

THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

OF

Lorimer Care Homes Limited (the "Company")

Circulation Date: 5 February 2020

Under Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolution be passed as a special resolution within the meaning of section 283 Companies Act 2006 (the "**Resolution**").

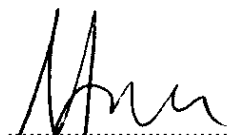
SPECIAL RESOLUTION

THAT, the form of the articles of association annexed to this Written Resolution be, and they are hereby, adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company (including, for the avoidance of doubt, those provisions of the Company's memorandum of association which are treated as provisions of the Company's existing articles of association under section 28(1) Companies Act 2006).

AGREEMENT

Please read the important notes at the end of this document before signifying your agreement to the Resolution.

The undersigned, being eligible members entitled to vote on the Resolution on 5 February 2020, hereby irrevocably agree to the Resolution:



.....
Duly authorised for and on behalf of
Sanctuary Housing Association

Date: 5 FEBRUARY 2020

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COMPANIES HOUSE

NOTES

1. If you agree with the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following delivery methods:

- **By hand:** delivering the signed copy to Anita Mobberley, Sanctuary House, Chamber Court, Castle Street, Worcester WR1 3ZQ;
- **Post:** returning the signed copy by post to Anita Mobberley, Sanctuary House, Chamber Court, Castle Street, Worcester WR1 3ZQ;
- **Email:** by attaching a scanned copy of the signed document to an email and sending it to anita.mobberley@sanctuary-housing.co.uk.

If you do not agree to the Resolution, you do not need to do anything. You will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the Resolution, you may not revoke your agreement.

3. Unless by 3 March 2020 (being the period of 28 days beginning with the circulation date of these written resolutions), sufficient agreement is received for the Resolution to pass, it will lapse. If you agree to the Resolution, please ensure that your agreement reaches us before or during this date.

4. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

5. Where shares are held jointly, the Company may only count the vote of the senior holder who votes (seniority being determined by the order in which the names of the joint holders are entered in the register of members).

Company number: SC412450

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
ARTICLES of ASSOCIATION
of

LORIMER CARE HOMES LIMITED

(Adopted by Special Resolution on 5 February 2020)

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
ARTICLES of ASSOCIATION

of
LORIMER CARE HOMES LIMITED

(Adopted by Special Resolution on 5 February 2020)

CONSTITUTION OF THE COMPANY

- 1 The model articles of association as prescribed in Schedule 1 to The Companies (Model Articles) Regulations 2008 are excluded in respect of this company.

DEFINITIONS

- 2 In these articles:

“**Act**” means (subject to article 4) the Companies Act 2006;

“**A Ordinary Shares**” means the ordinary shares of £0.005 each in the capital of the company designated as an A Ordinary Share;

“**B Ordinary Shares**” means the ordinary shares of £0.005 each in the capital of the company designated as a B Ordinary Share;

“**Chair**” means the chairperson of the company from time to time appointed in accordance with article 72;

“**Eligible Director**” means, in relation to a matter or decision, a director who is or would be entitled to count in the quorum and vote on the matter or decision at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter or decision);

“**Parent Organisation**” means Sanctuary Housing Association, a registered society as defined in section 1 of the Co-operative and Community Benefit Societies Act 2014 (registered number 19059R) which is an exempt charity;

“**Secretary**” means the secretary of the company or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary.

- 3 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.
- 4 Any reference in these articles to a statutory provision (including, for the avoidance of doubt, a provision contained within a statutory instrument) shall (subject to article 3) be deemed to include any modification or re-enactment of that provision in force from time to time.

- 5 References in these articles to the singular shall be deemed to include the plural.

OBJECTS & POWERS

- 6 The object of the company is to carry on business as a general commercial company.

- 7 In pursuance of the objects (but not otherwise) the company shall have the following powers:

- 7.1 To enter into all such contracts and arrangements as may be considered appropriate in relation to the conduct of the company's business and/or other operations from time to time.
- 7.2 To carry on any other activity which may appropriately be carried on in connection with any of the objects of the company.
- 7.3 To purchase, take on lease, hire, take in exchange, and otherwise acquire any property and rights which may be advantageous for the purposes of the activities of the company.
- 7.4 To acquire and take over the whole or any part of the assets and undertaking (including any liabilities) of any body carrying on any activities similar to those of the company.
- 7.5 To improve, manage, exploit, develop, turn to account and otherwise deal with all or any part of the undertaking, property and rights of the company.
- 7.6 To sell, let, hire, license, give in exchange and otherwise dispose of all or any part of the undertaking, property and rights of the company.
- 7.7 To lend money and give credit to any other company, with or without security, and to grant guarantees and contracts of indemnity on behalf of any other company.
- 7.8 To borrow money and give security for the payment of money by, or the performance of other obligations of, the company or any other company.
- 7.9 To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- 7.10 To remunerate any individual in the employment of the company and to establish, maintain and contribute to any pension or superannuation fund for the benefit of, and to give or procure the giving of any donation, pension, allowance or remuneration to, and to make any payment for or towards the insurance of, any individual who is or was at any time in the employment of the company and the spouse, widow/widower, relatives and dependants of any such individual; to establish, subsidise and subscribe to any institution, association, club or fund which may benefit any such person.
- 7.11 To promote any private Act of Parliament or other authority to enable the company to carry on its activities, alter its constitution or achieve any other purpose which may promote the company's interests, and to oppose or object to any application or proceedings which may prejudice the company's interests.

- 7.12 To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the company and to obtain from any such organisation, government or authority any charter, right, privilege or concession.
- 7.13 To enter into partnership or any other arrangement for sharing profit, co-operation or mutual assistance with any body, whether incorporated or unincorporated.
- 7.14 To give any shares, debentures or securities and accept any shares, debentures or securities as consideration for any business, property or rights acquired or disposed of.
- 7.15 To effect insurance against risks of all kinds.
- 7.16 To invest monies of the company not immediately required for the purposes of its activities in such investments and securities (including land in any part of the world) and that in such manner as may from time to time be considered advantageous, and to dispose of and vary such investments and securities.
- 7.17 To promote any company or other incorporated body formed for the purpose of carrying on any activity which the company is authorised to carry on.
- 7.18 To amalgamate with any body, incorporated or unincorporated, having objects altogether or in part similar to those of the company.
- 7.19 To subscribe for, take, purchase and otherwise acquire and hold shares, stocks, debentures and other interests in any company with which the company is authorised to amalgamate and to acquire and take over the whole or any part of the undertaking, assets and liabilities of any body, incorporated or unincorporated, with which the company is authorised to amalgamate.
- 7.20 To transfer all or any part of the undertaking, property and rights of the company to any body, incorporated or unincorporated, with which the company is authorised to amalgamate.
- 7.21 To accept subscriptions, grants, donations, gifts, legacies and endowments of all kinds, either absolutely or conditionally or in trust for any of the objects of the company.
- 7.22 To take such steps as may be deemed expedient for the purpose of procuring contributions to the funds of the company, whether by way of subscriptions, grants, loans, donations or otherwise.
- 7.23 To carry out any of these objects in any part of the world as principal, agent, contractor, trustee or in any other capacity and through an agent, contractor, sub-contractor, trustee or any person acting in any other capacity and either alone or in conjunction with others.
- 7.24 To do anything which may be incidental or conducive to the attainment of any of the objects of the company.

LIMITATION OF LIABILITY

- 8 The liability of a shareholder is limited to the amount, if any, unpaid on the shares held by that shareholder.

DIRECTORS

Powers of directors

- 9 Subject to the provisions of the Act and these articles, and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise *all the powers of the company*.
- 10 No alteration of these articles and no direction given by special resolution shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given.
- 11 The powers conferred by article 9 shall not be limited by any special power conferred on the directors by these articles.
- 12 A meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

Delegation to committees of directors and holders of offices

- 13 The directors may delegate any of their powers to any committee consisting of two or more directors; they may also delegate to the Chair or a director holding any other office such of their powers as they consider appropriate.
- 14 Any delegation of powers under the preceding article may be made subject to such conditions as the directors may impose, and either collaterally with or to the exclusion of their own powers; and may be revoked or altered.
- 15 Subject to any condition imposed in pursuance of the preceding article, the proceedings of a committee consisting of two or more directors shall be governed by the articles regulating the proceedings of meetings of directors so far as they are capable of applying.
- 16 In addition to their powers under article 13, the directors may delegate their powers to any committee consisting of one or more directors and such other individuals (who need not be directors or employees of the company) as the directors may consider appropriate; the provisions of articles 14 and 15 shall apply in relation to any such committee, subject to the qualification that the role of any committee formed under the preceding provisions of this article shall be limited (except to the extent that the directors otherwise determine) to the issue of reports and recommendations for consideration by the board of directors.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

- 17 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 articles 19 to 21.

- 18 Articles 19 to 38 inclusive shall be read subject to articles 39 to 59 (conflict-of-interest).

Unanimous decisions

- 19 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.
- 20 Such a decision may take the form of a resolution in writing, copies of which have been signed by each Eligible Director or to which each Eligible Director has otherwise indicated agreement in writing, or may be in electronic form.
- 21 A decision may not be taken in accordance with articles 19 and 20 if the Eligible Directors making that decision would not have formed a quorum at a directors' meeting resolving on the same matter.

Calling a directors' meeting

- 22 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the Secretary to give such notice.
- 23 Notice of any directors' meeting must indicate:
- 23.1 its proposed date and time;
 - 23.2 where it is to take place; and
 - 23.3 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.
- 24 Notice of a directors' meeting must be given to each director, but need not be in writing.
- 25 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 not more than 7 days after the date on which the meeting is held.
- 26 Where notice under article 25 is given after the relevant meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

Participation in directors' meetings

- 27 Subject to these articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
- 27.1 the meeting has been called and takes place in accordance with these articles; and
 - 27.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 28 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

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

Quorum for directors' meetings

- 30 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

- 31 The quorum for directors' meetings shall (subject to article 32) be two Eligible Directors.

- 32 For the purposes of:

32.1 any meeting (or part of a meeting) held in accordance with articles 39 to 46 to authorise a director's conflict; or

32.2 any determination in accordance with article 55 or 56,

if there is only one director present who is not an interested director for the purpose of that authorisation or determination, the quorum for that meeting (or part of a meeting) is one Eligible Director.

- 33 For the purposes of:

33.1 any informal directors' resolution in accordance with articles 19 to 21 to authorise a director's conflict for the purposes of articles 39 to 46; or

33.2 any determination in accordance with article 55 or 56 other than in a meeting,

if there is only one director in office who is not an interested director for the purpose of that resolution or determination, the quorum for the purpose of signing or passing that resolution or determination is one Eligible Director.

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

34.1 to appoint further directors; or

34.2 to call a general meeting so as to enable the shareholders to appoint further directors.

Chairing of directors' meetings

- 35 The Chair, if present, shall chair meetings of the directors.

- 36 If the Chair 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.

Casting vote

- 37 If the numbers of votes for and against a proposal are equal, the Chair or other director chairing the meeting has a casting vote.

- 38 But this does not apply if, in accordance with these articles, the Chair or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

Conflicts of interest

- 39 In this article and articles 47 to 50:

“Authorise” means to authorise in accordance with section 175(5)(a) of the Act; and authorisation, authorised and cognate expressions shall be construed accordingly;

“Conflict of Interest” includes a conflict of interest and duty, and a conflict of duties;

“Conflicted Director” means a director in relation to whom there is a Conflicting Matter;

“Conflicting Matter” means a matter which would or might (if not authorised or if not permitted under articles 47 to 50) constitute or give rise to a breach of the duty of a director under section 175(1) of the Act to avoid a Conflict Situation;

“Connected Persons” means, in relation to a director, persons connected with that director for the purposes of section 252 of the Act;

“Group Member” means a body corporate which is at the relevant time:

- (a) a subsidiary of the company; or
- (b) the company's holding company or a subsidiary of that holding company,

and for these purposes holding company has the meaning given to that expression in section 1159 of the Act;

“Interested Director” means a director who has, in any way, a material direct or indirect interest in a matter or decision;

“Other Directors” means, in relation to a particular Conflicting Matter, directors who are not Interested Directors in relation to that Conflicting Matter.

- 40 Exercise of the power of the directors to Authorise a Conflicting Matter shall be subject to the provisions of articles 41 to 46.

- 41 A Conflicting Matter, Conflict Situation or interest shall be taken to be material for the purposes of these articles unless it cannot reasonably be regarded as likely to give rise to a Conflict of Interest.

- 42 The provisions of this article apply:

42.1 subject to articles 47 to 50; and

42.2 without prejudice (and subject) to the provisions of section 175(6) of the Act.

- 43 Nothing in these articles shall invalidate an authorisation.

- 44 A Conflicted Director seeking authorisation of any Conflicting Matter shall disclose to the other directors the nature and extent of the Conflicting Matter as soon as is reasonably practicable. The Conflicted Director shall provide the Other Directors with such details of the Conflicting Matter as are necessary for the Other Directors to decide how to address the Conflicting Matter, together with such additional information as may be requested by the Other Directors.
- 45 Any director (including the Conflicted Director) may propose that a Conflicted Director's Conflicting Matter be Authorised. Any such proposal, and any authorisation given by the directors, shall be effected in the same way as any other matter may be proposed to and resolved on by the directors under the provisions of these articles, except that:
- 45.1 the Conflicted Director and any other Interested Director shall not count towards the quorum nor vote on any resolution giving that authorisation; and
- 45.2 the Conflicted Director and any other Interested Director may, if the Other Directors so decide, be excluded from any meeting of the directors while the Conflicting Matter and the giving of that authorisation are under consideration.
- 46 Where the directors Authorise a Conflicted Director's Conflicting Matter:
- 46.1 the directors may (whether at the time of giving the authorisation or subsequently):
- (a) require that the Conflicted Director is excluded from the receipt of information, the participation in discussions and/or the making of decisions (whether at meetings of the directors or otherwise) in relation to which any actual or potential Conflict of Interest may arise from the Conflicting Matter; and
- (b) impose on the Conflicted Director such other terms or conditions for the purpose of dealing with any actual or potential Conflict of Interest which may arise from the Conflicting Matter as they may determine;
- 46.2 the Conflicted Director shall conduct himself/herself in accordance with any terms or conditions imposed by the directors (whether at the time of giving that authorisation or subsequently);
- 46.3 the directors may provide that, where the Conflicted Director obtains (otherwise than through his/her position as a director) information that is confidential to a third party, the Conflicted Director will not be obliged to disclose the information to the company, or to use or apply the information in relation to the company's affairs, where to do so would amount to a breach of that confidence;
- 46.4 the terms of the authorisation shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded); and
- 46.5 the directors may revoke or vary the authorisation at any time, but no such action will affect anything done by the Conflicted Director prior to that action in accordance with the terms of the authorisation.

Permitted Conflict Situations

47 If:

47.1 a director or a Connected Person of a director acquires and holds shares in the capital of:

- (a) the company and/or any Group Member;
- (b) any other body corporate (other than a limited liability partnership), wherever incorporated, provided that the shares held by the director and his/her Connected Persons do not exceed 3% of the nominal value of the issued share capital of the body corporate; or

47.2 a director or a Connected Person of a director is appointed or acts as a member, director, board member, committee member, manager or employee of any Group Member or is appointed or acts as a delegate to exercise powers of the governing body of any Group Member,

any Conflict Situation which arises only by reason of such a Conflicting Matter is permitted by these articles and the relevant Conflicting Matter does not require disclosure and authorisation in accordance with these articles.

48 If:

48.1 a director or a Connected Person of a director acquires or holds shares in excess of the limit prescribed in article 47.1(b) in the capital of any other body corporate (other than a limited liability partnership), wherever incorporated; or

48.2 a director or a Connected Person of a director is appointed or acts as a member, director, manager or employee of a body corporate (including a limited liability partnership), wherever incorporated, other than a Group Company,

and so long as the conditions specified in article 49 are satisfied in relation to the director (the “relevant Conflicted Director”), any Conflict Situation which arises only by reason of such a Conflicting Matter is permitted by these articles and the relevant Conflicting Matter does not require disclosure and authorisation in accordance with these articles.

49 The conditions referred to in article 48 are as follows:

49.1 the relevant Conflicted Director must:

- (a) disclose to the other directors the nature and extent of the relevant Conflicting Matter as soon as is reasonably practicable;
- (b) whenever required by the other directors, either confirm that there has been no material change in the nature and extent of the relevant Conflicting Matter or provide details of any such material change that may have occurred; and

- (c) whether or not requested to do so, promptly inform the other directors regarding any material change in the nature and extent of the relevant Conflicting Matter,

and, in each case, provide the other directors with such details of the relevant Conflicting Matter as they may require (but so that the relevant Conflicted Director shall not be obliged to breach any legal obligation as to confidentiality owed to a third party);

49.2 unless the other directors decide that, in their opinion:

- (a) the Conflict Situation arising by reason of the relevant Conflicting Matter is not material; or
- (b) it is reasonable to expect the relevant Conflicted Director to resolve the relevant Conflict Situation in favour of the company,

the relevant Conflicted Director must also be excluded from the receipt of information, the participation in discussions and/or the making of decisions (whether at meetings of the other directors or otherwise) in relation to which a Conflict Situation arises by reason of the relevant Conflicting Matter; and

49.3 the relevant Conflicted Director must also comply with any other terms or conditions for the purpose of dealing with any actual or potential Conflict of Interest which may arise from the relevant Conflicting Matter as the other directors may determine including (but not limited to) confidentiality, and:

- (a) any such terms or conditions shall be recorded in writing (but the authorisation conferred by this article shall be effective whether or not the terms are so recorded); and
- (b) the other directors may vary any such terms or conditions at any time, but no such variation will affect anything done by the relevant Conflicted Director prior to that variation in accordance with the terms or conditions in effect at the relevant time.

50 A director shall not, by reason of his/her office or of the resulting fiduciary relationship, be liable to account to the company for any benefit which he/she (or a person connected with him/her) derives from:

50.1 a Conflicting Matter Authorised by the directors;

50.2 a Conflicting Matter to which article 47 or article 48 applies; or

50.3 a decision of the directors in relation to which, in accordance with article 52, the director was an Eligible Director, notwithstanding his/her relevant conflicting interest,

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

Directors' interests and decision making

51 A director who has a direct or indirect interest or duty that conflicts with the interests of the company in relation to a proposed decision of the directors is not an Eligible Director in relation to that decision unless article 52 applies to him.

52 A director who has a direct or indirect interest that conflicts with the interests of the company in relation to a proposed decision of the directors (a "relevant conflicting interest") shall be an Eligible Director in relation to that decision, provided that:

52.1 in a case where the relevant conflicting interest is in an actual or proposed transaction or arrangement with the company:

- (a) the nature and extent of the relevant conflicting interest either:
 - (i) has been duly declared to the Other Directors in accordance with section 177 or section 182 of the Act, as the case may require; or
 - (ii) is not required by the terms of either of those sections to be declared; and
- (b) where the relevant conflicting interest is constituted by, or arises from, a Conflicting Matter of the director and:
 - (i) that Conflicting Matter (or any breach of the relevant director's duty under section 175(1) of the Act by reason of that Conflicting Matter) is or has been Authorised, permitted, approved or ratified, either in accordance with articles 39 to 46 or articles 47 to 50 or by the members (and that authorisation, permission, approval or ratification has not been revoked, withdrawn or reversed); and
 - (ii) the relevant director has not been required to be excluded from participation in discussions and/or the making of decisions in relation to which the director has the relevant conflicting interest; or
- (c) where the relevant conflicting interest is constituted by, or arises from, a Conflicting Matter of the director and that Conflicting Matter (or any breach of the relevant director's duty under section 175(1) of the Act by reason of that Conflicting Matter) is not or has not been Authorised, permitted, approved or ratified, either in accordance with articles 39 to 46 or articles 47 to 50 or by the members:
 - (i) the Conflict Situation arising by reason of that Conflicting Matter is not material; or
 - (ii) the Other Directors are aware of the relevant conflicting interest and have determined that the director shall be an Eligible Director in relation to that decision; and

52.2 in any other case:

- (a) the director has disclosed the nature and extent of the relevant conflicting interest, or has not done so where:
 - (i) it cannot reasonably be regarded as likely to give rise to a Conflict of Interest; or
 - (ii) the Other Directors are already aware of it; and
- (b) where the relevant conflicting interest is constituted by, or arises from, a Conflicting Matter of the director and:
 - (i) that Conflicting Matter (or any breach of the relevant director's duty under section 175(1) of the Act by reason of that Conflicting Matter) is or has been Authorised, permitted, approved or ratified, either in accordance with articles 39 to 46 or articles 47 to 50 or by the members (and that authorisation, permission, approval or ratification has not been revoked, withdrawn or reversed); and
 - (ii) the relevant director has not been required to be excluded from participation in discussions and/or the making of decisions in relation to which the director has the relevant conflicting interest; or
- (c) where the relevant conflicting interest is constituted by, or arises from, a Conflicting Matter of the director and that Conflicting Matter (or any breach of the relevant director's duty under section 175(1) of the Act by reason of that Conflicting Matter) is not or has not been Authorised, permitted, approved or ratified, either in accordance with articles 39 to 46 or articles 47 to 50 or by the members:
 - (i) the Conflict Situation arising by reason of that Conflicting Matter is not material; or
 - (ii) the Other Directors are aware of the relevant conflicting interest and have determined that the director shall be an Eligible Director in relation to that decision; but

52.3 the provisions of this article do not apply in relation to a decision under article 45.

53 For the purposes of articles 51 and 52, the other directors are to be treated as aware of anything of which they ought reasonably to be aware.

54 If a question arises at a meeting of the directors about whether or not a director (other than the chairperson of the meeting):

54.1 has a material Conflict Situation for the purposes of articles 39 to 46 or articles 47 to 50;

54.2 can vote (where that director does not agree to abstain from voting) on the issue in relation to which the Conflict Situation arises; or

- 54.3 can be counted in the quorum (where that director does not agree not to be counted in the quorum) for the purpose of voting on the issue in relation to which the conflict arises,

the question must (unless article 55 applies) be referred to the chairperson of the meeting. The ruling of the chairperson of the meeting in accordance with this article 54 about any director other than himself/herself is final and conclusive, unless the nature or extent of the director's Conflict Situation (so far as it is known to him) has not been fairly disclosed to the Other Directors.

- 55 If, in relation to a question of the kind referred to in article 54, the chairperson of the meeting is an Interested Director, the question must be referred to the Other Directors in accordance with article 56 as if it were a question about the chairperson of the meeting.
- 56 If a question of the kind referred to in article 54 arises about the chairperson of the meeting (or if article 55 applies), the question shall be decided by a resolution of the Other Directors. The chairperson of the meeting (or Conflicted Director) cannot vote on the question but can be counted in the quorum. The Other Directors' resolution about the chairperson of the meeting (or Conflicted Director) is conclusive, unless the nature and extent of the chairperson's (or Conflicted Director's) Conflict Situation (so far as it is known to him/her) has not been fairly disclosed to the Other Directors.
- 57 Nothing in articles 51 to 56 shall be taken as absolving any director from any of the obligations set out in articles 39 to 46. A determination by the directors in accordance with article 52.1(c)(ii) or 52.2(c)(ii) that a Conflicted Director may be an Eligible Director in relation to a decision of the directors does not amount to authorisation of the relevant Conflict Situation.
- 58 The company may, by ordinary resolution, ratify any transaction, arrangement or other matter which has not been properly Authorised by reason of a contravention of these articles.
- 59 Any reference in articles 39 to 58 to meetings of the directors and voting shall include decision-making by resolution in writing or by other informal means in accordance with article 19.

Records of decisions to be kept

- 60 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.
- 61 Where a decision of the directors is taken by electronic means, that decision must be recorded in permanent form, so that it may be read with the naked eye.

Directors' discretion to make further rules

- 62 Subject to these 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.

CONDUCT OF DIRECTORS

- 63 It is the duty of each director of the company to take decisions (and exercise his/her other powers and responsibilities as a director) in such a way as he/she considers, in good faith, will be most likely to promote the success of the company in achieving its objects (as set out in article 4); and irrespective of any office, post, engagement or other connection which he/she may have with any other body which may have an interest in the matter in question.
- 64 Each of the directors shall comply with the code of conduct (incorporating detailed rules on Conflict of Interest) prescribed by the board of directors from time to time; for the avoidance of doubt, the code of conduct shall be supplemental to the provisions relating to the conduct of directors contained in these articles, and the relevant provisions of these articles shall be interpreted and applied in accordance with the provisions of the code of conduct in force from time to time.

DIRECTORS' REMUNERATION AND EXPENSES

- 65 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.
- 66 The directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or separate meetings of the holders of any class of shares or otherwise in connection with the discharge of their duties.

APPOINTMENT OF DIRECTORS

Number of directors

- 67 There shall be no maximum number of directors and the minimum shall be two.

Appointment/removal of directors by Parent Organisation

- 68 So long as the Parent Organisation is the sole shareholder, the Parent Organisation may, by notice in writing, signed by one of its board members and given to the company:
- 68.1 appoint any person who is willing to act to be a director (either to fill a vacancy or (subject to article 67) as an additional director); or
 - 68.2 remove any director before the expiry of his/her period of office (notwithstanding any agreement between the company and him/her).
- 69 Any appointment or removal of a director under article 68 shall have effect from the date on which the relevant notice is given to the company.

Disqualification and removal of directors

- 70 A director shall vacate office if:
- 70.1 he/she ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director;

- 70.2 a bankruptcy order is made against him/her;
 - 70.3 he/she becomes incapable for medical reasons of fulfilling the duties of his/her office and such incapacity has continued, or is expected to continue, for a period of more than six months;
 - 70.4 he/she resigns office by notice to the company;
 - 70.5 he/she is absent (without permission of the directors) from more than three consecutive meetings of directors and the directors resolve to remove him/her from office;
 - 70.6 he/she is removed from office by resolution of the directors on the grounds that he/she is considered to have committed a material breach of the code of conduct for directors in force from time to time (as referred to in article 63); or
 - 70.7 he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.
- 71 A resolution under paragraph 70.6 shall be valid only if:
- 71.1 the director who is the subject of the resolution is given 14 days prior written notice by the directors of the grounds upon which the resolution for his/her removal is to be proposed;
 - 71.2 the director concerned is given the opportunity to address the meeting of directors at which the resolution is proposed, prior to the resolution being put to the vote; and
 - 71.3 at least two thirds (to the nearest round number) of the directors then in office vote in favour of the resolution.

APPOINTMENT OF OFFICES

- 72 Directors shall be appointed to hold the office of Chair and any other offices which the directors may consider appropriate.
- 73 Each office shall be held (subject to article 74) until the conclusion of the annual general meeting of the Parent Organisation which follows appointment; a director whose period of office expires under this article may be re-appointed to that office under article 72 (providing he/she is willing to act).
- 74 The appointment of any director to an office under article 72 shall terminate if he/she ceases to be a director or if he/she resigns from that office by notice to the company.
- 75 If the appointment of a director to any office under article 72 terminates, the directors shall appoint another director to hold the office in his/her place.

SHARES AND DISTRIBUTIONS

Share capital

- 76 The share capital of the company shall consist of A Ordinary Shares and B Ordinary Shares, each such share being entitled to the rights and being subject to the restrictions as set out in these Articles.

Shares to be fully paid up

- 77 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.
- 78 The provisions of article 77 shall not apply to shares taken on the formation of the company by the subscribers to the company's memorandum of association.

Authority for the allotment of shares

- 79 In accordance with section 550 of the Act, for so long as the company has only one class of shares, the directors may (subject to article 80) exercise any power of the company:
- 79.1 to allot shares of that class; or
 - 79.2 to grant rights to subscribe for, or to convert any security into, such shares.
- 80 With reference to article 79, no share shall be issued to any party other than the Parent Organisation, except with the prior written consent of the Parent Organisation.
- 81 Section 561 of the Act (shares to be offered to existing shareholders in proportion to shareholdings, on any proposed allotment for cash) shall not apply to any allotment by the company of equity securities.

Distribution of profits

- 82 Subject to any restrictions on the distribution of profits imposed by the Act, the profits of the company in respect of any financial year may be distributed among the shareholders to such extent (if any) as they may determine by way of ordinary resolution.
- 83 The shareholders shall be entitled to share in any distributable profits which the shareholders resolve (by ordinary resolution) should be paid to the shareholders by way of dividend, and on the basis that the shares shall each carry an equal entitlement to share in any such profits which are resolved to be distributed.
- 84 With reference to articles 82 and 83, for so long as the sole shareholder is the Parent Organisation, a dividend shall be paid only if the Parent Organisation so determines (by way of ordinary resolution, as referred to in article 82) and shall be payable only to the Parent Organisation.

Payment of dividends

- 85 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:
- 85.1 transfer to a bank or building society account specified by the holder of the share in writing;
 - 85.2 sending a cheque made payable to the holder of the share by post to his/her/its registered address or to such other address as the holder of the share may specify in writing; or
 - 85.3 such other means of payment as the directors agree with the holder of the share in writing.

Capital

- 86 On a return of assets on liquidation or otherwise, the assets of the company remaining after the payment of its liabilities shall be distributed among the members in proportion to the shares respectively held by them.
- 87 With reference to article 86, if at the time when the return of assets is to be made the Parent Organisation is the sole shareholder, all assets remaining after the payment of the company's liabilities shall be paid over (or otherwise transferred) to the Parent Organisation.

Transfer of shares

- 88 The directors shall give effect without delay to any transfer of a share or shares by the Parent Organisation.
- 89 The directors shall not register the transfer of any share (other than a transfer by the Parent Organisation) except with the prior written consent of the Parent Organisation.

Share certificates

- 90 The company must issue each shareholder, free of charge, with a share certificate or certificates in respect of the share or shares which that shareholder holds.
- 91 Every share certificate must specify:
- 91.1 in respect of how many shares, and of what class, it is issued;
 - 91.2 the nominal value of those shares; and
 - 91.3 that the shares are fully paid.
- 92 No share certificate may be issued in respect of shares of more than one class.
- 93 Share certificates must be signed by two directors of the company (or by one director of the company and the Secretary).
- 94 If a share certificate issued in respect of a shareholder's shares is:

94.1 damaged or defaced; or

94.2 said to be lost, stolen or destroyed;

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

95 A shareholder exercising the right to be issued with such a replacement share certificate:

95.1 must return the share certificate which is to be replaced to the company if it is damaged or defaced; and

95.2 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee, as the directors decide.

DECISION-MAKING BY SHAREHOLDERS

Voting by shareholders

96 Every shareholder shall have one vote for every share held by that shareholder.

Special resolutions and ordinary resolutions: general

97 For the purposes of these articles, a “special resolution” means a resolution of the *members* which is passed by *members* representing not less than 75% of the total voting rights of eligible members, when passed by way of a written resolution in accordance with articles 100 to 103.

98 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution:

98.1 to alter its name; or

98.2 to alter any provision of these articles or adopt new articles of association.

99 For the purposes of these articles, an “ordinary resolution” means a resolution which is passed by members representing a simple majority of the total voting rights of eligible members, where passed by way of written resolution in accordance with articles 100 to 103.

Written resolutions: general

100 A written resolution can be passed by the members of the company (having been proposed by either the members or the directors in accordance with the procedures detailed in Chapter 2 of Part 13 of the Act) and will have effect as if passed by the members of the company in general meeting; a written resolution is passed when the required majority of eligible members have signified their agreement to it by sending to the company (in hard copy or electronic form) an authenticated document which identifies the resolution to which it relates and which indicates the member’s agreement to it (which agreement cannot thereafter be revoked).

101 For the purposes of the preceding article:

- 101.1 the reference to “eligible members” is to those members who would have been entitled to vote on the resolution on the circulation date of the resolution (which is either (a) the date on which copies of the written resolution are sent or submitted to the members in accordance with the procedures detailed in Chapter 2 of Part 13 of the Act; or (b) if copies are sent or submitted to members on different days, the first of those dates);
- 101.2 the reference to “required majority” is to the majority required to pass an ordinary or a special resolution under the Act, as follows:
- (a) in order to pass an ordinary resolution by way of written resolution, it must be passed (in accordance with article 100) by members representing a simple majority of the total voting rights of eligible members;
 - (b) in order to pass a special resolution by way of written resolution, it must be passed (in accordance with article 100) by members representing not less than 75% of the total voting rights of eligible members and the resolution must specifically state that it was proposed as a special resolution.
- 102 A resolution to remove a director (under section 168 of the Act) or a resolution to remove an auditor (under section 510 of the Act) cannot be proposed as a written resolution under article 100.
- 103 *For the purposes of article 100, a proposed written resolution will lapse if it is not passed before the end of a period of 28 days beginning with the circulation date (as defined in article 101.1), and the agreement of any member to a written resolution will be ineffective if signified after the expiry of that period.*

ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

- 104 Subject to these articles, anything sent or supplied by or to the company under these 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 the Act to be sent or supplied by or to the company.
- 105 Subject to these 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.
- 106 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.

Delivery of documents and information

- 107 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 107.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five

business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

- 107.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address; and
- 107.3 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.
- 108 For the purposes of this article, no account shall be taken of any part of a day that is not a working day.
- 109 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.
- 110 In accordance with section 1147(6)(a) of the Act, where a document or information is sent or supplied by the company to any member by electronic means, and the company is able to show that it was properly addressed, it is deemed to have been received by the intended recipient one hour after it was sent (but subject to section 1147(5)). Section 1147(3) of the Act shall not apply to the company.
- 111 Article 110 does not apply where a document or information is in electronic form but is delivered by hand or by post or by other non-electronic means.
- 112 Where a document or information is sent or supplied to the company by one person (the “agent”) on behalf of another person (the “sender”), the company may require reasonable evidence of the authority of the agent to act on behalf of the sender.

Winding-up

- 113 If the company is wound up, the Parent Organisation, alone or jointly with any other person, may become a purchaser of property belonging to the company.

Indemnity & insurance

- 114 Every director or other officer or auditor of the company shall be indemnified (to the extent permitted by sections 232, 234, 235, 532 and 533 of the Act) out of the assets of the company against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her office including, without prejudice to that generality (but only to the extent permitted by those sections of the Act), any liability incurred by him/her in defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour or in which he/she is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.
- 115 For the avoidance of doubt, the company shall be entitled to purchase and maintain for any director insurance against any loss or liability which any director or other

officer of the company may sustain or incur in connection with the execution of the duties of his/her office, and such insurance may extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).