

THE COMPANIES ACTS 2006

COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

Of

EAST SUSSEX ENERGY INFRASTRUCTURE AND DEVELOPMENT LIMITED

(the "Company")

(Amended by special resolution on 30 November 2023)

1. PRELIMINARY AND INTERPRETATION

I 1 The Regulations contained in the Model Articles for Private Companies Limited by Guarantee taken from the Companies (Model Articles) Regulations 2008 (S1 2008/3229) in force at the time of adoption of these Articles shall not apply and these Articles alone shall constitute the regulations of the Company

1 2 In these Articles

"A Member"

means a Member which is a Council,

"Act"

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

"Articles"

means these articles of association of the Company as amended from time to time,

"B Member"

means Hastings, Bexhill and East Sussex Business Association Limited,

"Board of Directors" or "Board"

means the board of directors for the time being of the Company,

"Business Day"

means a day other than a Saturday or Sunday or a day on which banks are authorised to close in London,

"Business Plan"

the business plan, pursuant to which the Company shall carry on its business, approved and adopted in accordance with **Article 11.2,**

"C Member"

any member which represents the educational sector in the Region,

"Chairman"

means a person appointed to be Chairman of the Board of Directors in accordance with **Article 16.8,**

"clear days"

means in relation to a period of notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect,

"Council"

means each of Hastings Borough Council, Rother District Council and East Sussex County Council (and references to any such Council shall include any other body or authority or corporation to which its general functions may from time to time be transferred pursuant to any reorganisation of local government) and references to "Councils" shall mean all of them,

"D Member"

means a member which represents community interest in the Region,

"Director"

means a director appointed to the Board of Directors from time to

time, **"electronic address"**

includes, but is not limited to, any number or address used for the purpose of electronic communications,

"electronic form"

has the meaning given in section 1168 of the Act

"executed"

includes, but is not limited to, signed, sealed or authenticated in some other way,

"Independent Director"

means a Director appointed pursuant to **Article 9.8,**

"Member"

has the meaning given in section 112 of the Act,

"office"

means the registered office of the Company from time to time,

"person with mental disorder"

means a person who is, or may be, suffering from mental disorder and either

- (a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Care and Treatment) (Scotland) Act 2003, or
- (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs,

"Prohibited Person"

means any person who is disqualified for election and holding office as a member of a local authority pursuant to section 80 of the Local Government Act 1972,

"Region"

means the area in and around Hastings in East Sussex, including Hastings, St Leonards, Bexhill, Rye, Rye Harbour, Rye Harbour Road and the areas in the immediate vicinity of such places and wider East Sussex,

"seal"

means the common seal of the Company,

"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,

"Steering Group"

means such bodies as are established by the Members to perform a local strategy role for the LEP

"subsidiary"

has the meaning given to such word in section 1159 of the Act,

"United Kingdom"

means Great Britain and Northern Ireland,

"Vice-Chairman"

means a person appointed to be Vice-Chairman of the Board of Directors in accordance with Article 16.8

13 In these Articles, unless the context otherwise requires

I 3 1 references to persons include references to natural persons and corporations,

1 3 2 words and expressions defined in the Act shall bear the same meanings in these Articles (but excluding any statutory modification of the Act not in force when these regulations became binding on the Company and words and expressions expressly defined in these Articles)

1 4 In these Articles

1 4 I the headings are included for convenience only and do not affect the construction of these Articles,

1 4 2 words denoting the singular include the plural and vice versa, and

1 4 3 words denoting one gender include any other gender

I 5 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special resolution is also effective for that purpose

2. OBJECTS AND POWERS

2 1 The objects ("Objects") of the Company are -

2 I 1 to promote, assist, encourage, plan, commission, finance, implement, manage and/or oversee (either directly or indirectly) energy, infrastructure, construction, reclamation, refurbishment, remediation, redevelopment or other projects ("Projects") the primary purpose of which is to improve the social, physical and economic environment of the area in the Region,

2 I 2 to provide (and/or procure the provision of) services relevant to or in support of Projects in the Region including the provision of serviced accommodation and/or offices, the provision of training and promotion of learning skills,

2 I 3 to implement the Business Plan,

2 I 4 with a view to facilitating the activities set out in articles 2 1 1 to 2 1 3 and in furtherance of such activities -

(a) to do all other things as may be incidental or conducive to the attainment of any of the Objects of the Company, and

(b) to do all or any of the above things, either alone or in conjunction with others, and either as principals, agents, contractors, trustees or otherwise and either by or through agents, contractors, trustees or otherwise

2 2 None of the income or property of the Company may be paid or transferred directly or indirectly by way of dividend bonus or otherwise by way of profit to any member of the Company

- 2 3 The Company has the power to do anything which is calculated to further its Objects or is conducive or incidental to doing so

3. LIABILITY

- 3 1 The liability of each Member is limited to £1, being the amount that each Member undertakes to contribute to the assets of the company in the event of its being wound up while he is a Member or within one year after he ceases to be a Member, for-

3 1 1 payment of the company's debts and liabilities contracted before he ceases to be a Member,

3 1 2 payment of the costs, charges and expenses of winding up, and

3 1 3 the adjustment of the rights of the contributories among themselves

4. MEMBERS

- 4 1 No person, organisation or other body shall be admitted and registered as a Member unless such admission is approved in writing by a majority of the Members of the Company at the time of application for membership Every person, organisation or other body who wishes to become a Member shall deliver to the Company an application for membership in such form as the Board requires to be executed by it and every such person, organisation or other body admitted to membership shall be subject to these Articles A Prohibited Person may not be admitted to membership of the Company It shall be a condition of joining as a Member that the incoming Member gives its written approval of the Business Plan Any proposed Member who does not provide such approval shall not be entitled to become a Member

- 4 2 Members shall be divided into four classes of membership, being classes A, B, C and D The Members shall belong to the class of membership stated below

Class	Member
A Members	each of the Councils
B Member	Hastings, Bexhill and East Sussex Business Association Limited
C Members	Julian Crampton or the party to whom he transfers his membership and up to seven other members
D Member	Steve Manwaring or the party to whom he transfers his membership

4 3 A Member shall cease to be a Member in the event of it being or becoming a Prohibited Person or
if

4 3 1 such Member retires or resigns, by giving written notice to the Company pursuant to and in
accordance with Article 4.6,

4 3 2 such Member dies, or being a corporation, is wound up or, being an unincorporated association,
is dissolved,

4 3 3 such Member is or becomes a person with a mental disorder, or

4 3 4 such Member is deemed to have resigned pursuant to Article 25 (Avoiding Influenced Company
Status)

4 4 The Board may resolve, subject to the procedure set out below, that the membership of any Member
be terminated with immediate effect if, in its view, the relevant Member has done any material act or
thing (or procured the same) that is prejudicial to the interests of the Company or has failed to comply
with or observe any of its material obligations under these Articles Before the Board resolves to so
terminate any such Member's membership, it must give notice in writing to such Member detailing the
reasons for its decision and providing that Member with 28 days from the date of the notice ("Remedial
Period") to remedy the act which has given rise to the notice Such notice shall also be required to give
notice of a meeting of the Board on the first business day following expiry of the Remedial Period or
such other later date as may be specified in the notice The Member in question shall have the right to
attend and be heard at this meeting of the Board before a final decision is made on the termination of
such Member's membership Notwithstanding Article 16.4, the quorum for such meeting of the Board
shall not require the presence of any Director appointed directly by the Member whose membership is
being considered (or any Director who is associated with such Member) A resolution shall only be
passed pursuant to this Article 4.4 if such resolution is passed by the unanimous vote of all those
Directors eligible to vote at a meeting of the Board specially convened for the purpose of considering
such resolution, save that any Director or Directors appointed by the Member whose membership is
being considered (or who is associated with such Member) shall not be entitled to vote upon such
resolution If the resolution to terminate the relevant Member's membership is passed then the Member
in question shall immediately cease to be a Member and its name shall be removed from the register
of Members

4 5 Membership shall not be transferable other than to any successor person, body or authority or
corporation to which the relevant Member's general functions are transferred

4 6 Any Member may resign its membership on giving to the secretary and the other Members written
notice of its resignation Such resignation shall be effective upon the earlier of the date falling three
months after the date of the written notice or the date upon which an alternative person, organisation or
other body is registered as a new Member in place of such resigning Member

4 7 The Members agree that nothing in these Articles should fetter or prejudice any of the Councils
from exercising their respective statutory powers, duties, rights and obligations Accordingly, the Members
agree that no Council shall be deemed to have acted in a way that is prejudicial to the interests of the Company
if, in so acting, such Council is properly exercising its statutory powers, duties, rights and obligations

5. GENERAL MEETINGS

- 5 1 The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it Not more than 15 months shall elapse between the date of one annual general meeting and that of the next The Company may hold its first annual general meeting within 18 months of its incorporation The annual general meeting shall be held at such time and place as the Directors shall appoint All general meetings other than annual general meetings shall be called general meetings
- 5 2 The Directors may call general meetings
- 5 3 If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director or any two Members of the Company may convene a general or annual general meeting in the same manner as nearly as possible as that in which such meetings may be convened by the Directors

6. NOTICE OF GENERAL MEETINGS

- 6 1 An annual general meeting and a general meeting called for the passing of a special resolution shall be called by at least 21 clear days' notice All other general meetings shall be called by at least 14 clear days' notice but a general meeting may be called by shorter notice if it is so agreed in accordance with section 307(4) of the Act
- 6 2 The notice shall specify the time and place of the general meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such
- 6 3 All business shall be deemed special that is transacted at a general meeting, and also all that is transacted at an annual general meeting, with the exception of the consideration of the profit and loss account, balance sheet, and the reports of the Directors and auditors and the appointment of and the fixing of the remuneration of the auditors
- 6 4 Notwithstanding that the Company does not have a share capital every notice convening a general meeting shall comply with the provisions of section 324 of the Act as to giving information to Members in regard to their right to appoint proxies Notices of and other communications relating to any general meeting which any Member is entitled to receive shall be sent to all Members and Directors and to the auditors for the time being of the Company

7. PROCEEDINGS AT GENERAL MEETINGS

- 7 I **No business shall be transacted at any general meeting unless a quorum is present. The quorum shall comprise of four Members (one from each class of membership) whether present in person, by proxy or by authorised representative. In the event the Company has less than four Members at any given time, one Member from each class of membership of which there are members at the time shall form a quorum whether present in person, by proxy or by authorised representative. In the event the Company has only one Member, that Member shall be able to pass any resolution by way of a written resolution that would otherwise need to be passed by the Members in general meeting.**
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- 7 2 If a quorum is not present within thirty minutes from the time appointed for the general meeting, or if during a meeting a quorum ceases to be present, the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Directors may determine, and if at such adjourned general meeting, a quorum is not present within half an hour from the time appointed for holding the general meeting, or if during the general meeting a quorum ceases to be present, the Member or Members present (in person, by proxy or by authorised representative) who are entitled to attend and vote thereat shall be a quorum
- 7 3 The Chairman, or in his absence the Vice-Chairman, or in his absence some other Director nominated by the Board, shall preside as chairman at every general meeting, but if neither the Chairman nor the Vice-Chairman nor such Director nominated by the Board is present within thirty minutes after the time appointed for holding the general meeting the Directors present shall elect one of their number to be chairman and, if there is only one Director present and willing to act, he shall be the chairman of the meeting If no Director is present within fifteen minutes after the time appointed for the holding of the meeting, the Members present and entitled to vote shall choose one of their number to act as the chairman
- 7 4 A Director shall, notwithstanding that he is not a Member, be entitled to attend and speak at any general meeting
- 7 5 The chairman of the general meeting may, with the consent of the meeting at which a quorum is present (and shall if so directed by such meeting), adjourn such meeting from time to time and from place to place, but no business shall be transacted at such adjourned meeting other than business which might properly have been transacted at the general meeting had the adjournment not taken place When a general meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned general meeting and the general nature of the business to be transacted Otherwise it shall not be necessary to give any such notice
- 7 6 A resolution put to the vote of a general meeting shall be decided on a show of hands unless before, or on the declaration of the result of the show of hands, a poll is duly demanded Subject to the provisions of the Act, a poll may be demanded
- 7 6 1 by the chairman of the general meeting, or
- 7 6 2 by at least two Members present in person or by proxy or by authorised representative having the right to vote at the meeting, or
- 7 6 3 by a Member or Members present in person or by proxy or by authorised representative representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the general meeting
- 7 7 A Member may vote at a general meeting of the Company on any resolution notwithstanding that it in any way concerns or relates to a matter in which that Member has directly or indirectly any kind of interest If such Member shall vote on any such resolution that Member's vote shall be counted in relation to that resolution and that Member shall (whether or not such Member shall vote on the same) be taken into account in calculating the quorum present at the general meeting PROVIDED ALWAYS that the Member shall have declared the interest at or prior to the general meeting at which the resolution is put

- 7 8 Unless a poll is duly demanded, a declaration by the chairman of the general meeting that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority (and an entry to that effect in the minutes of the meeting) shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution
- 7 9 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the general meeting and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made
- 7 10 A poll shall be taken as the chairman of the general meeting directs and he may appoint scrutineers (who need not be Members) and fix a time and place for declaring the result of the poll The result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded
- 7 11 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the general meeting shall not be entitled to a casting vote in addition to any other vote he may have
- 7 12 A poll demanded on the election of a chairman of the general meeting or on a question of adjournment shall be taken forthwith A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman of the general meeting directs not being more than thirty days after the poll is demanded The demand for a poll shall not prevent the continuance of a general meeting for the transaction of any business other than the question on which the poll was demanded If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the general meeting shall continue as if the demand had not been made
- 7 13 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the general meeting at which it is demanded In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken
- 7 14 A resolution in writing executed by or on behalf of each Member who would have been entitled to vote upon it if it had been proposed at a general meeting at which such Member was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more Members
- 7 15 Any Member (including a proxy or a Member represented by an authorised representative) may participate in a meeting of the Members by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Act, he shall be entitled to vote and be counted in a quorum accordingly Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is located

8. VOTES OF MEMBERS

- 8 1 Subject to Article 8.2 and Article 25 (Avoiding Influenced Company Status), on a show of hands every Member present in person or by proxy or by authorised representative, and on a poll the

Members of each class between them present in person or by proxy or by authorised representative, shall have one vote

- 8 2 For as long as the Company has at least three A Members, at least one C Member and at least one D Member, the votes cast by the B Member shall constitute 50% of all votes cast on any resolution put to the Members
- 8 3 Article 25 (Avoiding Influenced Company Status) shall limit the aggregated voting rights of the A Members and of any Member associated with a local authority within the meaning of section 69(5) of the Local Government and Housing Act 1989
- 8 4 The aggregated voting rights of the C Members shall constitute no more than 19.9% of all votes cast on any resolution put to Members
- 8 5 Subject to Article 8.2 and Article 25 (Avoiding Influenced Company Status), no objection shall be raised to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman of the general meeting whose decision shall be final and conclusive.
- 8 6 An instrument appointing a proxy shall be in writing executed by or on behalf of the appointor (or, if a corporation, under the hand of a duly authorised officer of such corporation) and shall be in such form as the Directors may determine or, failing such determination, in any usual form.
- 8 7 The appointment of a proxy shall not be valid and the proxy named in the instrument shall not be entitled to vote at the general meeting unless the instrument appointing the proxy
- 8 7 1 is deposited at the office (or such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting) not later than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or
- 8 7 2 in the case of a poll taken more than 48 hours after it is demanded, is deposited as specified in Article 8.7.1 after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll, or
- 8 7 3 where the poll is not taken forthwith but is taken not more than 48 hours after it is demanded, is delivered to the secretary or to any Director at the general meeting at which the poll is demanded.
- 8 8 A vote given or poll demanded by proxy or by the duly authorised representative of a Member shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the general meeting or adjourned general meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the general meeting or adjourned general meeting) the time appointed for taking the poll.
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9. NUMBER AND APPOINTMENT OF DIRECTORS

- 9 1 **Unless otherwise determined by ordinary resolution, the minimum number of Directors shall be two and the maximum number of Directors shall be sixteen.**
- 9 2 Each Director appointed by the A Members shall be designated an A Director Each Director appointed by the B Member shall be designated a B Director Each Director appointed by the C Members shall be designated a C Director Each Director appointed by the D Member shall be designated a D Director
- 9 3 Subject to **Article 25** (Avoiding Influenced Company Status), each A Member shall be entitled to appoint one A Director and to remove any such person from office as an A Director and to appoint another person in his place Every appointment or removal effected in accordance with this Article shall be in writing signed on behalf of the relevant A Member and shall take effect upon delivery at the office or at any meeting of the Board wherever held Without prejudice to the application of Article 19, **Article 25** (Avoiding Influenced Company Status) shall limit the voting rights of the A Directors and of any other Director associated with a local authority within the meaning of section 69(5) of the Local Government and Housing Act 1989
- 9 4 The B Member shall be entitled to appoint up to five B Directors and to remove any such person from office as a B Director and to appoint another person in his place Every appointment or removal effected in accordance with this Article shall be in writing signed on behalf of the B Member and shall take effect upon delivery at the office or at any meeting of the Board wherever held The aggregate voting rights of the B Directors shall constitute no more than 50% of all votes cast on any matter put to the Board
- 9 5 Each C Member shall be entitled to appoint one C Director and to remove any such person from office as a C Director and to appoint another person in his place Every appointment or removal effected in accordance with this Article shall be in writing signed on behalf of the relevant C Member and shall take effect upon delivery at the office or at any meeting of the Board wherever held The aggregate voting rights of the C Directors shall constitute no more than 19.9% of all votes cast on any matter put to the Board
- 9 6 The D Member shall be entitled to appoint one D Director and to remove any such person from office as a D Director and to appoint another person in his place Every appointment or removal effected in accordance with this Article shall be in writing signed on behalf of the D Member and shall take effect upon delivery at the office or at any meeting of the Board wherever held
- 9 7 Each A Director, B Director, C Director and D Director must be a director, elected representative, officer or full time employee of a Member of the relevant appointing class or in the case of a Member who is a natural person, such Member may appoint himself to be a Director
- 9 8 Subject to the maximum number of directors specified in **Article 9.1** the Members shall jointly be able to appoint further persons to be independent Directors and shall also, jointly, be entitled to remove any such independent Director In determining such appointments, each Member undertakes to the others that it shall act in good faith at all times Each appointment or removal made pursuant to this **Article 9.7** shall be in writing addressed to the Company and shall be signed by not less than a majority of the Members of each class of membership (and if there are only Members from one or two classes of membership then by not less than a majority of the Members

of each such class) Directors appointed pursuant to this Article 9.8 shall be referred to as "Independent Directors" Any Independent Director appointed by the Members pursuant to this Article 9.8 may not be a Prohibited Person or an officer, employee or representative of any Member

- 9 9 Without prejudice to the provisions for removal under Article 9.8 Independent Directors shall be appointed for a fixed period of 1 year and shall be deemed to have retired at the expiry of that period On retiring an Independent Director may be reappointed in accordance with the provisions of Article 9.8.

10. ALTERNATE DIRECTORS

- 10 I Any Director (other than an alternate Director) may at any time by notice in writing deposited at the office, or delivered at a meeting of the Board, appoint any person (Including another Director but not a Prohibited Person) to be his alternate and may in like manner at any time terminate such appointment
- 10 2 The appointment of an alternate Director shall determine on the happening of any event which, if he were a Director, would cause him to vacate such office or if his appointor ceases to be a Director
- 10 3 An alternate Director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the Board and of all meetings of committees of the Board of which his appointor is a member and shall be entitled to attend, speak and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he (instead of his appointor) were a Director
- 10 4 If an alternate Director shall himself be a Director or shall attend any such meeting as an alternate for more than one Director his , voting rights shall be cumulative
- 10 5 If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability, the execution by an alternate Director of any resolution in writing of the Directors shall be as effective as the execution by his appointor
- 10 6 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent, so far as applicable, as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by given notice in writing to the Company from time to time direct

11. POWERS OF DIRECTORS

- 11 I Subject to (i) the provisions of the Act, (ii) these Articles (and in particular Article 11.2), and (iii) any directions given by special resolution, the business of the Company shall be managed by the Board which may exercise all the powers of the Company No alteration of these Articles shall

invalidate any prior act of the Board which would have been valid if that alteration had not been made. The powers given by this Article shall not be limited by any special power given to the Board by these Articles and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.

11.2 Notwithstanding Article 11.1, the Members and Directors shall ensure that the Company carries on its business and affairs in accordance with its business plan (the "Business Plan"). Before the Business Plan (or any amendment to it) is approved and implemented, it must first be approved by a majority of the Members.

11.3 The Company shall, at all times, be managed in such a way that it complies with relevant guidelines, recommendations and regulations laid down from time to time and followed by public bodies and quasi-public bodies in the United Kingdom which relate to management, best practice, and value for money in the procurement of works and services from third parties.

11.4 Without prejudice to its obligations under any agreement to which it is party or any regulation or law under which it is bound, the Company shall use any income and revenue derived from carrying on its activities in order to fulfil its stated Objects set out in Article 2.

11.5 The Board may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as it determines, including authority for the agent to delegate all or any of his powers.

11.6 The Board may permit any other person, not being a Director or a Member, to attend meetings of the Board, general meetings of the Company or meetings of a committee of the Board or any subgroup thereof. Such person may attend as an observer only and have no voting rights (unless acting as a duly appointed proxy or authorised representative of a Member) but may be entitled to speak at the discretion of the Chairman.

11.7 Without prejudice to the powers of the Board set out in these Articles, the Board shall be responsible for procuring funding to enable the Company to fulfil its Objects set out in Article 2. In addition, and without prejudice to the requirements of the Act, the Board shall report to the Members on its activities and future plans at least annually.

11.8 Without prejudice to the provisions of Article 24 (Indemnity and Insurance) and subject to the provisions of the Act, the Directors shall have power to purchase and maintain insurance at the expense of the Company for or for the benefit of any persons who are or were at any time

11.8.1 directors, officers, employees or auditors of the Company or of any other company which is its holding company, or in which the Company or such holding company has any interest whether direct or indirect, or which is in any way allied to or associated with the Company or such holding company, or of any subsidiary undertaking of the Company or of such other company,

11.8.2 trustees of any pension fund in which employees of the Company or of any other such company or subsidiary undertaking are interested,

including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported exercise, execution and/or discharge of their powers or duties and/or otherwise in relation to their duties,

powers of offices in relation to the Company or any other such company, subsidiary undertaking or pension fund

12. DELEGATION OF DIRECTORS' POWERS

- 12 1 The Board may delegate any of its powers to any management committee consisting of such Directors as the Board shall determine, provided that (for as long as there are A, B, C and D Members) each such committee shall include an A Director, a B Director, a C Director and a D Director
- 12 2 Any such delegation made in accordance with Article 12.1 may be made subject to any conditions the Board may impose and either collaterally with or to the exclusion of the powers of the Board and may be revoked or altered
- 12 3 Subject to any conditions made in accordance with Article 12.2, the proceedings of a committee of the Board shall be governed by the Articles regulating the proceedings of the Directors so far as they are capable of applying and so far as the same shall not be superseded by any regulations made by the Board Insofar as such power is so delegated, any reference in these Articles to the exercise by the Directors of such power shall be construed as if it were a reference to such committee

13. DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 13 1 The Directors of the Company shall not retire by rotation
- 13 2 The office of a Director shall be vacated if the Director
- 13 2 1 becomes a Prohibited Person, or
- 13 2 2 ceases to be a Director by virtue of any provision of the Act or these Articles or he becomes prohibited by law from being a Director, or
- 13 2 3 becomes bankrupt or makes any arrangement or composition with his creditors generally, or
- 13 2 4 if an A Director, a B Director, a C Director or a D Director, ceases to be a director, officer, full time employee or elected representative of the Member appointing him (or such Member to which he is associated) or where a Director has been appointed by himself in his capacity as a Member pursuant to Article 9 7 and such person ceases to be a Member, or
- 13 2 5 is a person with a mental disorder, or
- 13 2 6 resigns his office by notice to the Company, or
- 13 2 7 shall, for more than six consecutive months have been absent without permission of the Board from meetings of the Board held during that period and the Board resolves that his office be vacated, or
- 13 2 8 is associated with a particular Member and such Member ceases to be a Member of the Company, or
- 13 2 9 shall be deemed to have resigned pursuant to Article 25 (Avoiding Influenced Company Status)

- 13 3 No person shall be disqualified from being or becoming a Director by reason of his attaining or having attained the age of 70 years or any other age

14. DIRECTORS' REMUNERATION AND EXPENSES

- 14 1 Other than as set out in Article 14.2 and Article 24 (Indemnity and Insurance), the Directors shall not be entitled to remuneration or any other benefits whatsoever from the Company (or any subsidiary of the Company) in respect of their services as directors
- 14 2 The Directors may be paid all travelling, hotel, and other expenses properly and reasonably incurred by them in connection with their attendance at meetings of the Board, committees of the Board, or general meetings or otherwise in connection with the discharge of their duties

15. DIRECTORS' INTERESTS

- 15 1 Subject to the provisions of the Act and Articles 15 7 to 15 15, and provided that he has disclosed to the Board the nature and extent of any material interest of his, a Director notwithstanding his office
- 15 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested,
- 15 1 2 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested, and
- 15 1 3 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit
- 15 2 For the purposes of Article 15.1
- 15 2 1 a general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified, and
- 15 2 2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his
- 15 3 For the purposes of this Article 15, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting
- 15 4 Subject to Article 15.5, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive

15 5 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

15 6 Subject to -

15 6 1 the provisions of Sections 177 and 182 of the Act, and

15 6 2 to the terms of any authorisation of a conflict made in accordance with the provisions of Articles 15.7 to 15.15, a director may vote at any meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty
The director shall be counted in the quorum present at a meeting when any such resolution is under consideration and if he votes his vote shall be counted

Powers of Directors to authorise conflicts of interest

15 7 The directors may authorise, to the fullest extent permitted by law, any matter proposed to them which would otherwise result in a director infringing his duty 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 and which may reasonably be regarded as likely to give rise to a conflict of interest

15 8 Authorisation of a matter under Article 15.7 is effective only if -

15 8 1 the matter has been proposed to the directors by its being submitted in writing for consideration at a meeting of the directors or for the authorisation of the directors by resolution in writing and in accordance with the Board's normal procedures or in such other manner as the Board may approve,

15 8 2 any requirement as to quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other interested director, and

15 8 3 the matter has been agreed to without the director in question and any other interested director voting or would have been agreed to if their votes had not been counted

15 9 Any authorisation of a matter under Article 15.7 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised

15 10 The Board may authorise a matter pursuant to Article 15.7 on such terms and for such duration, or impose such limits or conditions on it, as it may decide and vary the terms or duration of such an authorisation (including any limits or conditions imposed on it) or revoke it A director shall comply with any obligations imposed on him by the directors pursuant to any such authorisation

15 11 Any terms imposed by the Board under Article 15.10 may include (without limitation) -

15 11 1 whether the director may vote (or be counted in the quorum) at a meeting of the Board or any committee or sub-committee of the Board in relation to any resolution relating to the relevant matter,

- 15 11 2 whether the director is to be given any documents or other information in relation to the relevant matter, and
- 15 11 3 whether the director is to be excluded from discussions in relation to the relevant matter at a meeting of the Board or any committee or sub-committee of the Board or otherwise
- 15 12 The director shall not be required to disclose any confidential information obtained in relation to the relevant matter (other than through his position as a director of the Company) to the Company or to use or apply it in performing his duties as a director if to do so would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter
- 15 13 A director does not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act if he acts in accordance with such terms, limits and conditions (if any) as the Board may impose in respect of its authorisation of the director's conflict of interest or possible conflict of interest under **Article 15.7**
- 15 14 A director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the directors under **Article 15.7** and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit
- 15 15 A reference in these Articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties

16. PROCEEDINGS OF DIRECTORS

- 16 1 Subject to the provisions of these Articles, the Board may regulate its proceedings as it thinks fit Any Director may, and the secretary at the request of any Director shall, call a meeting of the Board There shall be a minimum of three Board meetings in each calendar year It shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom
- 16 2 Subject to the provisions of these Articles to the contrary (in particular **Article 9** and **Article 25**), decisions of the Board shall be decided by a majority of votes and each Director shall have one vote
- 16 3 In the case of an equality of votes the Chairman shall not have a second or casting vote A Director who is also an alternate Director shall be entitled to an additional vote on behalf of his appointor
- 16 4 **Subject to Article 16.5 and 16.6, no business shall be carried out at any meeting of the Board unless a quorum is present. The quorum shall be four, being at least one A Director, at least one B Director, at least one C Director and at least one D Director. In the event the total number of Directors for the time being is less than the quorum, the continuing Directors not being less than two (one from each class of membership that has appointed a director), shall form a quorum. A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum.**
- 16 5 If a quorum is not present within thirty minutes from the time appointed for a Board meeting the Board meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine If at the adjourned Board meeting a quorum is not present within thirty minutes from the time appointed the Director or Directors present in person or by alternate (or being a corporation by duly authorised

representative) shall constitute a quorum and shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place

- 16 6 Where one of the Directors provides notice that such person does not wish to attend a meeting or any part of a meeting (or appoint an alternate), such meeting shall be deemed to be quorate without the attendance of the person giving such notice
- 16 7 The continuing Directors may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of calling a general meeting
- 16 8 The Chairman and Vice-Chairman shall be individuals appointed by the Board from amongst the Directors If at a meeting of the Board there is no Director holding the office of Chairman, or if the Chairman is unwilling to preside or is not present within fifteen minutes after the time appointed for the meeting, the Vice-Chairman shall preside at the meeting If there is no Vice-Chairman or he is unwilling to preside or is not present within fifteen minutes of the time appointed for the meeting, the Directors present may appoint one of their number to be the chairman of the meeting
- 16 9 For the avoidance of doubt, the Vice-Chairman (or such Director appointed to act as a chairman at the meeting) shall whilst acting in substitution for the Chairman have all the powers of the Chairman
- 16 10 All acts done by a meeting of the Board, or of a committee of the Board, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote
- 16 11 A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and may consist of several documents in the like form each signed by one or more Directors, and a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity
- 16 12 A resolution in writing signed by all the persons entitled to receive notice of and to vote at a meeting of a committee of the Board shall be as valid and effectual as if it had been passed at a meeting of such committee duly convened and held and may consist of several documents in the like form each signed by one or more of such persons A resolution signed by an alternate Director need not also be signed by his appointor, and if it is signed by a Director who has appointed an alternate Director it need not be signed by the alternate Director in that capacity
- 16 13 Where proposals are under consideration concerning the appointment of two or more Directors to offices or employment with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each Director separately and (provided he is not for another reason precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment

16 14 Subject to Article 15, Each A Director, B Director, C Director and D Director shall be entitled to make full disclosure to the Member appointing him (or to which he is associated) of any information relating to the Company Such entitlement shall not extend to Independent Directors

16 15 Any Director (including an alternate Director) may participate in a meeting of the Board or a committee of the Board of which he is a member by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Act, he shall be entitled to vote and be counted in a quorum accordingly Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is located

16 16 An A Director may be accompanied to any meeting of the Board or of any committee of the Board by an adviser (who shall be an employee, officer, elected official or professional adviser to the relevant A Member), and such adviser shall be entitled to speak at any such meeting but shall not have any right to vote on any matter put to such meeting

17. SECRETARY

Subject to the provisions of the Act, the Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as the Board may think fit and any Secretary so appointed may be removed by the Board

18. MINUTES

The Board shall cause minutes to be taken and kept for the purpose

18 1 of all appointments of officers made by the Board, and

18 2 of all proceedings at meetings of the Company, of the Board and of committees of the Board, including the names of the Directors or other persons present at each such meeting

19. MATTERS REQUIRING CONSENT

19 1 The Members shall use their respective powers to ensure, so far as they are legally able, that no action or decision relating to any of the following matters is taken by the Company without the prior agreement of all of the A Members, unless such action is expressly contemplated in the Business Plan

19 1 1 any change to the memorandum of association and/or these Articles (or to the memorandum and/or articles of association of any subsidiary),

19 1 2 the creation of any mortgage, charge, lien, encumbrance or other third party right over the Company's assets or the giving by the Company of any guarantee or indemnity to or becoming surety for any third party,

- 19 1 3 any arrangement for the assignment, sale or other disposal of any of the assets of the Company or any acquisition by the Company of any part of the issued share capital or of the assets and undertaking of another company or the acquisition of any other assets by the Company,
- 19 1 4 the winding up of the Company and/or making any disposal of assets of the Company to its Members,
- 19 1 5 any cessation of or any proposal to cease to carry on the business of the Company;
- 19 1 6 the making of any gift, grant or loan (or extension of any existing loan) by the Company,
- 19 1 7 any borrowing by the Company,
- 19 1 8 the establishment of any subsidiary of the Company or the subscription for any interest (or option to acquire any interest) in any other company,
- 19 1 9 entering into any agreement or arrangement in the nature of a joint venture, partnership or consortium,
- 19 1 10 any transaction by the Company with any Member or any connected person or associated company of a Member,
- 19 1 11 the establishment of any committee of the Board,
- 19 1 12 any change to the Company's accounting policies or the Company's auditors, bankers, accounting reference date or bank mandates,
- 19 1 13 the establishment of any retirement benefit scheme in relation to the Company's employees, or the making of any contribution to any third party scheme for the provision of retirement benefits,
- 19 1 14 any change to the registered office or principal place of business of the Company,
- 19 1 15 entering into the occupation, purchase, sale, transfer, lease or licence of any freehold or leasehold property by the Company,
- 19 1 16 the entering into of any litigation which is material to the Company, save for the collection of debts arising in the ordinary course of business,
- 19 1 17 setting and varying the salary, bonus or other remuneration of any employee of the Company,
- 19 1 18 the making of any charitable donation,
- 19 1 19 the entering into by the Company of any contract or arrangement of a long term nature,
- 19 1 20 any material amendment to (or resolution of any dispute in relation to) any material agreement to which the Company is party,
- 19 1 21 the approval and adoption of the annual report and accounts of the Company
- 19 2 Members shall act in good faith when considering any matter pursuant to Article 19.1 and undertake not to act in such a way as to hinder the implementation of the Business Plan by the Company
- 19 3 The consent of the A Members to any of the matters referred to in Article 19.1 shall be evidenced by the signature of an authorised person on behalf of such consenting Member on the resolution approving the relevant matter

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- 19 4 Where any statutory, governmental or regulatory approval is required in order for the Company to carry out any of the matters referred to in Article 19.1, the A Members shall endeavour to obtain such approval as soon as practicable
- 19 5 If any Member permits the Company to do any matter listed in Article 19.1 without the necessary consent required under Article 19.1 then such permission will be deemed prejudicial to the interests of the Company for the purpose of Article 4.4
- 19 6 Under no circumstances shall the Company make any political donations
- 19 7 Nothing in this Article 19 shall require an A Member or an A Director from having to take any action that would, if taken, result in such A Member or A Director being in breach of (i) any law, statute or regulation to which it or he is bound or (ii) any duty which it or he owes, relating to local government administration

20. THE SEAL

The seal shall only be used by the authority of the Board or of a committee of the Board authorised by the Board The Board may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or by a second Director

21. ACCOUNTS

No Member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the Board or by ordinary resolution of the Company

22. NOTICES

- 22 1 All notices given to or by any person pursuant to the Articles (other than a notice calling a meeting of the Directors) shall be in writing or subject to the Articles, shall be sent in electronic form to an electronic address for the time being notified for that purpose to the person sending the notice Notice may be given personally or by letter or (if appropriate) in electronic form The address for service of the Company shall be the office or such other place as the Directors may appoint The address for service of each member shall be his registered address within the United Kingdom or such other address within the United Kingdom for service as the addressee may from time to time notify to the Company for the purposes of this Article In the absence of such address the member shall not be entitled to receive from the Company notice of any meeting
- 22 2 Notices will be deemed to be received
- 22 2 1 if personally delivered, at the time of delivery and, in proving service, it shall be sufficient to produce a receipt for the notice signed by or on behalf of the addressee,

- 22 2 2 if by letter, at noon two Business Days after such letter was posted, and, in proving service, it shall be sufficient to prove that the letter was properly stamped first class, addressed and delivered to the postal authorities, and
- 22 2 3 if by electronic form to an electronic address, at the expiration of 24 hours after the time it is sent, in proving service, it shall be sufficient to prove that it was sent in accordance with guidance issued by the institute of Chartered Secretaries and Administrators

23. WINDING UP

- 23 1 The Company and its subsidiaries shall be wound up following a resolution passed by the Members
- 23 2 If the Company and its subsidiaries are to be wound up then, subject to the discharge of all liabilities of the Company and its subsidiaries or the retention of sufficient reserves to discharge the same and to pay the costs of winding up the Company and its subsidiaries, the remaining assets will be distributed by decision of the Board to such non-profit-distributing organisation or organisations as the Board may select being organisation(s) that will carry on or promote activities closely associated with the Company's objects or which are most likely to improve the social, physical and economic environment of the Region

24. INDEMNITY AND INSURANCE

- 24 1 Subject to article 24 2, a relevant director of the Company or an associated company shall be indemnified out of the Company's assets against -
 - 24 I 1 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
 - 24 1 2 any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006)
 - 24 1 3 any other liability incurred by that director as an officer of the Company or an associated company
- 24 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
- 24 3 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
- 24 4 In this article -
 - 24 4 1 a "relevant director" means any director or former director of the Company or an associated company
 - 24 4 2 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

- 24 4 3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate

25. AVOIDING INFLUENCED COMPANY STATUS

- 25 1 Notwithstanding the number of Members from time to time, the maximum aggregate number of votes exercisable by the A Members and any Member which is a **"Local Authority Associated Person"** (meaning any person associated with any local authority in accordance with Section 69 of the Local Government and Housing Act 1989) shall never exceed 19 9% of the total number of votes exercisable by Members in general meeting and the votes of the other Members having a right to vote at the meeting **will** be increased on a pro-rata basis (having regard to the application of **Article 8.2**)
- 25 2 No person who is a Local Authority Associated Person may be appointed as a Director if at the time the appointment is to take effect the number of Directors who are also Local Authority Associated Persons represents 20% or more of the total number of Directors Upon any resolution put to the Board of Directors, the maximum aggregate number of votes exercisable by the A Directors and any Directors who are Local Authority Associated Persons shall represent a maximum of 19 9% of the total number of votes cast by the Directors on such resolution and the votes of the other Directors having a right to vote at the meeting will be increased on a pro-rata basis (having regard to the application of **Article 8.5**)
- 25 3 No person who is a Local Authority Associated Person is eligible to be appointed to the office of Director unless appointed to such office by the Local Authority to which he is associated
- 25 4 If, at the time of either his becoming a Member of the Company or his first appointment to office as a Director, any Member or Director was not a Local Authority Associated Person but later becomes so during his membership or tenure as a Director he shall be deemed to have immediately resigned his membership and/or resigned from his office as a Director as the case may be
- 25 5 If at any time the number of Directors who are also Local Authority Associated Persons would (but for this **Article 25**) represent 20% or more of the total number of Directors, then a sufficient number of the Directors who are Local Authority Associated Persons shall be deemed to have resigned as Directors immediately before the occurrence of such event to ensure that at all times the number of Directors who are Local Authority Associated Persons is never equal to or greater than 20% of the total number of Directors of the Company Directors who are Local Authority Associated Persons shall be deemed to have resigned in order of their appointment date, the most recently appointed resigning first
- 25 6 The Members will each notify the Company and each other if at any time they believe that the Company or any of its subsidiaries has become subject to the influence of a local authority (as described in Section 69 of the Local Government and Housing Act 1989)

26. EXECUTION OF DOCUMENTS

Where the Act so permits, any instrument signed by one Director and the secretary or by two Directors and expressed to be executed by the Company as a deed shall have the same effect as if executed under

the seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to have effect as a deed without the authority of the Directors or of a committee authorised by the Directors in that behalf