

The Companies Acts 1985, 1989 and 2006  
COMPANY LIMITED BY GUARANTEE AND NOT HAVING  
A SHARE CAPITAL  
MEMORANDUM OF ASSOCIATION  
OF  
Elevate Guildford Ltd

1. The name of the Company (hereinafter called "the Company") is **Elevate Guildford Ltd**
2. The registered office of the Company is to be situated in England and Wales.
3. The objects for which the Company is established ("the Objects") are, for all businesses apart from those exempted in the Elevate Guildford BID Business Plan, within a defined area identified in the Elevate Guildford BID Business Plan (the Area of Benefit): (i) to initiate, develop and promote the business improvement district ("BID") in accordance with Part 4 of the Local Government Act 2003 (as the same may be consolidated, amended, modified or re-enacted from time to time) ("the Legislation") for the purpose of financing, constructing, managing and operating improvements to the Area of Benefit and (ii) to act as a BID body for the purposes of the Legislation and for the purposes of being the body responsible for the implementation of the BID proposals, any alteration proposals and any renewal proposals for the business improvement district.
4. In furtherance of the Objects but not otherwise the Company may exercise the following powers:
  - 4.1. to draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments, to operate bank accounts in the name of the Company as well as to deposit with any local government authority capable of taking such deposits, the Company's funds or part thereof and to operate such an account held in the name of or pro the Company;
  - 4.2. to raise funds and invite and receive contributions and in particular but without limitation, to propose and promote in accordance with the Legislation the imposition by any competent billing authority upon non-domestic rate payers whether within or outside the Area of Benefit of an additional levy (howsoever described in the Legislation) and in addition to invite voluntary contributions from any source in each case in accordance with the Legislation and any relevant statutory regulations and to exercise all the Company's powers for the renewal of such funding;
  - 4.3. subject to clause 5 below to employ such staff as are necessary for the proper pursuit of the Objects and to make all reasonable and necessary provision for the payment of pensions and superannuation to staff and their dependants; to enlist the support of and to co-operate with local government and other statutory authorities, voluntary and other organisations and individuals representative of any community or communities within the Area of Benefit or otherwise likely to be affected by the furtherance or achievement of the Objects or who may be independently operating wholly or partly in furtherance of the Objects or similar purposes and to exchange information and advice with them;
  - 4.4. to exercise all of the powers that are from time to time granted to or available to the Company by the Legislation or as may be granted to it by any delegation of authority by any statutory or public body;
  - 4.5. to conduct or commission the conducting of market research, canvassing, lobbying, advertising and promotion;
  - 4.6. to acquire, alter or improve and (subject to such consents as may be required by law) to distribute to third parties or use for tender preparations, in full or part without written permission charge or otherwise dispose of property;
  - 4.7. to establish and support any wholly owned subsidiary of the Company for the purpose of

carrying on all or any part of the Objects;

4.8. subject to such consents as may be required by law to borrow or raise money for the furtherance of the Objects in such manner and on such security as the Company may think fit and to sell, dispose, let, mortgage or charge and to grant licences, options, rights and privileges in respect of the undertaking and all or any of the real or personal property and assets, present or future of the Company;

4.9. to invest and deal with the monies of the Company not immediately required for the furtherance of the Objects in or upon such investments, securities or property as may be thought fit subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and to hold or otherwise deal with any investment made;

4.10. to carry out all or any of the Objects and to do all or any of the above acts matters or things and to exercise all or any of the above powers in any part of the world and either as principals, agents, trustees or otherwise and either alone or in conjunction with others and either by or through sub-contractors, agents, trustees or otherwise;

4.11. to act as agent or broker for any person, firm, organisation or company and to undertake and perform any form of contract;

4.12. to carry on any trading operation which may be carried on in conjunction with the Objects and enter into agreements for all or any of the following purposes that is to say:-

4.12.1. the supply by the Company to any person of any goods or materials;

4.12.2. the provision by the Company to any person of any administrative, professional or technical services;

4.12.3. the use by any person of any vehicle, plant or apparatus belonging to or facilities under the control of the Company and the placing at the disposal of any person, the services of any person employed in connection with the item in question provided in each case the Company shall before doing so have regard to whether any exercise of its powers under this paragraph will be likely to:-

- (a) concern surplus capacity;
- (b) profitably exploit surplus capacity; and
- (c) benefit the Area of Benefit;

and will not detract or derogate from the purpose of the business improvement district arrangements as set by the Legislation and generally.

4.13. to indemnify every Board Member or other officer or auditor of the Company out of the assets of the Company against liability incurred by him or her in that capacity in defending any proceedings whether civil or criminal, in which judgment is given in his or her favour or in which he or she is acquitted or in connection with any application in which relief is granted to him or her by any court from any liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company;

4.14. to pay out of the funds of the Company the costs, charges and expenses of and incidental to the formation and registration of the Company including, subject to clause 5 below, any professional costs;

4.15. to do all such other lawful things as are necessary or conducive for the achievement of the Objects.

5. The income and property of the Company shall be applied solely towards the promotion of its objects as set forth in this Memorandum of Association and no portion thereof shall be paid or

transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit, to members of the Company and no members of the board of directors shall be appointed to any office of the Company paid by salary or fees, or, save as hereinafter provided, receive any remuneration or other benefit in money or money's worth from the Company other than in respect of reasonable and proper expenses for any services rendered to the Company.

Provided that nothing herein shall prevent any payment in good faith by the Company:-

5.1. of reasonable and proper management charges;

5.2. of all usual and proper professional or other charges to any member of the board of directors who is a Solicitor, Accountant or otherwise engaged in a profession for work done by him or his firm in connection with the discharge of the objects of the Company;

5.3. of reasonable and proper remuneration to any member, officer or servant of the Company (not save as herein provided being a member of its Board) for any services rendered to the Company;

5.4. of reasonable and proper remuneration to any member of the Board appointed as Chief Executive of the Company for any services rendered by him to the Company.

5.5. of interest on money lent by any member of the Board at a rate not exceeding 2% per annum over the rate at which deposits in sterling of an amount equivalent to the amount of any loan are, at the date of such loan available in London Interbank market for a period of 12 months to the Company's bankers;

5.6. of reasonable and proper rent for premises and property demised or let by any member of the Company, or of its Board

5.7. to any Member of its Board for out of pocket expenses

5.8. of premiums on the indemnity insurance referred to in clause 4.15

6. Upon winding up or dissolution of the Company, all sums carried to the credit of the BID revenue account/s or BID operating account/s of the Company as maintained in accordance with the Legislation shall be applied in accordance with arrangements made under the Legislation.

7. If upon a winding up or dissolution of the Company, there remains after:-

7.1. arrangements made in accordance with paragraph 6 of this memorandum (and the Company's complete compliance with the Legislation in respect of any property whatsoever) and

7.2. the satisfaction of all its debts and liabilities (including without limitation the costs of winding up the Company's affairs) any property whatsoever the same shall subject to the proviso stated below, be distributed:

a) among those donors and grant making bodies who have made voluntary financial contributions to the Company for business improvement district purposes in the 12 months prior to the termination of the last chargeable period prior to the date of a distribution under this paragraph as a class ("Class A") and all persons who were liable in respect of BID levy imposed by the Company in the chargeable period last elapsed prior to the date of distribution under this paragraph as a class ("Class B") such distribution in the case of Class A, being made as nearly as practicable pro rata to each such contributor's total contribution in the period (not exceeding 12 months) prior to the commencement of a winding up of the Company and in the case of Class B, such distribution being made equally amongst such contributors as are within the Area of Benefit at any date specified for such purpose by the Officer unless in each case in the opinion of the Officer the cost of making a distribution to contributors or any class of contributors in accordance with the foregoing procedures, would be disproportionate to the benefit in which case any distribution shall be made as the Officer

thinks fit provided that it shall be paid or distributed among the members of the Company only to the extent such persons fall within Class A or Class B aforesaid and not in their capacity as members of the Company. In the case of any non-cash such property, it shall either be realised for cash or where the cost of such realisation would in the opinion of the Officer be disproportionate to the benefit and in the case of any other property whatsoever not capable of distribution in accordance with the foregoing provisions, it shall be given or transferred to some other not for profit company or organisation having objects similar to the Objects or otherwise of benefit to the Area of Benefit (but not to a Member) and which shall prevent the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the company under or by virtue of this paragraph 7, such company or organisations to be determined by the directors of the Company and to be approved by the members of the Company at or before the time of dissolution.

b) to the extent that the same were so provided, among those donors and grant making bodies who have made voluntary financial contributions to the Company for the pursuance of the objects of the Company other than for business improvement district purposes

For the purposes of this paragraph 7, "the Officer" shall mean the Board or any administrator, liquidator, receiver or other legally competent person appointed to conduct the winding up, dissolution or striking off of the Company.

8. The liability of the Members is Limited.

9. Every Member of the Company undertakes to contribute such amount as may be required (not exceeding one pound) to the assets of the Company if it should be wound up while he is a Member or within one year after he ceases to be a Member, for payment of the Company's debts and liabilities contracted before he ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves.

10. Words and expressions used herein shall have the same meanings (where the context permits) as they are given in the Articles of Association with which the Company is incorporated.

We, the persons whose names and addresses are written below, wish to be formed into a company under this Memorandum of Association.

The persons whose signatures, names and addresses are written at the end of the Memorandum will be the first members of the Company.

(signatures, names and addresses of subscribers)

.....  
.....  
.....

Dated: .....

Witness to the above Signatures: .....

Name: .....

Address: .....

Occupation: .....

THE COMPANIES ACTS 1985, 1989 AND 2006  
A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL  
ARTICLES OF ASSOCIATION  
of  
Elevate Guildford Ltd  
PRELIMINARY  
INTERPRETATION

1. In these Articles:

"1985 Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force; "2006 Act" means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;

"Company" means the company intended to be regulated by these Articles;

"Companies Acts" means the 1985 Act and the 2006 Act as amended and in force from time to time;

"Articles" means the Articles of Association of the Company;

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

"executed" means any mode of execution;

"General Meeting" shall mean any general meeting of the Members of the Company;

"Local Authority Associated Person" means a local authority or any other person or entity which is under the control of or subject to the influence of a local authority as those terms are used for the purposes of sections 67-69 Local Government and Housing Act 1989;

"Memorandum" means the Memorandum of Association of the Company;

"Office" means the Registered Office of the Company;

"seal" means the common seal of the Company if it has one;

"Member" means a member of the company;

"Director" means a director of the company acting individually;

"Objects" means the objects of the company as set out in the Memorandum from time to time;

"Board" means the board of directors of the Company;

"Board Member" means a member of the Board of Directors from time to time of the Company;

"the United Kingdom" means Great Britain and Northern Ireland;

"Table A" means the Regulations contained in Table A of the Companies (Tables A to F) (Amendment)

Regulations 1985 as amended by the Companies (Tables A to F)(Amendment) Regulations 2007 and

the Companies (Tables A to F)(Amendment)(No. 2) Regulations 2007.

Subject to this Article words and expressions contained in these Articles shall, unless the context requires otherwise, bear the same meanings as in the Companies Acts.

## **MEMBERS**

2. As regards admission and qualification for membership:

2.1. There shall be no maximum number of Members of the Company.

2.2. The subscribers to the Memorandum and such other persons or organisations liable for the payment of the BID Levy within the Area of Benefit are eligible to be admitted to the membership in accordance with the Articles shall be Members of the Company. Every person who wishes to become a Member shall deliver to the Company an application for membership in such form as the Directors shall require executed by him.

2.3. No person shall be admitted as a Member unless he supports the aims and objects of the Company and wishes to take an active part in the support and furtherance thereof and his application for membership is approved by resolution of the Board. The Board shall not be required or obliged to give reasons for refusal of any application for membership which shall be at the Board's absolute discretion.

2.4. No person who is a local authority or Local Authority Associated Person may be appointed as a Member or to represent a Member of the Company if at the time the appointment is to

take effect the number of Members or representatives of Members who are also a local authority or Local Authority Associated Persons represents 20% or more of the total number of Members or their representatives voting.

2.5. Every Member of the Company shall either sign a written consent to become a Member or sign the register of members on becoming a Member.

2.6. A person shall cease to be a Member if he/she shall give a letter of resignation to the Board or if his/her membership is terminated under Article 3.

2.7. The Board shall have the right at any time to invite any person or organisation to attend any of the meetings of the Company as an observer without the power to vote.

3. As regards expulsion and termination generally:

3.1. If any Member shall fail to observe any of the Articles or rules of the Company made under powers vested in the Board or whose conduct is prejudicial to the Company or who shall fail without reasonable excuse to attend three consecutive General Meetings of the Company without any sufficient reason, the Board may convene a General Meeting of the Company to consider passing a special resolution to expel such Member and on such special resolution being passed the name of the Member shall be removed from the register of members and he/she shall cease to be a Member.

3.2. Any Member who is the subject of a resolution to expel under the terms of the preceding Article shall be entitled to address the said General Meeting either in person or through a representative.

3.3. Every nomination made by any Member pursuant to Article 24 shall be reviewed annually by the body that made the nomination. Every such nomination shall be confirmed in writing in such form as the Board shall require in respect of the body confirming the appointment for the following year. A representative whose appointment is not so confirmed shall automatically cease to be entitled to represent the Member with effect from the expiry of the said three year period. A representative shall be eligible for reappointment at any time.

3.4. No Member of the Company is entitled to any refund of subscription or membership fee on ceasing to be a Member for any reason.

#### **GENERAL MEETINGS**

4. The Board may call a General Meeting when it thinks fit and a General Meeting must also be convened on the requisition of members pursuant to the provisions of the Companies Acts.

#### **NOTICE OF GENERAL MEETINGS**

5. All General Meetings shall be called by at least fourteen clear days' notice in writing but a General Meeting may be called by shorter notice if it is agreed by a majority in number of Members having a right to attend and vote, being a majority together holding not less than 90 per cent of the total voting rights at the meeting of all the members.

6. The notice shall specify the time date and place of the meeting and the general nature of the business to be transacted. The text of all special, extraordinary and elective resolutions to be proposed at the meeting must be set out in the notice.

7. The notice shall be given to all Members and to the Directors and auditors (if any) for the time being of the Company but if anyone entitled to receive notice does not receive it, this does not invalidate the proceedings at the meeting if the failure to notify was accidental.

#### **PROCEEDINGS AT GENERAL MEETINGS**

8. No business shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. A quorum shall be one third of all members



entitled to vote upon the business to be transacted or five (whichever shall be the greater) present in person or by proxy.

9. If a quorum is not present within half an hour of the time appointed for the meeting or, if during a meeting a quorum ceases to be present, the meeting shall be adjourned to such time and place as the Board may determine but those persons present may agree in principle upon the business set out in the notice to be transacted at the meeting, subject to the ratification of such business at the adjourned meeting.

10. The Chairperson ("the Chair") if any, of the Board or in his/her absence, the Vice-Chairperson, if any, of the Board or in his/her absence, some other Board Member nominated by the other Board Members present shall preside as the Chair of the meeting, but if the Chair is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act, the Board Members present shall elect one of their number to be the Chair, and if there is only one Board Member present and willing to act, he/she shall be the Chair.

11. If no Board Member is willing to act as the Chair, or if no Board Member is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote, shall choose one of their number to be the Chair.

12. The Chair may, with the consent of a meeting at which a quorum is present (and shall if required by a simple majority of Members present at the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business that properly might have been transacted at the meeting had an adjournment taken place. When a 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 meeting, and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

13. Subject to Article 14 to Article 20 no Member shall be entitled to more than one vote at any meeting of the Company.

14. At any General Meeting a resolution put to the vote of the 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 Companies Acts, a poll may be demanded;

14.1. by the Chair; or

14.2. subject to the provisions of Article 8 by at least 4 Members having the right to vote at the meeting; or

14.3. subject aforesaid by a Member or Members representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; and a demand by a person as proxy for a Member shall be the same as a demand by a Member.

15. Unless a poll is duly demanded a declaration by the Chair that a resolution has been carried or lost, whether unanimously, or 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 of proportion of the votes recorded in favour or against the resolution.

16. The demand for a poll may be withdrawn before the poll is taken but only with the consent of the Chair. The withdrawal of a demand for a poll shall not invalidate the result of a show of hands declared on the demand for a poll.

17. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll was demanded.

18. Except as provided in Article 19, if a poll is demanded it may be taken in such manner as the Chair directs but the Chair has no authority in exercising this power to extend the poll to

Members of the Company who are not present at the meeting in question. The result of the poll is deemed to be the resolution of the meeting at which the poll was demanded.

19. A poll demanded on the election of a Chair, or on a question of adjournment of a meeting must be taken immediately. A poll demanded on any other question may be taken at such time as the Chair directs. If there is an interval before the time for closing the poll, the meeting may deal with any business other than the business being determined by poll.

#### **VOTES OF MEMBERS**

20. Every Member of the Company whose name is entered in the Company's register of members shall be entitled to exercise one vote at every General Meeting of the Company save that if the number of Members which are local authorities or Local Authority Associated Persons exceeds 19% of the total number of Members, then the votes cast by those Members or their representatives shall be deemed in aggregate to constitute the lower of:- (1) the number of votes cast by them; and (2) the number of votes which is 19% of the total number of votes available to be cast on the resolution.

21. A resolution proposed at any General Meeting will be approved if, in accordance with the provisions of this article, a simple majority of the votes cast in the meeting are in favour of the resolution, except where the Companies Acts or these Articles prescribes a different majority.

22. No Member shall be entitled to vote at any General Meeting unless any monies then payable by him/her to the Company shall have been paid.

23. No objection shall be raised to the qualification of any voter except at the meeting or the adjourned 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 Chair whose decision shall be formal and conclusive.

24. Any Member which is an organisation may by resolution of its committee or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the organisation which he represents as the organisation could exercise if it were an individual Member of the Company.

#### **PROXIES AND REPRESENTATIVES**

25. Regulations 59 to 63 of Table A shall apply to the appointment of proxies and representatives save only as expressly qualified by any other provisions of these Articles.

#### **BOARD OF DIRECTORS**

26. Until otherwise determined by Members in General Meeting the number of Board Members shall not be less than 5 nor more than 15.

27. No Director who is a Local Authority Associated Person may either:-

27.1. Be appointed to the Board if at the time the appointment is to take effect, the number on the Board who are Local Authority Associated Persons will represent 20% or more of the total number of Board Members; or

27.2. be counted with any other Local Authority Associated Person to any extent greater in aggregate than 19% of the number of votes available to be cast on a resolution of the Directors.

27.3. be appointed Chair

28. No person shall be appointed a Director of the Company who does not represent a Member of the Company. For the purposes of deciding whether or not a person represents a Member, written confirmation from the Member to the Company identifying the relevant person as its representative shall be sufficient.



29. Subject to Articles 26 to 28 the Board may from time to time appoint as a Director any representative of a Member of the Company who is willing to act either to fill a casual vacancy or as an additional Director provided that the maximum is not exceeded. Any such Board Member shall only hold office until the next General Meeting but shall be eligible for re-nomination.

30. The Company may from time to time by ordinary resolution appoint Directors and, where required for such appointment may by special resolution increase the maximum number of Board Members.

31. The first Board Members shall be those persons named in the statement delivered pursuant to section 10 (2) of the 1985 Act. Future Directors shall be appointed as provided in these Articles.

32. The Board may appoint any relevant persons to attend any of its meetings without the power to vote.

33. In addition and without prejudice to the provisions of section 168 of the 2006 Act the Company may by Ordinary Resolution remove any Board Member before the expiration of his/her period of office.

#### **POWERS OF THE BOARD**

34. Subject to the provisions of the Companies Acts, the Memorandum and Articles and any direction given by special resolution, the business of the Company shall be managed by the Board who may exercise all the powers of the Company except those required to be exercised by the Company at a General Meeting. No alteration of the Memorandum and Articles and no such direction shall invalidate any prior act of the Board which would have been valid had that alteration not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Board by the Articles and a meeting of the Board at which a quorum is present may exercise all the powers exercisable by the Board.

35. In addition to all powers hereby expressly conferred upon it and without detracting from the Company's powers under the Articles the Board shall have the following powers;

35.1. To expend the funds of the Company in such manner as it shall consider most beneficial for the achievement of the objects set out in the Memorandum and to invest in the name of the Company such part of the funds as it may see fit and to direct the sale and transposition of such investments and to expend the proceeds of any such sale in furtherance of the said objects;

35.2. To enter into contracts on behalf of the Company.

35.3. To invite interested parties to attend as observers any meetings of the Board or any subcommittee meeting convened under Article 52.

35.4. To appoint consultants from time to time to advise the Board and to agree their remuneration.

36. The Board Members may act notwithstanding any vacancy in its body; provided always that in case the number of Board Members shall at any time be reduced in number to less than the minimum number prescribed by or in accordance with these Articles it shall be lawful for them to act as the Board solely for the purpose of admitting persons to membership of the Company, filling vacancies on the Board or of summoning a General Meeting.

#### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

37. The original Directors shall retire at the first General Meeting and shall be entitled to re-election providing at that time they are Members (or representatives of Members) and so entitled to election.

38. As regards the appointment and retirement of Directors:

38.1. Subject to Article 37 every appointment of a Director made by any Member pursuant to Article 30 shall be reviewed every third year by the body or bodies that made the appointment and where appropriate the nominating body shall remove that Director under its powers and appoint a replacement Director.

38.2. No person may be appointed or re-appointed as a Director at any General Meeting other than under and in accordance with Article 28 or unless he or she is appointed pursuant to Article 29 or 30 and providing that in the case of an appointment pursuant to Article 29 or 30 at least 14 clear days before the date appointed for the General Meeting, notice executed by a Member of the Company qualified to vote at the General Meeting has been given to the Company of the intention to propose that person for appointment or re-appointment together with notice executed by that person of his willingness to be appointed or re-appointed.

39. If at any time the number of Board Members who are also Local Authority Associated Persons exceed 19% of the total number of Board Members, then the votes cast by those Board Members shall be deemed in aggregate to constitute the lower of:- (1) the number of votes cast by them; and

(2) the number of votes which is 19% of the total number of votes available to be cast on the resolution.

40. No person may be appointed a Board Member:-

40.1. Unless he/she has attained the age of 18 years; and

40.2. Unless he/she represents a Member of the Company; and

40.3. If he/she would be disqualified under the terms of Article 46

41. Any Director appointed to the Board (other than an alternate Director) shall have the power at any time to appoint an alternate Director provided that such alternate Director is either another Director or any other person approved for that purpose by a resolution of the Directors (such approval not to be unreasonably withheld) and at any time may remove from office an alternate Director appointed by him. Every appointment and removal of an alternate Director shall be in writing signed by the appointer and (subject to any approval required) shall (unless all Directors agree otherwise) only take effect upon receipt of such written appointment or removal at the Office.

42. Where an alternate Director is also a Director or acts as an alternate Director for more than one Director, such alternate Director shall be entitled at Board Meetings or any sub-committees to one vote for every Director whom he represents (in addition to his own vote if he himself is a Director), but he shall count as only one for the purposes of determining whether a quorum is present.

43. An alternate Director shall be entitled to attend and to vote as a Director at any Board meeting at which his appointer is not personally present and generally in the absence of his appointer at such Board meetings to perform and exercise all functions, rights powers and duties as a Director of his appointer.

44. An alternate Director shall not be entitled as such to receive any remuneration from the Company except only such part of the remuneration otherwise payable to his appointer as such appointer may by notice in writing to the Company from time to time direct, but shall otherwise be subject to the provisions of these Articles with respect to Directors. An alternate Director shall during his appointment be an officer of the Company and shall not be deemed to be an agent of his appointer.

45. The appointment of an alternate Director shall automatically determine of the happening of any event which if he were a Director would cause him to vacate office of his appointer shall cease for any reason to be a Director.

**DISQUALIFICATION AND REMOVAL OF BOARD MEMBERS**

46. A Board Member shall cease to hold office if he/she:

46.1. Ceases to be a Board Member by reason of any provision in the Companies Acts or is disqualified from acting as a Board Member;

46.2. Becomes by reason of mental disorder, injury or illness incapable of managing his/her own affairs;

46.3. By notice in writing to the Company resigns his/her office;

46.4. The Member nominating him or her ceases to be a Member of the Company;

46.5. The Member nominating him or her decides to remove him or her from his/her office as a representative of the Member;

46.6. Is absent without the permission of the Board from all its meetings whether of the Board or of relevant sub-committee of the Board held within three months and the Board resolves by a simple majority that his or her office be vacated.

46.7. Upon death, or if he/she becomes bankrupt or makes an arrangement with his/her creditors, or becomes of unsound mind, or is convicted of a serious and indictable offence which in the view of the Board affects the ability to perform the necessary duties;

46.8. If he is removed by a simple majority of the members of the Company, following the procedure laid down in section 168 of the 2006 Act or Article 33; or

46.9. Is directly or indirectly interested in any contract with the Company and fails to declare the nature of his/her interest as required by section 317 of the 1985 Act.

47. A Director shall not vote in respect of any contract in which he/she is interested or any matter arising out of it, and if he/she does so vote, his vote shall not be counted.

**EXPENSES OF THE BOARD**

48. Board Members may, with the consent of the Board, be paid all reasonable travelling, hotel and other expenses properly incurred by them in connection with the discharge of their duties but otherwise shall be paid no remuneration in their capacity as Board Members.

**PROCEEDINGS OF THE BOARD**

49. Subject to the provisions of the Articles the Board may regulate their proceedings as they think fit. A Board Member may call a meeting of the Board. It shall not be necessary to give notice of a meeting to a Board Member who is absent from the United Kingdom. Questions arising at a meeting shall, subject to Article 26, be decided by a majority of votes and in the case of an equality of votes the Chair shall have a second or casting vote provided always that the Chair is not a local authority associated person.

50. The quorum for the transaction of the business of the Board may be fixed by the Board but shall not be less than one half of its number or five Board Members present in person and entitled to vote, whichever shall be the greater. Any meeting of the Board at which at any time the number of Directors or their alternates attending and eligible to vote at the meeting who are Local Authority Associated Persons exceeds 19% of the total number of Directors or their alternates attending and eligible to vote, shall not be or as the case may be shall cease to be quorate.

51. The Chairperson ("the Chair") of the Board shall be appointed by the Directors from time to time provided that such Director is not a Local Authority Association Person or a representative of a Local Authority Association Person.

52. The Board may appoint one or more sub-committees consisting of one or more Board Members for the purpose of making any enquiry or supervising or performing any function or

duty which in the opinion of the Board would be more conveniently undertaken or carried out by a sub-committee. Any sub-committee so formed shall conform to any regulations that may be imposed on it by the Board and all acts and proceedings of any such sub-committees shall be fully and promptly reported to the Board whose decision on any recommendations shall be final.

53. All acts done by a meeting of the Board, or of a sub-committee of the Board (or by an executive Director) shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Board Member or that any of them was disqualified from holding office, or had vacated office, or were not entitled to vote, be, with the consent of the Board, as valid as if every such person has been duly appointed and was qualified and had continued to be a Board Member and had been entitled to vote.

54. A resolution in writing signed by all the Board entitled to receive notice of a meeting of the Board or of a sub-committee of the Board, shall be as valid and effective as if it had been passed at a meeting of the Board or a sub-committee of the Board duly convened and held. Such a resolution may consist of several documents in the same form, each signed by one or more of the Board Members.

55. Any bank account in which any part of the assets of the Company is deposited shall be operated by the Board and shall indicate the name of the Company. All cheques and orders for the payment of money from such account shall be signed by such people being not less than two in number as authorised by the Board.

#### **MINUTES**

56. The Board shall keep minutes in books kept for the purpose;

56.1. Of all appointments of officers made by the Board; and

56.2. Of all resolutions and proceedings at all meetings of the Company and of the Board and of sub-committees of the Board including the names of the Board Members present at each such meeting.

#### **THE SEAL**

57. The seal if any shall only be used with the authority of the Board or of a sub-committee 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 two Board Members.

#### **ACCOUNTS**

58. Accounts shall be prepared in accordance with the provisions of the Companies Acts.

#### **ANNUAL REPORTS AND RETURNS**

59. The Board shall comply with all the requirements of the Companies Acts with regard to the preparation and submission of an annual report and return.

#### **NOTICES**

60. Regulations set out in appropriate clauses above shall apply.

#### **INDEMNITY**

61. Subject to the provisions of the Companies Acts every Board Member or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him or her in the capacity in defending any proceedings, whether civil or criminal, in which judgement is given in his or her favour or in which he is acquitted or in connection with any application in which relief is granted to him or her by any court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

#### **DISSOLUTION**

62. Clauses 6 and 7 of the Memorandum relating to the winding-up and dissolution of the Company shall have effect as if its provisions were repeated in these Articles.

## **RULES**

63. The Board may from time to time make such rules or bye-laws as it may deem necessary, expedient or convenient for the proper conduct and management of the Company and for the purposes of prescribing classes and conditions of membership. In particular but without limitation to the generality of the foregoing, it may be such rules or bye-laws regulate;

63.1. The admission and classification of members of the Company (including the admission of organisations to membership) and the rights and privileges of such members, and the conditions of membership and the terms on which subscriptions, if any, shall be paid by members;

63.2. The conduct of members of the Company in relation to one another and to the employees of the Company;

63.3. The setting aside of the whole or any part or parts of the premises of the Company at any particular and for any particular purpose;

63.4. The procedure at General Meetings and at the meetings and committees of the Board in so far as such procedure is not regulated by these Articles;

63.5. Generally, all such matters as are commonly the subject matter of Company Rules.

64. The Company in General Meeting shall have the power to alter, add to or repeal the rules or byelaws and the Board shall adopt such means as it thinks sufficient to bring to the notice of members of the Company all such rules or bye-laws, which shall be binding on all members of the Company provided that no such rule or bye-law shall be inconsistent with, or shall affect or repeal anything.