

Company number 08641958

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of
THAMESWEY GUEST HOUSES LIMITED

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(adopted by special resolution passed on 21 JULY 2022)

PART 1 Interpretation and limitation of liability

1 Preliminary

- 1.1 The articles of association of the Company comprise the Articles set out in this document as amended from time to time. No other regulations for the management of a company set out in any schedule to any statute concerning companies or contained in any regulations or instrument made pursuant to a statute shall apply to the Company.
- 1.2 Words and expressions used in the Articles are defined in Article 2. Unless defined in Article 2 (and unless the context requires otherwise) other words or expressions contained in the Articles bear the same meaning as in the Act.
- 1.3 A reference in the Articles to any statute or statutory provision includes a reference to any subordinate legislation made under it from time to time and shall, unless the context requires otherwise, include any statutory modification or re-enactment of any statute or statutory provision for the time being in force.
- 1.4 Any phrase in the Articles introduced by the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2 Defined terms

In the Articles, unless the context requires otherwise:

Act means the Companies Act 2006;

Articles means the Company's articles of association for the time being in force as described in Article 1.1 (and a reference to an Article is a reference to a provision of the Articles);

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;

business day means a day other than a Saturday or Sunday or a bank holiday or public holiday in the City of London;

chairman has the meaning given in Article 14;

chairman of the meeting has the meaning given in Article 48;

Companies Acts means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the Company;

Conflict Matter means a matter authorised pursuant to Article 16 or permitted under Article 17 or Article 18;

director means, except where the context expressly provides otherwise, a director of the Company, and includes any person occupying the position of director, by whatever name called;

distribution recipient means, as regards a share in respect of which a dividend or other sum is payable:

- (a) the holder of the share;
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the Transmittree;

document includes, unless otherwise specified, any document sent or supplied in electronic form;

electronic form has the meaning given in section 1168 of the Act;

Eligible Director means a director who is or would be entitled to vote on the matter at a directors' meeting (but excluding any director whose vote is not to be counted in respect of the particular matter);

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;

Group means the Company and any subsidiary or holding company of the Company;

Group Holding Company means Thamesway Limited, a company incorporated and registered in England under company registration number 03702545;

hard copy form has the meaning given in section 1168 of the Act;

holder in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

Independent Director means a director who is an individual natural person and who is not an Officer Director;

instrument means a document in hard copy form;

Local Authority means Woking Borough Council;

member has the meaning given in section 112 of the Act;

Officer Director means a director who is an individual natural person and who is an employee of the Local Authority or an employee of the Group;

ordinary resolution has the meaning given in section 282 of the Act;

paid means paid or credited as paid;

participate, in relation to a directors' meeting, has the meaning given in Article 12;

proxy notice has the meaning given in Article 54;

Quarter means in each calendar year the quarterly period ending on 31 March, 30 June, 30 September and 31 December, as applicable;

relevant officer means any director or other officer or former director or other officer of the Company but excluding any person engaged by the Company as auditor;

shares means shares in the Company;

special resolution has the meaning given in section 283 of the Act;

Transmittee means a person entitled to a share by reason of the death or bankruptcy of a member or otherwise by operation of law;

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;

the expressions subsidiary and holding company shall have the meanings given to them in section 1159 of the Act, save that a company may be a "subsidiary" of the Local Authority and the Local Authority may be "holding company", notwithstanding that the Local Authority is not a company; and

Error! Reference source not found. forms part of these Articles and has effect as if set out in full in the main body of these Articles, and any reference to these Articles includes Error! Reference source not found..

3 Liability of members

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

PART 2 Directors

Directors' powers and responsibilities

4 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.

5 Directors' management of the business of the Company

The directors shall manage the business of the Company in accordance with an annual budget and annual business plan approved by the Local Authority with such amendments as the Local Authority may from time to time approve. No person dealing with the Company shall be concerned to see or enquire as to whether any particular action has been approved by the Local Authority in any annual budget or annual business plan or otherwise and no obligation incurred or transaction effected by the Company to or with any third party shall be invalid or ineffectual unless the third party has at the time express notice that the incurring of such

obligation or the effecting of such transaction was in excess of the powers of the directors.

6 Members' reserve power

6.1 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.

6.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

7 Directors' delegation of powers

Subject to the Articles, and with the approval of the board of directors of the Company, directors may delegate any of their powers to any committee or managing director as they think fit.

Decision-making by directors

8 Directors to take decisions collectively

The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with Article 9.

9 Unanimous decisions

9.1 A decision of the directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

9.2 Such a decision may take the form of a resolution in writing, signed by each Eligible Director (whether on the same or one of several copies) or to which each Eligible Director has otherwise indicated agreement in writing.

9.3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at a directors' meeting.

10 Frequency of directors' meetings

At least one meeting of the directors shall be convened per Quarter.

11 Calling a directors' meeting

11.1 Any director may, and the secretary at the request of a director shall, call a meeting of directors.

11.2 Unless the directors otherwise agree, at least three clear days prior written notice of board meetings shall be given to all of the directors except in the case of an emergency in which case notice may be given orally. For this purpose clear day's notice excludes the day of issue and the day of the meeting.

11.3 Notice of any directors' meeting must indicate:

- (a) its proposed date and time;
- (b) where it is proposed to take place;
- (c) its agenda, in accordance with Article 11.4; and

- (d) 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.
- 11.4 A written agenda specifying the matters to be raised at a board meeting and including all papers relating to items on the agenda shall be sent to all the directors entitled to receive notice of the meeting except in the case of an emergency. Directors shall not be entitled to raise any other business at a board meeting unless all directors are present and all agree except in the case of an emergency.
- 11.5 The directors shall cause written minutes to be made of all proceedings of the directors and any committees of directors and have these available in books kept for the purpose.
- 11.6 A director or alternate director absent or intending to be absent from the United Kingdom may request the directors that notices of meetings of the directors shall during his absence be sent in writing to him at an address or to a fax or telex number or email address given by him to the Company for this purpose, but if no request is made to the directors it shall not be necessary to give notice of a meeting of the directors to any director who is for the time being absent from the United Kingdom.
- 11.7 Subject to Articles 11.6 and 11.8, notice of a directors' meeting must be given to each director, but need not be in writing.
- 11.8 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company before or not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 12 Participation in directors' meetings
- 12.1 Subject to the Articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
 - (a) the meeting has been called and takes place in accordance with the Articles; and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 12.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other and it shall not be necessary for the purpose of a directors' meeting that all participants be present at the same place provided that the directors counted in the quorum are all in contact for the purpose of the meeting whether in person or by radio or telephone or other instantaneous means of communication.
- 12.3 If all the directors participating in a meeting are not in the same place, the meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, at the place where the chairman (or other director chairing the meeting) is.

13 Quorum for directors' meetings

13.1 Subject to Articles 13.2 and Error! Reference source not found., the quorum for directors' meetings (including adjourned directors' meetings) shall be 40% of the Eligible Directors (and cannot be less than two Eligible Directors).

13.2 If a quorum is not present within half an hour of the time appointed for the directors' meeting or ceases to be present at any time during a directors' meeting, the directors present shall adjourn the directors' meeting to a specified place and time.

13.3 No business shall be transacted at any directors' meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

14 Chairing directors' meetings

14.1 The directors shall appoint a director who is an Independent Director to chair their meetings and may terminate any such appointment made by them.

14.2 The person appointed for the time being pursuant to Article 14.1 is known as the chairman.

14.3 If:

- (a) a chairman has not been appointed pursuant to this Article 13.1; or
- (b) the chairman is unwilling to chair the meeting or is not participating in a directors' meeting within ten minutes of the time at which it was to start; or
- (c) the chairman is not an Eligible Director in respect of any matter to be discussed at the meeting,

the other Eligible Directors participating in the meeting must appoint one of themselves to chair it.

14.4 A person who is not an Independent Director may not hold office as chairman and any person appointed chairman who is not an Independent Director or who ceases to be an Independent Director shall immediately and automatically vacate and be deemed to have vacated the office of chairman.

15 Voting at directors' meetings: general rules

15.1 Subject to the Articles, a decision is taken at a directors' meeting by a majority of the votes of the Eligible Directors who are participating and each Eligible Director participating in a directors' meeting has one vote. The chairman or other director chairing the meeting shall not have a second or casting vote.

15.2 Subject to Article 15.3, if a question arises at a meeting of directors (or of a committee established by the directors) as to the right of a director (or committee member) to participate in the meeting (or part of the meeting) for voting or quorum purposes or otherwise in accordance with the Articles, the question may, before the conclusion of the meeting, be referred to the

chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

- 15.3 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not an Eligible Director.

16 Directors' conflicts: situational conflicts

- 16.1 The directors may, in accordance with this Article and the Act, authorise any matter which would or might, if not authorised, involve a director breaching the duty to avoid conflicts of interest in section 175 of the Act.

- 16.2 Any such matter must be proposed in writing for consideration by the directors in accordance with any procedures for the time being established for the purpose by the directors or in such other manner as the directors may approve.

- 16.3 An authorisation pursuant to Article 16.1:

- (a) will be subject to any restrictions or conditions expressly imposed by the directors at the time of authorisation or subsequently; and
- (b) may be varied or terminated by the directors at any time.

Nothing in this Article will affect anything done by a director in accordance with the terms of an authorisation prior to any such variation or termination.

- 16.4 No authority under this Article is required in respect of a conflict of interest arising in relation to a transaction or arrangement with the Company, but this is without prejudice to a director's obligation to declare any interest pursuant to the Act and the Articles.

17 Directors' conflicts: transactions or arrangements with the Company

- 17.1 Directors shall declare:

- (a) at a meeting of the directors; or
- (b) by means of written notice to the board of directors,

all interests they are required to declare in accordance with section 177 or section 182 of the Act (as appropriate), as well as those it is recommended they declare under the provisions of any voluntary code or statement from time to time applicable to local government officers and employees, including under any model code or approved local code adopted by the Local Authority.

- 17.2 Subject to the Act and provided that he has disclosed to the directors the nature and extent of any direct or indirect interest, a director:

- (a) may enter into or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may hold any other office or employment with the Company (except that of auditor) in conjunction with the office of director, and may act

by himself or through his firm in a professional capacity for the Company, in any such case on such terms as to remuneration and otherwise as the directors may decide, either in addition to or instead of any remuneration provided for by any other Article; and

- (c) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested.

18 Directors' conflicts: general provisions

18.1 Subject to the Articles (and to the terms of any authorisation given pursuant to Article 16), a director shall not by reason of his office be liable to account to the Company for any remuneration, profit or other benefit derived as a result of a Conflict Matter. No transaction or arrangement shall be liable to be avoided on the grounds of a director having an interest or benefit authorised or permitted pursuant to the Articles.

18.2 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in:

- (a) the Local Authority;
- (b) any member of the Company;
- (c) any subsidiary of:
 - (i) the Company; or
 - (ii) the Local Authority; or
 - (iii) any member of the Company; or
 - (iv) any other subsidiaries of any such holding company.

and no authorisation under Article 16 shall be necessary in respect of any such interest. A director shall not be in breach of the duties he owes to the Company as a result of any conflict of interest which arises or may arise from the relationships contemplated by this Article 18.2, including (without limitation) in relation to proposals for financing or other agreements arising out of any annual budget and annual business plan approved by the Local Authority; and no authorisation under Article 16 shall be necessary in respect of any such conflict of interest.

18.3 Where a director has declared his/her interest qua officer or employee of any undertaking referred to in Article 18.2 and has no interest in the matter under consideration other than an interest by virtue of being a officer or employee of such undertakings, a director shall count in the quorum and be entitled to attend board meetings and vote on:

- (a) any matter in which he/she is interested qua officer or employee of any undertaking referred to in Article 18.2;
- (b) any contract or arrangement with any undertaking referred to in Article 18.2.

18.4 In relation to any Conflict Matter, the general duties that a director owes to the Company under the Act will not be infringed by anything done (or

omitted to be done) by the director concerned in accordance with the Articles.

18.5 The director may, for as long as he reasonably believes a Conflict Matter subsists:

- (a) absent himself from meetings of the directors or from the discussion of any matter at a meeting or in respect of any other proposed decision of the directors; and
- (b) make such arrangements as he sees fit for relevant board papers and other information not to be sent to him.

18.6 Where the director obtains (otherwise than as a director or employee of the Company) in relation to a Conflict Matter information in respect of which he owes a duty of confidentiality to another person he shall not be obliged to disclose such information or use it for the benefit of the Company (in circumstances in which he would otherwise be so obliged).

18.7 Subject to the Articles, a director may vote at any meeting of the directors (or committee established by the directors) and take part in any other decision of the directors despite the fact that the decision concerns or relates to a matter in which he has, directly or indirectly, an interest in the decision, or duty which conflicts, or may conflict, with the interests of the Company, provided that the director has made a declaration in accordance with Article 17.1 and:

- (a) if (and to the extent required), the director has received an authorisation pursuant to Article 16 (and the terms of the authorisation do not provide otherwise); or
- (b) the director is not required to obtain such authorisation pursuant to Article 18.2 or otherwise.

18.8 Where a proposal is under consideration in which more than one director has made a disclosure in accordance with Article 17, the proposal may be divided and considered in relation to each director separately and each director shall be entitled to vote and be counted in the quorum in respect of each resolution except the one in which he/she is interested.

18.9 A director of the Company who has been appointed to the board of directors by a member or a class of members pursuant to these Articles (or any agreement between all the members of the Company from time to time) to represent the interests of that member or class of members, shall not be taken to be in breach of his/her fiduciary duty to act in the best interests of the Company by reason only that, in the performance of his/her duties and exercise of powers, the director has regard to the interests and acts upon the wishes of that member or class of members unless no honest and reasonable director could have formed the view that in so doing, a director was also promoting the interests of the Company as a whole.

19 Records of decisions to be kept

The directors must ensure that the Company keeps a record, in writing, for at least ten years from the date of the decision recorded of every unanimous or majority decision in whatever form taken by the directors.

20 Directors' discretion to make further rules

Subject to the Articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

Appointment and removal of directors

21 Number of directors

The Company shall have a minimum of two directors.

22 Methods of appointing directors

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:

- (a) by ordinary resolution; or
- (b) by a decision of the directors,

and such ordinary resolution or decision of the directors (as the case may be) shall specify the class of director to which the appointee is directed (Independent Director, or Officer 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 Act or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
- (f) notification is received by the Company from the director that the director is resigning from office as director, and such resignation has taken effect in accordance with its terms.

Alternate directors

24 Appointment of alternate directors

- 24.1 Subject to Article 24.2, any director (other than an alternate director) (appointor) may appoint as an alternate director any other director, who is willing to act to exercise the director's powers and carry out that director's responsibilities in relation to the taking of decisions by the directors in the absence of the alternate director's appointor.

- 24.2 An appointor may only appoint an alternate director who is:
- (a) a director of the Group Holding Company or the Company; and
 - (b) of the same class (Independent Director or Officer Director) in respect of the Company or the Group Holding Company as the appointor in respect of the Company,
- 24.3 Any proposed appointment of an alternate director must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors and has effect as set out in Article 24.4. The appointment of an alternate director will only be valid for the meeting of the directors specified in the notice.
- The notice must:
- (a) identify the proposed alternate director;
 - (b) contain a statement signed by the proposed alternate director that he is willing to act as the alternate director of the appointor;
 - (c) if that person is not already a director of the Company, specify details of that person's relevant knowledge and experience; and
 - (d) state the date, time and place of the meeting for which the alternate director is appointed.
- 24.4 An appointment of an alternate director shall take effect on service of the notice of appointment on the Company (or such later date as specified in the notice).
- 24.5 Where a director has failed to appoint an alternate director within the time frame specified above, the directors of the Company or the Group Holding Company may appoint an alternate director who is a director of the Company or Group Holding Company and of the same class to represent him at such meeting.
- 24.6 If an appointment is made pursuant to Article 24.5, the provisions of this Article 24 and Articles 25, 26 and 27 shall apply to that appointment as if the appointment were made by the director himself.
- 25 Rights and responsibilities of alternate directors
- 25.1 Except as the Articles specify otherwise, alternate directors:
- (a) are deemed for all purposes to be directors;
 - (b) are liable for their own acts and omissions;
 - (c) are subject to the same restrictions as their appointors; and
 - (d) are not deemed to be agents of or for their appointors.
- 25.2 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director. An alternate director is however entitled to the payment by the Company of such expenses as might properly be paid to him if he were a director.

- 26 **Alternate directors and decisions of the directors**
- 26.1 Subject to the Articles, an alternate director may act as alternate director for more than one director and has the same rights in relation to any decision of the directors as the alternate director's appointor.
- 26.2 Subject to the Articles, an alternate director is entitled to take part for all purposes (including quorum and voting purposes) in a decision of the directors in respect of which his appointor:
- (a) is not taking part; and
 - (b) is an Eligible Director.
- 26.3 If an alternate director's appointor is not an Eligible Director in relation to a decision of the directors, this does not preclude the alternate director from taking part on behalf of another appointor who is (and on his own behalf if he is) an Eligible Director in relation to that decision.
- 26.4 An alternate director is not entitled to take part in a decision of the directors if he (whether a director or not) would not qualify as an Eligible Director in relation to that decision.
- 26.5 No person taking part in a decision of the directors may (whether in his capacity as director or alternate director) be counted as more than one director for the purposes of determining whether the quorum requirement is satisfied in relation to that decision.
- 26.6 Subject to the Articles, an alternate director who acts as alternate director for more than one director has one vote for each appointor, in addition to his own vote if he is also a director.
- 27 **Termination of alternate directorship**
- An alternate director's appointment as an alternate director terminates on the earlier of:
- (a) conclusion of the board meeting identified in the notice pursuant to Article 24.3 or in respect of which an appointment has been made pursuant to Article 24.5;
 - (b) when the alternate director's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - (c) on the occurrence in relation to the alternate director of any event which, if it occurred in relation to the alternate director's appointor, would result in the termination of the appointor's appointment as a director;
 - (d) on the death of the appointor;
 - (e) when the alternate director's appointor ceases to be a director of the Company;
 - (f) or when the alternate director ceases to be a director of the Group Holding Company in his own right; or
 - (g) when the alternate director ceases to be of the same class of director (Independent Director or Officer Director) in respect of the Group

Holding Company or the Company as the appointor in respect of the Company.

28 Directors' remuneration and expenses

No director of the Company shall be entitled to remuneration and/or expenses for the performance of his/her duties as a director, provided that:

- (a) Independent Directors may be remunerated for performance of their duties as directors on such bases as the Group Holding Company may from time to time determine;
- (b) Independent Directors shall be entitled to the payment of such expenses properly and reasonably incurred in connection with the discharge of their duties as directors as the board of directors may from time to time determine; and
- (c) this shall not affect the entitlement of any director who is a salaried employee of the Company from being paid such remuneration and/or expenses as an employee of the Company as the directors determine.

PART 3 Shares and distributions

Shares

29 All shares to be fully paid up

29.1 Subject to Article 29.2, 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.

29.2 Article 29.1 does not apply to shares taken on formation of the Company by the initial subscribers to the Company's memorandum.

Issue of shares

30 Power to issue and allot shares

30.1 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 and the directors may determine the terms, conditions and manner of redemption of any such shares.

30.2 For so long as the Company satisfies the conditions of section 550 of the Act, the directors may exercise any power of the Company to allot shares or to grant options or rights to subscribe for or to convert any security into shares, deal with or otherwise dispose of the same to such persons (including the directors themselves) on such terms and at such times as they may think proper, provided that no shares shall be issued at a discount.

30.2.1 In accordance with section 567 of the Act, all of the requirements of sections 561 and 562 of the Act are excluded generally in relation to the allotment of or grant of rights to subscribe for shares or to convert any securities into shares in the Company.

Interests in shares

31 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.

Share certificates

32 Certificates to be issued except in certain cases

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

32.2 Every certificate must specify:

- (a) in respect of how many shares, and 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.

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

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

32.5 Certificates must be executed in accordance with the Companies Acts.

33 Replacement share certificates

33.1 If a certificate issued in respect of a member's shares is:

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

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

33.2 A member 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.

Transfer and transmission of shares

34 Share transfers

- 34.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.
- 34.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 34.3 The Company may retain any instrument of transfer which is registered.
- 34.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- 34.5 The directors shall register the transfer of a share which is presented for registration duly stamped.

35 Transmission of shares

- 35.1 If title to a share passes to a Transmitttee, the Company may only recognise the Transmitttee as having any title to that share.
- 35.2 A Transmitttee 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.
- 35.3 Transmitttees 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.

36 Exercise of Transmitttees' rights

- 36.1 Transmitttees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.
- 36.2 If the Transmitttee wishes to have a share transferred to another person, the Transmitttee must execute an instrument of transfer in respect of it.
- 36.3 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 Transmitttee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

37 Transmitttees bound by prior notices

If a notice is given to a member in respect of shares and a Transmitttee is entitled to those shares, the Transmitttee (or other person to whom the shares are transferred pursuant to Article 35.2(b)) is bound by the notice if it was given to the member before the name of the Transmitttee (or such other person) has been entered in the register of members.

Distributions

38 Procedure for declaring dividends

- 38.1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 38.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 38.3 No dividend may be declared or paid unless it is in accordance with members' respective rights.
- 38.4 Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.
- 38.5 If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 38.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 38.7 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

39 Calculation of dividends

- 39.1 Except as otherwise provided by the Articles or the rights attached to shares, all dividends must be:
- (a) declared and paid according to the amounts paid up on the shares on which the dividend is paid; and
 - (b) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
- 39.2 If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.

40 Payment of dividends and other distributions

Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:

- (a) transfer to a bank or building society account specified by the distribution recipient in writing;
- (b) any other means of payment as the directors agree with the distribution recipient in writing.

41 No interest on distributions

The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:

- (a) the terms on which the share was issued; or
- (b) the provisions of another agreement between the holder of that share and the Company.

42 Unclaimed distributions

42.1 All dividends or other sums which are:

- (a) payable in respect of shares; and
 - (b) unclaimed after having been declared or become payable,
- may be invested or otherwise made use of by the directors for the benefit of the Company until claimed.

42.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.

42.3 If:

- (a) 12 years have passed from the date on which a dividend or other sum became due for payment; and
- (b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

43 Non-cash distributions

43.1 Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

43.2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:

- (a) fixing the value of any assets;
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- (c) vesting any assets in trustees.

44 Waiver of distributions

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share in whole or in part by giving the Company notice in writing to that effect (executed as a deed, unless the waiver is made for valuable consideration), but if:

- (a) the share has more than one holder; or
- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and executed, by all the holders or persons otherwise entitled to the share.

Capitalisation of profits

45 Authority to capitalise and appropriation of capitalised sums

45.1 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 (capitalised sum) to the persons who would have been entitled to it if it were distributed by way of dividend (persons entitled) and in the same proportions.

45.2 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.

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

45.4 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.

45.5 Subject to the Articles, the directors may:

- (a) apply capitalised sums in accordance with Articles 45.3 and 45.4 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.

PART 4 Decision-making by members

Organisation of general meetings

46 Attendance and speaking at general meetings

- 46.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 46.2 A person is able to exercise the right to vote at a general meeting when:
- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 46.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 46.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 46.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

47 Quorum for general meetings

- 47.1 Subject to Article 47.2, the quorum at any general meeting of the Company or adjourned general meeting of the Company shall be two members present in person or by proxy.
- 47.2 If and for so long as the Company has only one member, the quorum at any general meeting of the Company or adjourned general meeting of the Company shall be that member present in person or by proxy and all other provisions of these Articles shall apply with any necessary modification (unless the provisions expressly provide otherwise).
- 47.3 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting of the Company or adjourned general meeting of the Company unless a quorum is present at the commencement of the meeting and also when that business is voted on.

48 Chairing general meetings

- 48.1 The appointment of the chairman of the meeting must be the first business of general meetings of the Company.
- 48.2 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so. If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not

present within ten minutes of the time at which a meeting was due to start, the directors present, or if no directors are present, the meeting, must appoint a director or member to chair the meeting.

- 48.3 The person chairing a meeting in accordance with this Article is referred to as the chairman of the meeting and the chairman of the meeting shall not be entitled to a second or casting vote.

49 Attendance and speaking by directors and non-members

- 49.1 Directors may attend and speak at general meetings, whether or not they are members.

- 49.2 The chairman of the meeting may permit other persons who are not:

- (a) members of the Company; or
- (b) otherwise entitled to exercise the rights of members in relation to general meetings,

to attend and speak at a general meeting.

50 Adjournment

- 50.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it. If a quorum is not present within half an hour from the time appointed for resumption of the meeting, the meeting shall be deemed dissolved.

- 50.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:

- (a) the meeting consents to an adjournment; or
- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

- 50.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

- 50.4 When adjourning a general meeting, the chairman of the meeting must:

- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

- 50.5 It shall not be necessary to give any notice of an adjourned general meeting or of any business to be transacted at an adjourned meeting notwithstanding the length of such adjournment.

- 50.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

Voting at general meetings

51 Voting: general

51.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these Articles.

51.2 On a show of hands, every member present in person or by proxy shall have one vote. On a poll every member present in person or by proxy shall have one vote for each share of which he is the holder.

52 Errors and disputes

52.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

52.2 Any such objection must be referred to the chairman of the meeting whose decision is final.

53 Demanding a poll

53.1 A poll on a resolution may be demanded:

- (a) in advance of the general meeting where it is to be put to the vote; or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

53.2 A poll may be demanded by the chairman of the meeting or any person having the right to vote on the resolution.

53.3 A demand for a poll may be withdrawn if:

- (a) the poll has not yet been taken; and
- (b) the chairman of the meeting consents to the withdrawal.

A demand which is withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

53.4 Polls must be taken at the general meeting at or in respect of which they are demanded and in such manner as the chairman of the meeting directs.

53.5 The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.

54 Content and delivery of proxy notices

54.1 Proxies may only validly be appointed by a notice in writing (proxy notice) which:

- (a) states the name and address of the member appointing the proxy;
- (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;

- (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - (d) is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which it relates.
- 54.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 54.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 54.4 Unless a proxy notice indicates otherwise, it must be treated as:
 - (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.
- 55 Effect of proxy notice
 - 55.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
 - 55.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
 - 55.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
 - 55.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.
- 56 Amendments to resolutions
 - 56.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
 - (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
 - 56.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
 - (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and

- (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 56.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, his error does not invalidate the vote on that resolution.

PART 5 Miscellaneous provisions

57 Local Authority

- 57.1 The provisions of this Article 57.1 shall apply and shall have an over-riding effect as and against all other provisions of these Articles:
 - (a) the powers of the directors shall be restricted in such respects and to such extent as the Local Authority may from time to time lawfully prescribe in an annual budget or annual business plan in respect of the Company communicated in writing by the Local Authority to the board of directors of the Company unless and to the extent that the Local Authority has approved any variation from such annual budget or annual business plan and communicated such variation and approval to the board of directors of the Company;
 - (b) neither the Company nor the directors shall do (or purport to do) anything which could lead the Local Authority to act in a capacity which is ultra vires;
 - (c) the directors shall ensure that the Company does not trade in breach of the provisions of the Local Government Act 2003 and the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009 or any amendment or re-enactment thereof; and
 - (d) to the extent permitted by law and subject to their duties under the Act, the directors shall exercise all reasonable endeavours (having regard to the facts and circumstances known to them) to ensure that the Company does not undertake any project or activity which could reasonably be considered to be to the detriment of the Local Authority (taking into account the interests of the community it serves) without prior written approval of the Local Authority.
- 57.2 So far as the law allows, no person dealing with the Company shall be concerned to see or enquire as to whether the powers of the directors have been in any way restricted hereunder, or as to whether any requisite consent of the Local Authority has been obtained. No obligation incurred or security given or transaction hereby effected by the Company to or with any third party shall be invalid or ineffectual unless the third party had at that time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the directors.
- 57.3 Any councillor for the time being of the Local Authority may attend meetings of the board of directors of the Company provided that such councillors:
 - (a) have given not less than one clear business days prior written notice of their intention to attend the meeting to the board of directors of the Company;

- (b) shall not speak or make any representation at any meeting of the board of directors of the Company;
- (c) shall not vote or purport to vote on any matter at any meeting of the board of directors of the Company; and
- (d) shall only be entitled to attend a meeting or meetings of the board of directors of the Company on such conditions (including but not limited to pre-conditions) as the board of directors may from time to time determine.

58 Company communications

58.1 Subject to the Articles, any document or information sent or supplied by the Company:

- (a) under the Articles or pursuant to the Companies Acts; or
- (b) pursuant to any other rule or regulation to which the Company may be subject (and if permitted by such rule or regulation),

may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by the Company (including, without limitation, by making documents or information available on a website).

58.2 Subject to the Articles, any document or information sent or supplied to the Company under the Articles or pursuant to the Companies Acts may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied to the Company.

58.3 References in the Articles to documents or information being sent or supplied by or to the Company include references to documents or information being sent or supplied by or to the directors acting on behalf of the Company.

Company secretary

59 Secretary

The directors may appoint a person to act as the secretary of the Company for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them (with or without replacement).

Administrative arrangements

60 Company seals

The Company shall not have a Company seal.

Directors' indemnity, funding and insurance

61 Indemnity and funding

61.1 Subject to Article 61.2, but without prejudice to any indemnity to which a relevant officer may otherwise be entitled, the directors may exercise the power of the Company to:

- (a) indemnify any relevant officer (excluding the auditors) out of the assets of the Company against:
 - (i) any liability incurred by that relevant officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company;
 - (ii) any liability incurred by that relevant officer in connection with the activities of the Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act); and
 - (iii) any other liability incurred by that relevant officer as an officer of the Company;
- (b) provide any relevant officer with funds to meet expenditure incurred or to be incurred by such relevant officer:
 - (i) in defending any criminal or civil proceedings or in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust in relation to the Company; or
 - (ii) in connection with any application for relief (within the meaning of section 205(5) of the Act),or to do anything to enable a relevant officer to avoid incurring such expenditure.

61.2 This Article does not authorise any indemnity, provision of funds or other matter which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

62 Insurance

The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any loss or liability which has been or may be incurred by a relevant officer in connection with their duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company.