

# WRITTEN RESOLUTIONS OF THE SOLE MEMBER OF

## ENABLED LIVING HEALTHCARE LIMITED

Company number 10420273

London Borough of Newham, 1000 DOCKSIDE ROAD LONDON E16 2QU

In accordance with the Companies Act 2006, the member confirming that appropriate notice was given to it

IT WAS RESOLVED that:

1. Under Article 14(1) of the Company's articles of association, a director can be counted as participating in the decision-making process for quorum and voting purposes if he is interested in an actual or proposed transaction or arrangement with the Company unless. Accordingly that part of Article 14(1) is dis-applied so as to permit such participation.
2. Consent to the Conflict Matters (as defined in the board minutes of even date) is given for the purposes of 180(4)(a) of the Act so as to avoid any infringement by the directors of section 175 of the Act.
3. The draft articles of association initialled and attached be and are adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.
4. The reason for the change to the articles be noted: The purpose of the change is for the proper governance of the Company: the number of directors required for the directors' proceedings is increased to three and one of those must be a director known as the member's director, described in more detail in the proposed new articles.

Signed by D. Buhh for and on behalf of the London Borough of Newham  
(sole Member)

Date: 31/3/17

TUESDAY



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10/09/2019

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COMPANIES HOUSE

Print of a resolution passed by way of written resolution under the Companies Act 2006  
for filing at Companies House

**ENABLED LIVING HEALTHCARE LIMITED**

Company number 10420273

**SPECIAL RESOLUTION**

Passed on

The following resolution was duly passed as a special resolution by way of written resolution under Chapter 2 of Part 13 of the Companies Act 2006: *THAT the draft articles of association initialled and attached be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.*

Signed..........(director)

**Company Number 10420273**

**A Private Company Limited by Shares**

**Enabled Living Healthcare Limited**

(Adopted by Special Resolution passed on **31 March** 2017)

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Company No. 10420273

A Private Company Limited by Shares

# Articles of Enabled Living Healthcare Limited

(Adopted by Special Resolution passed on **31 March** 2017)

## Part 1 - Interpretation and Limitation of Liability

### 1. Defined terms

In these Articles, unless the context requires otherwise:

**"Act"** means the Companies Act 2006, as amended, extended, consolidated or re-enacted from time to time;

**"Bankruptcy"** includes individual insolvency proceedings in a jurisdiction other than England, Wales or Northern Ireland which have an effect similar to that of bankruptcy;

**"Business Day"** means a day (other than a Saturday or Sunday) when clearing banks are open for general business in London;

**"Business Plan"** means the business plan in respect of the Company as adopted by the Directors from time to time in accordance with these Articles, and including any valid amendments or revisions to such business plan from time to time;

**"Chairman"** has the meaning given in article 11;

**"Chairman of the meeting"** has the meaning given in article 44;

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

**"Council"** means the Mayor and Burgesses of the London Borough of Newham;

**"Council Director"** means the Director appointed to the board of Directors by the Council from time to time in accordance with Article 16.6;

**"Director"** means a Director of the Company, and includes any person occupying the position of Director, by whatever name called;

**"Distribution recipient"** has the meaning given in article 36;

**"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 ;

**"Electronic Means"** has the meaning given in section 1168 of the Act;

**"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 Company"** means in relation to a company, that company, or any holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company;

**"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;

**"Insolvency Event"** means the appointment of a liquidator, administrator, administrative receiver or receiver over a body corporate or any material part of its assets or any analogous event in any jurisdiction to which the body corporate is subject;

**"Instrument"** means a document in Hard Copy Form;

**"Ordinary Resolution"** has the meaning given in section 282 of the Act;

**"Paid"** means paid or credited as paid;

**"Proxy Notice"** has the meaning given in article 50;

**"Shareholder"** means a person who is the holder of a Share;

**"Shares"** means Shares in the Company;

**"Special Resolution"** has the meaning given in section 283 of the Act ;

**"Subsidiary"** has the meaning given in section 1159 of the Act ;

**"Transmittee"** means a person entitled to a Share by reason of the death or bankruptcy of a Shareholder or otherwise by operation of law;

**"Treasury Shares"** means Shares in the capital of the Company held from time to time by the Company as Treasury Shares within the meaning given in section 724(5) of the Act; and

**"Transfer Notice"** has the meaning given in Article 27.1.

**"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.

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

1.2 In these Articles, unless the contrary intention appears, any reference to the singular includes the plural and vice versa and reference to any gender includes the other genders.

## **2. Liability of members**

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

## **3. Change of Company name**

In accordance with section 77 of the Act, the name of the Company may be changed by an ordinary resolution of the Shareholders.



## **Part 2 - Directors**

### *Directors' Powers and Responsibilities*

#### **4. Directors' general authority**

Subject to these 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. Section 151 Officer Obligations**

- 5.1 The Directors shall at all times manage the Company in order to give full effect to the obligations set out in Schedule 2.

#### **6. Shareholders' reserve power**

- 6.1 The Shareholders 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.
- 6.3 None of the transactions, matters or things specified in Schedule 1 shall be effected by the Company without the prior unanimous consent of all of the Shareholders.

#### **7. Directors may delegate**

- 7.1 Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles:

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

as they think fit.

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

- 7.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

#### **8. Committees**

- 8.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors.

- 8.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

## **9. Decision-making by Directors**

### **9.1 Decisions of the Directors must:**

- (a) be a majority decision taken at a Directors' meeting; or
- (b) take the form of a resolution in writing, copies of which have been signed by a majority of eligible Directors or to which a majority of eligible Directors have otherwise indicated agreement in writing, provided that the eligible Directors signing or indicating agreement to the resolution would have formed a quorum at a Directors' meeting.

9.2 References in Article 9.1(b) to eligible Directors are to Directors that would have been entitled to vote on the matter and have their votes counted if it had been proposed as a resolution at a Directors' meeting.

## **10. Calling a Directors' meeting**

10.1 Any Director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the Company secretary (if any) to give such notice.

### **10.2 Notice of any Directors' meeting must indicate:**

- (a) its proposed date and time;
- (b) where it is to take place; and
- (c) 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.

10.3 Directors' meetings must be held not less than four times in every calendar year and at not more than one monthly intervals.

10.4 Notice of a Directors' meeting must be given to each Director in writing and include an agenda specifying in reasonable detail the matters to be discussed. Save in an emergency, or where a majority of the Directors agree otherwise in writing, not less than 10 clear Business Days' prior written notice must be given of any Directors' meeting. Notice of a Directors' meeting (or any adjournment thereof) given to a Director by electronic means, if sent to an electronic address provided by the Director for the purpose, is deemed to have been received by the Director one hour after it was sent.

10.5 Entitlement to notice of a Directors' meeting may be waived by a Director by giving notice to that effect to the Company at any time before or after the meeting and such waiver does not affect the validity of the meeting or of any business conducted at it.

10.6 Directors may participate in a Directors' meeting by means of a conference telephone, video conferencing facility or similar communications equipment which allows all persons participating in the meeting to hear each other. If all the Directors participating in a meeting are not in the same place, the meeting is to be treated as taking place where the largest group of those participating is assembled or, if there is no such group, where the Chairman of the Meeting is.

10.7 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting. The quorum for a Directors' meeting is three Directors including the Council Director. If the total number of Directors for the time being is less than three, the Directors may take, but must not take any decision other than:

- (a) a decision to call a general meeting or propose a written resolution so as to enable the Shareholders to appoint one or more further Directors;
- (b) a decision to appoint further Directors;
- (c) where, as a result of the transmission of Shares, the Company has no Shareholders (or no Shareholder other than the Company holding Treasury Shares), any decision in relation to the Transmittor's entitlement to the Shares and the Transmittor's registration as the holder of Shares or the transfer of Shares by the Transmittor.

and the requirement for a quorum to participate does not apply to any such decision.

## **11. Chairing of Directors' meetings**

- 11.1 The Directors may appoint a Director to chair their meetings.
- 11.2 The person so appointed for the time being is known as the Chairman.
- 11.3 The Directors may terminate the Chairman's appointment at any time.
- 11.4 If the chairman is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it.

## **12. Casting vote**

- 12.1 The Chairman of a Director's meeting shall not have a casting vote. If the numbers of votes for and against a proposal are equal, the Directors must refer the proposal to the Shareholders by notice in writing who shall take the decision by majority and inform the Directors in writing of the decision.

## **13. Directors' interest**

- 13.1 A Director, notwithstanding his office and that in this situation he has, or can have, a direct or indirect interest or duty that conflicts, or possibly may conflict, with the interests of the Company, may be:
  - (a) a Shareholder or an employee or Director or other officer of, or otherwise engaged by or interested in, any Shareholder or any parent undertaking of any Shareholder or any subsidiary undertaking of any parent undertaking of any Shareholder;
  - (b) an employee or Director or other officer of or otherwise engaged by or interested in any undertaking in which the Company is interested.
- 13.2 The Directors shall have power, in accordance with this Article 13, to authorise (an "**Authorisation**") any other matter which would or might give rise to any breach of the duty of a Director under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. For this purpose any reference to a conflict of interest includes a conflict of interest and duty and a conflict of duties.
- 13.3 An Authorisation may be proposed to and resolved on by the Directors in accordance with these Articles in the same way as any other matter but shall only be effective where:
  - (a) reasonable details of the matter or situation to which the Authorisation relates were disclosed to the Directors; and

- (b) in accordance with section 175(6) of the Act, any requirement as to the quorum at the meeting at which the Authorisation is considered is met without counting the Director in question or any other interested Director and the Authorisation was agreed to without their voting or would have been agreed to if their votes had not been counted.
- 13.4 An Authorisation may be given subject to such terms and conditions as the Directors may determine at their absolute discretion (including as to the period, extent and scope of the Authorisation, participation by the Director in question in the decision making process where a decision of the Directors is concerned with the matter to which the Authorisation relates and the disclosure and use of confidential information).
- 13.5 The Directors may revoke or vary an Authorisation at any time, but this shall not affect anything previously done or omitted to be done by the relevant Director in accordance with the terms of the Authorisation.
- 13.6 A Director shall not be in breach of any duty he owes to the Company by virtue of the fact that pursuant to the terms of an Authorisation (for so long as he reasonably believes the matter to which the Authorisation relates subsists) he:
  - (a) absents himself from meetings of the Directors or other proceedings of the Directors at which the matter to which the Authorisation relates will or may be discussed; or
  - (b) makes arrangements not to receive, or refrains from considering, any documents relating to the matter to which the Authorisation relates, or makes arrangements for a professional adviser to receive any such documents on his behalf.
- 13.7 A Director is not required to disclose to the Company any confidential information he obtains in any capacity described in Article 13.1 or in relation to any matter to which an Authorisation relates, or to apply any such information in performing his duties as a Director of the Company, if to do so would result in a breach of a duty or obligation of confidence owed by him.
- 13.8 A Director shall not be liable to account to the Company for any remuneration, profit or other benefit he derives directly or indirectly as a result of any situation described in Article 13.1 or (save as provided by the Authorisation) resulting from any matter to which any Authorisation relates, and no contract shall be liable to be avoided on the grounds of any such remuneration, profit or benefit.
- 13.9 If a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the Company or any other matter in which a Director is interested, or in relation to which he owes a duty to someone other than the Company, that Director is not to be counted as participating in the decision-making process for quorum or voting purposes unless Article 13.10 applies.
- 13.10 This Article applies when:
  - (a) the Director's interest or duty cannot reasonably be regarded as likely to give rise to a conflict of interest;
  - (b) the Director's interest or duty arises only out of any matter to which any Authorisation relates and the terms of the Authorisation permit him to participate in the decision-making process;
  - (c) the Director's interest or duty arises only from a situation described in Article 13.1;

- (d) the Director has declared the nature and extent of his interest or duty to the other Directors at a Directors' meeting or by notice in writing in accordance with section 184 of the Act or by general notice in accordance with section 185 of the Act;
- (e) the Director's conflict of interest or duty arises from a permitted cause; or
- (f) the Company by ordinary resolution disapplies Article 13.9.

13.11 For the purposes of this article, the following are permitted causes:

- (a) a guarantee given, or to be given, by or to a Director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries;
- (b) subscription, or an agreement to subscribe, for Shares or other securities of the Company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such Shares or securities; and
- (c) arrangements pursuant to which benefits are made available to employees and Directors or former employees and Directors of the Company or any of its subsidiaries which do not provide special benefits for Directors or former Directors.

13.12 For the purposes of this article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.

13.13 The Company may by ordinary resolution suspend or relax the provisions of this Article 13 to any extent.

#### **14. Records of decisions to be kept**

The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors.

#### **15. 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 of Directors*

#### **16. Methods of appointing Directors**

16.1 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 notice to the Company by a Shareholder holding a majority of the total voting rights of all the Shareholders having the right to vote at general meetings;
- (b) by ordinary resolution; or
- (c) by a decision of the Directors.

16.2 In any case where, as a result of death, the Company has no Shareholders and no Directors, the personal representatives of the last Shareholder to have died have the right, by notice in writing, to appoint a person to be a Director.

- 16.3 For the purposes of article 16.2, where 2 or more Shareholders die in circumstances rendering it uncertain who was the last to die, a younger Shareholder is deemed to have survived an older Shareholder.
- 16.4 A Shareholder holding a majority of the total voting rights of all the Shareholders having the right to vote at general meetings may by notice to the Company remove from office any Director (whether or not such Director was appointed under Article 16.1(a)).
- 16.5 Any appointment or removal of a Director under Articles 16.1(a) or 16.4 must be made by notice in writing to the Company and takes effect on delivery to the registered office of the Company or at any Directors' meeting or any later date specified in the notice.
- 16.6 The Council shall at all times be entitled to appoint up to one Director. Any person appointed by the Council pursuant to this paragraph shall be designated as a Council Director.
- 16.7 The Council shall be entitled at any time and for any reason to remove and replace any Council Director. A Council Director shall only be appointed and removed by the Council.
- 16.8 Any appointment or removal of a Council Director pursuant to Articles 16.6 or 16.7 shall be made by notice in writing to the Company and shall take effect upon the earlier of delivery to the Company in accordance with these Articles and delivery to a meeting of the Directors (or on any subsequent date of appointment or removal which may be specified in the notice).
- 16.9 The appointment of Directors shall be subject to the provisions of Schedule 1.

## **17. 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) 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;
- (e) the Directors resolve to remove him from office on the grounds that they reasonably believe he has become mentally or physically incapable of acting as a Director and may remain so for more than three months;
- (f) notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms; or
- (g) the Directors resolve to remove him from office.

## **18. Alternate Directors**

- 18.1 Subject to the Articles, if a Director has an interest in an actual or proposed transaction or arrangement with the Company:
- (a) that Director and that Director's alternate may not vote on any proposal relating to it, but

(b) this does not preclude the alternate from voting in relation to that transaction or arrangement on behalf of another appointor who does not have such an interest.

18.2 A Director who is also an alternate director has an additional vote on behalf of each appointor who is:

- (a) not participating in a Directors' meeting, and
- (b) would have been entitled to vote if they were participating in it.

18.3 The appointment of alternates shall be subject to the provisions of Schedule 1.

## **19. Appointment and removal of alternates**

19.1 Any Director (the "**appointor**") may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:

- (a) exercise that Director's powers, and
- (b) carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors in the absence of the alternate's appointor.

19.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the Directors.

19.3 The notice must—

- (a) identify the proposed alternate, and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.

## **20. Rights and responsibilities of alternate Directors**

20.1 An alternate Director has the same rights, in relation to any Directors' meeting or Directors' written resolution, as the alternate's appointor.

20.2 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.

20.3 A person who is an alternate Director but not a Director—

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and

- (b) may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).

No alternate may be counted as more than one Director for such purposes.

- 20.4 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

## **21. Termination of alternate Directorship**

- 21.1 An alternate Director's appointment as an alternate terminates:

- (a) when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a Director;
- (c) on the death of the alternate's appointor; or
- (d) when the alternate's appointor's appointment as a Director terminates, except that an alternate's appointment as an alternate does not terminate when the appointor retires by rotation at a general meeting and is then re-appointed as a Director at the same general meeting.

## **22. Directors' remuneration**

- 22.1 Directors may undertake any services for the Company that the Directors decide.

- 22.2 Subject to Article 22.3, Directors are entitled to such remuneration as the Directors determine:

- (a) for their services to the Company as Directors; and
- (b) for any other service which they undertake for the Company.

- 22.3 Non-executive Directors shall not be entitled to any remuneration for services provided unless approved by an ordinary resolution of the Shareholders.

- 22.4 Subject to the Articles, a Director's remuneration may:

- (a) take any form; and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.

- 22.5 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.

- 22.6 Unless the Directors decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as Directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

- 22.7 The remuneration of Directors shall be subject to the provisions of Schedule 1.



## **23. Directors' expenses**

The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:

- (a) meetings of Directors or committees of Directors;
- (b) general meetings; or
- (c) separate meetings of the holders of any class of Shares or of debentures of the Company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

## **Part 3 - Shares and Distributions**

### **24. Allotment of Shares**

- 24.1 For such time as the Company has only one class of Shares, the Directors may exercise any power of the Company to allot Shares of that class or to grant rights to subscribe for, or convert any security into, such Shares only if the Directors are authorised to allot the Shares or grant the rights in accordance with section 551 of the Act.
- 24.2 Sections 561 and 562 of the Act do not apply to an allotment of equity securities by the Company.
- 24.3 If at any time the Company proposes to allot equity securities, the Directors shall give notice to all Shareholders (other than the Company as the holder of Treasury Shares) of the number of equity securities proposed to be allotted (the "**New Securities**") and the proposed subscription price (the "**Subscription Price**"), inviting each of them to apply to the Company within 30 Business Days of the date of receipt of the notice (the "**Pre-emption Period**") for the maximum number of New Securities for which he is willing to subscribe. A Shareholder may not renounce his right to the allotment of any New Securities in favour of any person.
- 24.4 As soon as practicable following the expiry of the Pre-Emption Period, the Directors shall allot the New Securities among those Shareholders who have applied for them (the "**Subscribing Shareholders**") so far as practicable in proportion to the nominal amount of Share capital held by the Subscribing Shareholders (and in relation only to fractions of New Securities as the Directors think fit) but so that no Subscribing Shareholder shall be allotted more than the number of New Securities for which he has applied. The Directors shall, as soon as practicable, give notice in writing of the allotment of New Securities to each Subscribing Shareholder.
- 24.5 If any of the New Securities are not allotted under Article 24.4, the Directors may at any time within a period of 90 Business Days after the expiry of the Pre-Emption Period allot that number of New Securities to any person (whether or not a Shareholder) at a price equal to or more than the Subscription Price.
- 24.6 The interpretation provisions in section 560 of the Act apply to Articles 24.2. The issue and transfer of Shares under these Articles shall also be subject to the provisions of Schedule 1.

### **25. Transfer of Shares**

- 25.1 No Shareholder or Transmittree shall dispose of any interest in any of his Shares, nor enter into any arrangement pursuant to which any other person may exercise control over any of his Shares, except pursuant to a transfer made in accordance with these Articles of the whole legal and beneficial interest in that Share. If a Shareholder or Transmittree disposes or purports to dispose of any interest in a Share, or enters into any such arrangement, in breach of this Article 25.1, he

shall be deemed to have given a Transfer Notice in respect of that Share and the provisions of Article 27.10 shall apply.

- 25.2 The Directors may from time to time request any Shareholder or Transmitttee or any person named as transferee in any transfer submitted for registration to furnish to the Company within 14 Business Days such information and evidence as they think fit for the purpose of ensuring that a transfer of Shares is made in accordance with these Articles or that no circumstances have arisen whereby a Transfer Notice is required to be given by any person in respect of any Shares. If any person fails to comply with any such request, the Directors may resolve that a Transfer Notice is deemed to have been given in respect of that Share and the provisions of Article 27.10 shall apply.
- 25.3 If a Transfer Notice is deemed to have been given under any provision of these Articles, the deemed Transfer Notice shall supersede any earlier Transfer Notice given in relation to the same Shares. Any such earlier Transfer Notice shall cease to be of any effect, except in relation to any sale of Shares pursuant to Article 27.7 where the date for completion specified by the Directors in accordance with that Article is on or before the date on which the deemed Transfer Notice is deemed to have been given.
- 25.4 The Directors shall register the transfer of a Share if they are satisfied that it has been made in accordance with these Articles and shall refuse to register any other transfer. Model Article 26(5) is modified accordingly.
- 25.5 Articles 25 to 28 (inclusive) do not apply to any transfer by the Company of Treasury Shares.

## **26. Permitted transfers**

- 26.1 Shares may be transferred:
- (a) by any Shareholder (being a body corporate which is not subject to an Insolvency Event) (the "**Original Corporate Shareholder**") to any Group Company which is not subject to an Insolvency Event provided that, where a Share has been transferred pursuant to this paragraph to (but only to) the Original Corporate Shareholder or a Group Company of the Original Corporate Shareholder which in either case is not subject to an Insolvency Event;
  - (b) by any Shareholder or to any person with approval by special resolution.
- 26.2 If a Shareholder holding Shares Transmitttee transferred to it pursuant to Article 26.1(a) ceases to be a Group Company of the Original Corporate Shareholder, it shall within 15 Business Days:
- (a) transfer those Shares to the Original Corporate Shareholder or to Group Company of the Original Corporate Shareholder which in either case is not subject to an Insolvency Event; or
  - (b) give a Transfer Notice in respect of those Shares,
- failing which it shall be deemed to have given a Transfer Notice in respect of those Shares on the expiry of such period and the provisions of Article 27.10 shall apply.
- 26.3 Each Shareholder holding Shares transferred to it pursuant to Article 26.1(a) shall, within [●] Business Days of:
- (a) a change in control (as control is defined in section 1124 of the Corporation Tax Act 2010) of the Original Corporate Shareholder;
  - (b) the occurrence of an Insolvency Event in relation to the Original Corporate Shareholder; or

- (c) a Transfer Notice being given by the Original Corporate Shareholder of all the Shares then held by it,

give a Transfer Notice in respect of those Shares failing which it shall be deemed to have given a Transfer Notice in respect of those Shares on the expiry of such period and the provisions of Article 27.10 shall apply.

**27. Pre-emption rights on the transfer of Shares**

- 27.1 Before he transfers all or any of his Shares (other than a transfer permitted by Article 26.1), a Shareholder or Transmitttee (the "**Seller**") must give notice in writing (a "**Transfer Notice**") to the Company.
- 27.2 The Transfer Notice must specify the number of Shares proposed to be transferred (the "**Offer Shares**") and the price at which they are to be offered (the "**Offer Price**") and shall constitute the Company as the agent of the Seller for the sale of the whole legal and beneficial interest in the Offer Shares (together with all rights attached to them) with full title guarantee and free of encumbrances to the other Shareholders (other than the Company as the holder of Treasury Shares) at the Offer Price.
- 27.3 A Transfer Notice may not be revoked except with the unanimous agreement of the Directors.
- 27.4 As soon as practicable after a Transfer Notice is received by the Company, the Directors shall give notice to all Shareholders (other than the Seller and the Company as the holder of Treasury Shares) of the number of Offer Shares and the Offer Price, inviting each of them to notify the Company within 30 Business Days of the date of receipt of the notice (the "**Offer Period**") whether he is willing to purchase any and, if so, what maximum number of Offer Shares. Such notification may not be revoked.
- 27.5 Subject to Article 27.6, as soon as practicable following the expiry of the Offer Period, the Directors shall allocate the Offer Shares among those Shareholders who have indicated that they are willing to purchase them (the "**Buying Shareholders**") so far as practicable in proportion to the nominal amount of Share capital held by the Buying Shareholders (and in relation only to fractions of Shares as the Directors think fit) but so that no Buying Shareholder shall be allocated more than the number of Offer Shares which he has indicated he is willing to purchase. A Shareholder may not renounce his right to purchase any Offer Shares allocated to him in favour of any person.
- 27.6 No allocation of Shares shall be made under Article 27.5 if:
- (a) the number of Offer Shares exceeds the number of Shares which Shareholders have indicated they are willing to purchase; and
  - (b) the Transfer Notice contains a provision that, unless all the Offer Shares are allocated under Article 27.5, none shall be so allocated.

If this Article 27.6 applies, the Directors shall, as soon as practicable, give notice in writing of that fact to the Seller and each of the other Shareholders.

- 27.7 If Article 27.6 does not apply, the Directors shall, as soon as practicable, give notice in writing of the allocation of Offer Shares made under Article 27.5 to the Seller and each Buying Shareholder. The notice shall specify a date, being not less than 10 Business Days and not more than 20 Business Days from the date of receipt of the notice, on which the sale and purchase of the Offer Shares shall be completed. On that date, each Buying Shareholder shall pay to the Seller the Offer Price for, and the Seller shall (subject to payment of the Offer Price) deliver a duly executed transfer

to each Buying Shareholder of, the Offer Shares allocated to him. On that date, the Seller shall also deliver to the Company his certificate for the allocated Offer Shares or a suitable indemnity.

27.8 If the Seller fails to complete the transfer of any allocated Offer Share in accordance with Article 27.7 he shall be deemed to have irrevocably appointed any person nominated for the purpose by the Directors to be his agent to execute a transfer of that Share on behalf of the Seller and deliver it to the Buying Shareholder and the Company may receive and give a good discharge for the Offer Price. The Company shall hold the Offer Price in trust for the Seller (but without interest) until he has delivered to the Company his certificate for the Share or a suitable indemnity. After the name of the Buying Shareholder has been entered in the register of members of the Company the validity of these transactions shall not be questioned by any person.

27.9 If, following the expiry of the Offer Period, any of the Offer Shares have not been allocated under Article 27.5 or Article 27.6 applies, the Seller may at any time within a period of 90 Business Days after the expiry of the Offer Period transfer the unallocated Offer Shares to any person (whether or not a Shareholder) at a price equal to or more than the Offer Price without any deduction, rebate or allowance provided that:

- (a) the transferee is not subject to an Insolvency Event, bankrupt or a minor; and
- (b) the Directors resolve to approve the transfer; and
- (c) if Article 27.6 applies, the Seller may transfer all but not some only of the Offer Shares.

27.10 If a Transfer Notice is deemed to have been given in respect of any Shares under these Articles the provisions of this Article 27 shall apply save that:

- (a) the Offer Price shall be agreed between the Seller and the Directors or, failing agreement, the Fair Price ascertained in accordance with Article 27.11; and
- (b) the deemed Transfer Notice shall not be treated as including a provision that, unless all the relevant Shares are allocated under Article 27.5, none shall be so allocated.

27.11 The "**Fair Price**" means the price which the auditors of the Company (or, if the auditors decline the appointment, another firm of accountants appointed by the Directors) state in writing to be in their opinion the fair value of the Shares, as at the date on which the Transfer Notice is deemed to have been given, on a sale as between a willing seller and a willing purchaser at arm's length (taking full account of whether the Shares comprise a minority holding or carry control of the Company, and of the restrictions on transfer in relation to the Shares) and, if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so. In stating the Fair Price the auditors (whose charges shall be borne by the Company) shall be considered to be acting as experts and not as arbitrators and their decision shall be final and binding in the absence of manifest error.

## **28. Transmission of Shares**

28.1 A Transmittree of Shares shall, within 15 Business Days of the date of grant of probate or letters of administration or his appointment as trustee in bankruptcy or on which he otherwise became entitled to them, either:

- (a) transfer those Shares in accordance with Article 26.1; or
- (b) give a Transfer Notice in respect of those Shares,

failing which he shall be deemed to have given a Transfer Notice in respect of those Shares on the expiry of such period and the provisions of Article 27.10 shall apply.

## **29. Corporate Shareholders**

29.1 If there is a change in control (as control is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder which is a body corporate (other than a Shareholder holding Shares transferred to it pursuant to Article 26.1(a)), it shall give a Transfer Notice in respect of all the Shares registered in its name within 20 Business Days of the change in control, failing which it shall be deemed to have given a Transfer Notice in respect of those Shares on the expiry of such period and the provisions of Article 27.10 shall apply.

29.2 If an Insolvency Event occurs in relation to any Shareholder which is a body corporate, it shall, within 10 Business Days of the occurrence of the Insolvency Event, either:

- (a) transfer all the Shares registered in its name in accordance with Article 26.1; or
- (b) give a Transfer Notice in respect of those Shares,

29.3 failing which it shall be deemed to have given a Transfer Notice in respect of those Shares on the expiry of such period and the provisions of Article 27.10 shall apply.

## **30. All Shares to be fully paid up**

30.1 No Share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.

30.2 This does not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum.

## **31. Powers to issue different classes of Share**

31.1 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.

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

## **32. 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.

## **33. Share certificates**

33.1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds.

33.2 Every certificate must specify:

- (a) in respect of how many Shares, of what class, it is issued;

- (b) the nominal value of those Shares;
  - (c) that the Shares are fully paid; and
  - (d) any distinguishing numbers assigned to them.
- 33.3 No certificate may be issued in respect of Shares of more than one class.
- 33.4 If more than one person holds a Share, only one certificate may be issued in respect of it.
- 33.5 Certificates must:
- (a) have affixed to them the Company's common seal; or
  - (b) be otherwise executed in accordance with the Companies Acts.
- 34. Replacement Share certificates**
- 34.1 If a certificate issued in respect of a Shareholder's Shares is:
- (a) damaged or defaced; or
  - (b) said to be lost, stolen or destroyed, that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares.
- 34.2 A Shareholder exercising the right to be issued with such a replacement certificate:
- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
  - (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
  - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

#### *Dividends and other Distributions*

**35. Procedure for declaring dividends**

- 35.1 The Company may by ordinary resolution declare dividends, and the Directors may decide to pay interim dividends.
- 35.2 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.
- 35.3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights.
- 35.4 Unless the Shareholders' resolution to declare or Directors' decision to pay a dividend, or the rights attached to any Shares, specify otherwise, it must be paid by reference to each Shareholder's holding of Shares on the date of the resolution or decision to declare or pay it.
- 35.5 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.

35.6 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.

35.7 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.

### **36. Payment of dividends and other distributions**

36.1 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) sending a cheque made payable to the Distribution Recipient at the Distribution Recipient's registered address (if the distribution recipient is a holder of the Share), or (in any other case) to an address specified by the Distribution Recipient in writing;
- (c) sending a cheque made payable to such person by post to such person at such address as the Distribution Recipient has specified in writing; or
- (d) any other means of payment as the Directors agree with the Distribution Recipient in writing.

36.2 In the Articles, the "**Distribution Recipient**" means, in respect of a Share in respect of which a dividend or other sum is payable:

- (a) the holder of the Share; or
- (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.

### **37. 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 rights attached to the Share; or
- (b) the provisions of another agreement between the holder of that Share and the Company.

### **38. Unclaimed distributions**

38.1 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.

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

38.3 If:

(a) twelve 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.

#### **39. Non-cash distributions**

39.1 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).

39.2 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.

#### **40. Waiver of distributions**

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a Share by giving the Company notice in writing to that effect, 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 signed, by all the holders or persons otherwise entitled to the Share.

### *Capitalisation of Profits*

#### **41. Authority to capitalise and appropriation of capitalised sums**

41.1 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 (a "**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (the "**persons entitled**") and in the same proportions.
- 41.2 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.
- 41.3 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.
- 41.4 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.
- 41.5 Subject to the Articles the Directors may:
  - (a) apply capitalised sums in accordance with Articles 41.3 and 41.4 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 Shareholders**

### *Organisation of General Meetings*

#### **42. Attendance and speaking at general meetings**

- 42.1 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.
- 42.2 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.
- 42.3 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.
- 42.4 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.

- 42.5 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.

**43. Quorum for general meetings**

No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

**44. Chairing general meetings**

- 44.1 If the Directors have appointed a Chairman, the Chairman shall chair general meetings if present and willing to do so.

- 44.2 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:

- (a) the Directors present; or
- (b) (if no Directors are present) the meeting,

must appoint a Director or Shareholder to chair the meeting, and the appointment of the Chairman of the meeting must be the first business of the meeting.

- 44.3 The person chairing a meeting in accordance with this article is referred to as the “**Chairman of the meeting**”.

**45. Attendance and speaking by Directors and non-Shareholders**

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

- 45.2 The Chairman of the meeting may permit other persons who are not:

- (a) Shareholders of the Company; or
  - (b) otherwise entitled to exercise the rights of Shareholders in relation to general meetings,
- to attend and speak at a general meeting.

**46. Adjournment**

- 46.1 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.

- 46.2 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.

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

- 46.4 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.
- 46.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
- (a) to the same persons to whom notice of the Company's general meetings is required to be given; and
  - (b) containing the same information which such notice is required to contain.
- 46.6 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*

#### **47. Voting: general**

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 the Articles.

#### **48. Errors and disputes**

- 48.1 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.
- 48.2 Any such objection must be referred to the Chairman of the meeting, whose decision is final.

#### **49. Poll votes**

- 49.1 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.
- 49.2 A poll may be demanded by:
- (a) the Chairman of the meeting;
  - (b) the Directors;
  - (c) two or more persons having the right to vote on the resolution; or
  - (d) a person or persons representing not less than one tenth of the total voting rights of all the Shareholders having the right to vote on the resolution.
- 49.3 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.

49.4 Polls must be taken immediately and in such manner as the Chairman of the meeting directs.

## **50. Content of proxy notices**

50.1 Proxies may only validly be appointed by a notice in writing (a “**proxy notice**”) which:

- (a) states the name and address of the Shareholder appointing the proxy;
- (b) identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the Shareholder 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 they relate.

50.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

50.3 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.

50.4 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.

## **51. Delivery of proxy notices**

51.1 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.

51.2 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.

51.3 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.

51.4 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.

## **52. Amendments to resolutions**

52.1 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.

52.2 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.

52.3 If the Chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairman's error does not invalidate the vote on that resolution.

## **Part 5 - Administrative Arrangements**

### **53. Means of communication to be used**

53.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.

53.2 Subject to the Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.

53.3 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

### **54. Company seals**

54.1 Any common seal may only be used by the authority of the Directors.

54.2 The Directors may decide by what means and in what form any common seal is to be used.

54.3 Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

54.4 For the purposes of this article, an authorised person is:

- (a) any Director of the Company;
- (b) the Company secretary (if any); or
- (c) any person authorized by the Directors for the purpose of signing documents to which the common seal is applied.

**55. No right to inspect accounts and other records**

Except as provided by law or authorized by the Directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a Shareholder.

**56. Provision for employees on cessation of business**

The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

*Directors' Indemnity and Insurance*

**57. Indemnity**

57.1 Subject to article 57.2, a relevant Director of the Company or an associated Company may be indemnified out of the Company's assets against:

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

57.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

57.3 In this article:

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

**58. Insurance**

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

58.2 In this article:

- (a) a "**relevant Director**" means any Director or former Director of the Company or an associated company;
- (b) a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant Director in connection with that Director's duties or powers in relation to the Company, any associated company or any pension fund or employees' Share scheme of the Company or associated company; and

- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

**59. Business Plan**

- 59.1 The Company shall provide to the Council not later than 20 Business Days prior to the end of each quarter, a draft detailed Business Plan for the next succeeding quarter and, not later than the end of each quarter, the Directors shall (subject to the prior written approval of the Council) adopt the Business Plan for the next succeeding quarter.
- 59.2 Following the adoption of the Business Plan in respect of each quarter, the Directors shall not, save with the prior written consent of the Council, agree to any material variation to the Business Plan, and the Company shall not either depart from any of the general strategies, policies or plans laid down in the Business Plan or make any material expenditure or incur any material liabilities which are not contemplated therein or are materially in excess of those contemplated in the Business Plan.

## **Schedule 1 - Reserved Matters**

### **General**

1. Altering the provisions of the Articles.
2. Passing any resolution for the Company's winding up (other than in the case of insolvency) or striking off.
3. Changing the general nature or scope of the business of the Company to any material extent.
4. Incorporating or acquiring any subsidiaries.
5. Granting, issuing or redeeming any mortgage, charge, pledge, lien, assignment, security interest, equity, option, right of pre-emption, title retention or other security agreement or arrangement or other encumbrance of any kind.
6. Giving any guarantee or indemnity.
7. Effecting any consolidation, subdivision, or reduction of the Company's issued Share capital, any variation of the rights attached to any of its Shares or any redemption or acquisition of Shares by the Company.
8. Changing the name or trading name of the Company.
9. Except in the case of emergency for the protection of the Company's business or assets, instigating, settling or abandoning any litigation or other dispute involving the Company where the amount in issue exceeds £5,000 (other than normal debt collection in the ordinary course of business).
10. Granting any power of attorney.
11. Re-registering as a public limited company or unlimited company or otherwise changing the status of the Company from a private company limited by Shares.
12. Permitting the appointment of any Director under Article 16 other than the Council Director.
13. Permitting the appointment of any alternate Director under Article 19.
14. Permitting or causing to be proposed:
  - (a) the creation, allotment or issue of any Shares in the capital of the Company or of any other securities;
  - (b) the reduction, sub-division or consolidation of the Shares in the capital of the Company;
  - (c) the redemption, purchase or other acquisition by the Company of any of its Shares or other securities; or
  - (d) any other alteration to its Share capital or the rights attaching to its Shares, or waive any right to receive payment on any of its Shares issued partly paid.
15. Registering any transfer of Share.
16. Entering into any contract or employment or arrangement save on those terms and conditions that are agreed by the Shareholder from time to time.



### **Financial and accounting**

17. Adopting or making any material change to any Business Plan.
18. Borrowing any money other than in accordance with the Business Plan.
19. Making any loan (except normal trade credit) other than in accordance with the Business Plan.
20. Changing the company's auditors (including removal other than for the purposes of reappointment) accounting reference date or accounting policies.
21. Incurring any capital commitment in excess of £1,000 which is not included in the Business Plan.
22. Approving the statutory accounts of the Company.
23. Approving any Director's remuneration.
24. Make any loan or advance or give any credit (other than in the ordinary course of business) to any person.

### **Trading**

25. Purchasing, leasing, licensing or otherwise acquiring any assets, business or undertaking other than in accordance with the Business Plan.
26. Selling, leasing, transferring, licensing or otherwise disposing of any of the assets (other than in the ordinary course of business), business or undertaking of the Company other than in accordance with the Business Plan.
27. Entering into a contract or transaction except in the ordinary and proper course of business on arm's length terms.
28. Creating a contract or obligation or renewing or varying the terms of an existing contract or obligation to pay money or monies worth to any Shareholder or any connected person of any Shareholder where such contract or obligation:
  - (a) has a value in excess of £5,000; or
  - (b) is in the opinion of the Directors (acting reasonably) outside of the scope of Regulation 12 (1) of The Public Contracts Regulations 2015.

## **Schedule 2**

### **S151 Local Government Act 1972 Obligations**

These are the mandatory on-going obligations of the Company in relation to the Council's responsibilities under Section 151 of the Local Government Act 1972

1. The Company shall ensure the following are maintained at all times to the satisfaction of the Section 151 officer of the Council, such officer having the right of inspection of the records of the Company at any time:
  - i. Suitably qualified finance staff employed by the Company, including in due course the Finance Director
  - ii. An accounting package that is fit for purpose, including the software and hardware used to maintain financial records and statements necessary to meet statutory and management accounting requirements. This will include any manual records that are needed to undertake this task. Financial systems should be suitable for receiving income and making payments.
  - iii. Suitable arrangements to meet statutory requirements associated with VAT, Corporation Tax, CIS and Stamp Duty
  - iv. Suitable insurance arrangements with adequate cover
  - v. Business continuity plans
  - vi. Suitable asset management arrangements (if relevant) – to include valuation arrangements where necessary
  - vii. Suitable banking arrangements with a reputable organisation
  - viii. A financial delegation scheme
  - ix. Fit for purpose governance arrangements
  - x. External auditors suitable for the size of the Company subject always to prior approval of the Shareholder
  - xi. Suitable Internal audit capacity
  - xii. Treasury management arrangements where needed.
  - xiii. Adequate arrangements to discharge the Council's annual governance statement requirements and assurance framework
  - xiv. Adequate arrangements for risk management
  - xv. Arrangements that adequately address Local Government Pension Scheme's requirements should the Company become a member of the Local Government Pension Scheme
  - xvi. An adequate anti-fraud and bribery policy
  - xvii. A money laundering policy
- 1.2 The Company shall ensure that any transactions with the Council and any transaction with other Council trading companies that have potential implications for the Council accounts are agreed in advance with the Council so that the full implications for the Council can be fully assessed.