).

## **28. CONFLICTS OF INTEREST**

### **28.1**

- 28.1.1 In Article 28.1.5 and Article 28.1.6 and subject to Article 28.1.3, an "Interested Director" means a Director who has an interest in any contract, proposed contract, arrangement or dealing with the Company and who must declare his interest under section 177 of the Act before the matter is discussed by the Board.
- 28.1.2 For the purposes of Article 28.1.1:
  - (a) a general notice to the Board that a Director has 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 is to be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent specified; and

- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge is not be treated as an interest.
- 28.1.3 An interest of a person who is connected with a Director (as defined in the Act) is to be treated as an interest of the Director. In relation to an Alternate Director, an interest of his appointer is to be treated as an interest of the Alternate Director without prejudice to any interest which the Alternate Director has otherwise.
- 28.1.4 A Director who has a direct or indirect personal financial interest which is material in a matter being considered by the Board must leave the Board Meeting whilst the question is discussed or decided without taking part in the discussion or decision and may not count towards the quorum for that item.
- 28.1.5 In the event that there are not sufficient Directors to hold a quorate Board Meeting to consider the relevant matter because there is one or more Interested Director(s) and the Interested Director(s) is/are not permitted to form part of the quorum, then those Interested Directors may form part of the quorum for the purposes of agreeing to circulate an ordinary resolution to the Members detailing the extent of the conflict and requesting the Members to authorise the Interested Director(s) conflict of interest.
- 28.1.6 In the event that a resolution is passed by the Members in accordance with Article 28.1.5 the Interested Director(s) may then count as part of the quorum and for voting purposes at the Board Meeting in relation to the relevant matter.
- 28.1.7 A Director who holds an interest in an issue being discussed at a Board Meeting solely as a director, officer or employee of any Group Organisation may, after declaring that interest under Article 28.1.1, count towards the quorum and take full part in the discussion and voting.
- 28.1.8 Subject to his duty to act in the best interests of the Company, a Director who holds an interest other than in a personal financial capacity or as a Director, officer or employee of a Group Organisation may, after declaring his/her interest, and subject to the right of the remaining Directors to resolve that he should withdraw and not vote on a particular matter, count towards the quorum and take full part in the discussion and voting.
- 28.1.9 The Company may by ordinary resolution suspend or relax any Articles prohibiting a Director from voting at a Board Meeting either generally or for a particular matter.
- 28.1.10 If a question arises at a Board Meeting as to the right of a Director to vote, the question may be referred to the Chair of the meeting and the Chair's ruling given at the meeting in relation to any Director other than himself is to be conclusive.

- 28.1.11 A decision of the Board will not be invalid because of the subsequent discovery of an interest which should have been declared.
- 28.1.12 Any Director may make such disclosure to any other Group Organisation as to the business and affairs of the Company as the Director in his/her absolute discretion determines.

## **PART E. BOARD MEETINGS**

### **29. POWERS AND FUNCTIONS OF THE BOARD**

- 29.1 Subject to the Act, and these Articles, the business of the Company is to be managed by the Board who may exercise all the powers of the Company.
- 29.2 Alterations of these Articles do not invalidate earlier acts of the Board which would have been valid without the alteration.
- 29.3 The Board must direct the Company's affairs in such a way as to promote the values and objectives of the Company. Its functions include:
- 29.3.1 defining and ensuring compliance with the values of the Company;
  - 29.3.2 establishing policies and plans to achieve these objectives;
  - 29.3.3 appraising each year's budget and accounts before publication;
  - 29.3.4 establishing and overseeing a framework of delegation of its powers to committees and employees with proper systems of control;
  - 29.3.5 monitoring the Company's budget in relation to its plans, budget controls and decisions;
  - 29.3.6 appointing (and if necessary removing) employees;
  - 29.3.7 satisfying itself that the Company's affairs are conducted in accordance with generally accepted standards of performance and propriety; and
  - 29.3.8 ensuring that appropriate advice is taken on the items listed in this Article 29.3 and in particular on matters of legal compliance and financial viability.

### **30. BOARD MEETINGS**

- 30.1 Subject to the Articles, the Board may regulate Board Meetings as it wishes.
- 30.2 Board Meetings are to be called:
- 30.2.1 by the Secretary;
  - 30.2.2 by notice in writing to the Secretary from the Chair or any two other Directors which specifies the business to be transacted; or
  - 30.2.3 under Article 30.4.
- 30.3 The Secretary must call a Board Meeting for a time as soon as reasonably practicable from the receipt of a notice under Article 30.2.2.

- 30.4 If the Secretary fails to convene the Board Meeting within 14 days of the receipt of a notice under Article 30.2.2 it may be called by the Chair or the two Directors (as the case may be) who requested it.
- 30.5 The Secretary (or the Chair or two Directors calling the Board Meeting, as the case may be) must give 5 clear days' notice of Board Meetings to each of the Directors but it is not necessary to give notice of a Board Meeting to a Director who is out of the United Kingdom.
- 30.6 A Board Meeting which is called on shorter notice than required under Article 30.5 is deemed to have been duly called if this is agreed by 75% or more of the total number of Directors of the Company at the time of the Board Meeting.
- 30.7 Questions arising at a Board Meeting are to be decided by a majority of votes.
- 30.8 If there is an equality of votes the Chair is entitled to a casting vote.
- 30.9 A technical defect in the appointment of a Director or in the delegation of powers to a Committee of which the Board is unaware at the time does not invalidate decisions taken in good faith.

## **31. QUORUM FOR BOARD MEETINGS**

- 31.1 The quorum for Board Meetings is two Directors.
- 31.2 A Director may be part of the quorum of a Board Meeting if he can hear comment and vote on the proceedings through telephone, video conferencing or other communications equipment.
- 31.3 The Board may act despite vacancies in its number but if the number of Directors is less than the minimum number the Board may act only to call a General Meeting.
- 31.4 At an inquorate Board Meeting or one which becomes inquorate for more than 20 minutes the Directors present may act only to adjourn it or to call a General Meeting.

## **32. MINUTES**

- 32.1 The Board must arrange for minutes to be kept of all Board Meetings and General Meetings. The names of those present should be included in the minutes.
- 32.2 Copies of the draft minutes of Board Meetings and General Meetings must be distributed to the Directors as soon as reasonably possible after the meeting.
- 32.3 Minutes must be approved as a correct record at the next Board Meeting (as regards minutes of Board Meetings) or the next General Meeting (as regards minutes of General Meetings). Once approved minutes must be signed by the person chairing the Board Meeting or General Meeting at which they are approved.

### **33. OBSERVERS**

- 33.1 The Board may allow individuals who are not Directors to attend Board Meetings as Observers on whatever terms they decide.
- 33.2 Observers may not vote but may take part in discussions unless the Board decides otherwise.
- 33.3 The Board may exclude Observers from any part of a Board Meeting where the Board considers the business is private.

### **34. DELEGATION**

- 34.1 The Board may:
- 34.1.1 establish Committees consisting of those persons the Board decides (including people who are not Directors);
  - 34.1.2 delegate to a Committee any of its powers;
  - 34.1.3 determine the quorum for Committee meetings; and
  - 34.1.4 revoke a delegation at any time.
- 34.2 The members of a Committee are to be appointed by the Board to hold office for whatever period of time the Board decides and may be removed or replaced by the Board at any time.
- 34.3 The Board may specify any financial limits within which a Committee must function and may authorise a Committee to operate any bank account. The Board may specify how that account must be operated.
- 34.4 The Board may also delegate to any Director, officer or employee of the Company or any person seconded to or providing services to the Company such of their powers as they consider desirable to be exercised by him.

### **35. DIRECTORS' WRITTEN RESOLUTIONS**

- 35.1 A written resolution signed by all the Directors entitled to receive notice of a Board Meeting (provided they would be a quorum at a Board Meeting) is as valid as if it had been passed at a Board Meeting.
- 35.2 A written resolution signed by all members of a Committee (provided they would be a quorum of that Committee) is as valid as if it had been passed at a meeting of that Committee.
- 35.3 A resolution under Articles 35.1 or 35.2 may consist of several documents in similar form each signed by one or more of the Directors or Committee members and will be treated as passed on the date of the last signature.

## **PART F. OFFICERS**

### **36. CHAIR**

36.1 The Company must have a Chair. The Chair, who must be a Director, is to be appointed by:

36.1.1 the Parent (by giving notice to the Company in writing); or

36.1.2 in the event of the Parent not appointing a Chair, the Board.

36.2 The Chair is to hold office until the start of the first Board Meeting after a fixed period of one year from his appointment but is eligible for re-appointment.

36.3 A Chair may resign from his position at any time (without necessarily resigning as a Director at the same time).

36.4 Where there is no Chair the first item of business at a Board Meeting must be to elect a Chair.

36.5 Where a Chair is elected by the Board in accordance with Article 36.1.2, the Company shall notify the Parent of such election in writing with 7 days.

36.6 The Parent may terminate the Chair's appointment at any time by giving notice to the Company in writing (without necessarily terminating his appointment as a Director).

36.7 Subject to Articles 36.2 or 36.6, the Chair may be removed only at a Board Meeting called for the purpose where the resolution to remove him is passed by 75% of the Directors who are present and voting. The Chair must be given an opportunity to say why he should not be removed.

36.8 The Chair is to chair all Board Meetings and General Meetings at which he is present unless he does not wish to do so.

36.9 If the Chair is not present within 10 minutes after the starting time of a Board Meeting or does not wish to chair the Board Meeting, the Board shall appoint another Director to chair that Board Meeting during the Chair's absence.

36.10 The functions of the Chair are:-

36.10.1 to ensure that Board Meetings and General Meetings are conducted efficiently;

36.10.2 to give Directors an opportunity to express their views;

36.10.3 to ensure that the Board directs the Company's affairs in accordance with Article 29;

36.10.4 to ensure that the Board monitors the use of delegated powers;

- 36.10.5 to encourage the Board to take professional advice when it is needed;
- 36.10.6 to act as a figurehead for the Company; and
- 36.10.7 to ensure the Company's affairs are conducted properly.

### **37. THE SECRETARY**

- 37.1 The Board may (but need not) with the prior written approval of the Parent appoint a Secretary for such a term and at such a salary (if any) as the Board decides.
- 37.2 A Secretary may be removed by the Board at any time.

### **38. INDEMNITIES AND INSURANCE**

- 38.1 No officer or employee is to be liable for losses suffered by the Company except those due to his own dishonesty or gross negligence.
- 38.2 Subject to the Act every Director, officer or employee is to be indemnified by the Company against any liability incurred in the discharge of his duties or in that capacity in defending any civil or criminal proceedings as long as:
  - 38.2.1 judgement is given in his/her favour (or the proceedings are dealt with without a finding or admission of a material breach of duty by him);
  - 38.2.2 he is acquitted; or
  - 38.2.3 relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
- 38.3 The Board may decide to purchase and maintain insurance in the name and at the expense of the Company, for the benefit of any Relevant Director in respect of any Relevant Loss.
- 38.4 In Article 38.3:
  - 38.4.1 a "Relevant Director" means any Director or former Director; and
  - 38.4.2 a "Relevant Loss" means any loss or liability which has or may be incurred by a Relevant Director in connection with that Director's duties or powers in relation to the Company, any Group Organisation, or any pension fund or employees' share scheme of the Company or Group Organisation.

## **PART G. STATUTORY AND MISCELLANEOUS**

### **39. ACCOUNTS ANNUAL REPORT AND CONFIRMATION STATEMENT**

39.1 The Company must comply with the Act in:-

- 39.1.1 preparing and filing an annual Directors' report and annual accounts; and
- 39.1.2 making a confirmation statement to the Registrar of Companies.

39.2 The Company must comply with the Act in relation to the audit or examination of accounts (to the extent that the law requires).

39.3 The annual Directors' report and accounts must contain:-

- 39.3.1 revenue accounts and balance sheet for the last accounting period;
- 39.3.2 the auditor's report on those accounts (if applicable); and
- 39.3.3 the Board's report on the affairs of the Company.

39.4 The accounting records of the Company must always be open to inspection by a Director.

### **40. BANK AND BUILDING SOCIETY ACCOUNTS**

40.1 All bank and building society accounts must be operated by the Directors and must include the name of the Company.

40.2 Cheques and orders for the payment of money must be signed in accordance with the Board's instructions.

### **41. EXECUTION OF DOCUMENTS**

41.1 If the Company has a seal it may only be used with the authority of the Board (which may be given generally for documents of a particular type).

41.2 Unless the Board decides otherwise, documents to which the seal is attached or which are executed as deeds must be signed by:

- 41.2.1 two Directors;
- 41.2.2 one Director and the Secretary; or
- 41.2.3 one Director in the presence of a witness who attests the signature of the Director.

## **42. NOTICES**

- 42.1 Notices under the Articles must be in writing (except notices calling Board Meetings) or shall be given using Electronic Communications to an address for the time being notified for that purpose to the person giving the notice.
- 42.2 A Member present in person at a General Meeting is deemed to have received notice of the General Meeting and (where necessary) of the purposes for which it was called.
- 42.3 The Company may give a notice to a Member, Director or auditor either:
- 42.3.1 personally;
  - 42.3.2 by sending it by post in a prepaid envelope;
  - 42.3.3 by facsimile transmission;
  - 42.3.4 by leaving it at his/her address; or
  - 42.3.5 by Electronic Communication to an address notified for such purposes to the Company by the Member.
- 42.4 Notices under Article 42.3.2 may be sent:
- 42.4.1 to an address in the United Kingdom which that person has given the Company;
  - 42.4.2 to the last known home or business address of the person to be served; or
  - 42.4.3 to that person's address in the Company's register of Members.
- 42.5 Proof that an envelope containing a notice was properly addressed prepaid and posted is conclusive evidence that the notice was given 48 hours after it was posted.
- 42.6 Proof that a facsimile transmission was made is conclusive evidence that the notice was given at the time stated on the transmission report.
- 42.7 A notice may be served on the Company by delivering it or sending it to the Registered Office or by handing it to the Secretary.
- 42.8 The Board may make standing orders to define other acceptable methods of delivering notices by electronic mail or other means.
- 42.9 In these Articles "address" in relation to Electronic Communications includes any number or address for the purposes of such communications.

## **43. STANDING ORDERS**

- 43.1 Subject to Article 43.4:

- 43.1.1 the Board may from time to time make Standing Orders for the proper conduct and management of the Company; and
- 43.1.2 the Company in General Meeting may alter, add to or repeal the Standing Orders.
- 43.2 The Board must adopt such means as they think sufficient to bring the Standing Orders to the notice of the Members.
- 43.3 Standing Orders are binding on all Members and Directors.
- 43.4 No Standing Order may be inconsistent with or may affect or repeal anything in these Articles.

#### **44. GROUP STRUCTURE**

The Company is a subsidiary of the Parent.