

The Companies Act 2006
Company Limited by Guarantee
Articles of Association
of
HWBIDCo



Company Number 08214693

Interpretation

1. In these regulations:

the **Act** means the Companies Act as defined in Section 2 of the Companies Act 2006 namely:-

- (a) Parts 1 to 39 and Parts 45 to 47 of the Companies Act 2006;
- (b) Part 2 of the Companies (Audit, Investigations and Community Enterprise) Act 2004; and
- (c) The provisions of the Companies Act 1985 and the Companies Consolidation (Consequential Provisions) Act 1985 that remain in force.

the **articles** means the articles of the company.

the **board** means the Board of Directors of the Company acting collectively

BID or Business Improvement District has the same meaning as in Part IV of the Local Government Act 2003

the **BID Area** means the area within which the Company operates the BID

the **BID Levy** means the charge to be levied and collected against the BID Levy Payers within the area of the BID

the **BID Levy Payers** means the those who are responsible for paying the BID Levy

the **BID Members** means those members of the Company who are financial contributors to the BID whether that be through the levy or a voluntary contribution

the **Nominated Members** means those representing the Local Authority (ies) (2 Councillors with a specific remit/interest in the town centre), the University (with an appropriate level of seniority) and the Eden Shopping Centre (which may be the centre management or a nominated alternative).

the **BID Proposal** means the plan voted for by the BID Members which sets out the objectives of the BID

the **Chair** will be appointed by the Directors with a preference towards a representative of a financially contributing business

clear days in relation to the period of a notice means 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.

communication means the same as in the Electronic Communications Act 2000.

electronic communication means the same as in the Electronic Communications Act 2000.

executed includes any mode of execution.

office the registered office of the company.

local authority representatives means an individual representing a local authority

Ordinary Resolution 2 has the meaning given in S282 of the Companies Act 2006 (a copy of the relevant Section is at Annex 1).

the seal means the common seal of the company

the **Regulations** means the Business Improvement Districts (England) Regulations 2004 (as may be amended from time to time)

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.

Special Resolution has the meaning given by Section 283 of the Companies Act 2006 (a copy of the relevant Section is at Annex 2).

the **United Kingdom** means Great Britain and Northern Ireland

Voluntary Contributions means contributions paid to the Company by Voluntary Members to be used towards securing or procuring the BID Proposal and its objectives of the Company.

the **Voluntary Membership Agreement** means an Agreement to be entered into between a Voluntary Member of the Company which sets out the terms of the annual subscription and/or the basis upon which voluntary payments shall be made.

Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the company.

Objects

2. The objects of the company for which it is established (Objects) are as follows:

- (a) to promote, manage, maintain and improve the BID Area; and
- (b) generally to do all acts and things appropriate to a business improvement district and in relation to the BID Proposal.

Powers

3. The company has the power to do anything which is calculated to further the Objects, or which is conducive or incidental to doing so.

Limitations on distributions

4. The income and property of the company shall be applied solely towards the furtherance of the Objects.

5. No part of the income and property of the company shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to any of the members PROVIDED THAT this shall not prevent any payment in good faith by the company of:

- (a) interest on money lent to the company by any member at a rate per annum not exceeding a reasonable and proper commercial rate;
- (b) reasonable and proper rent for premises demised or let to the company by any member;
- (c) reasonable and proper remuneration to any member or officer of the company in return for any services actually rendered to the company.

Members

6. Membership of the Company shall be determined as follows:-

BID Members – these shall consist of levy payers and voluntary contributors who have submitted an application for membership to the Board

Nominated Members – these shall consist of those representing the Local Authority (ies), the University and the Eden Shopping Centre.

7. A member shall be removed as a member of the company by a passing of a resolution by those members entitled to vote at a general meeting - membership is non-transferable unless expressly authorised by the Board.

8. Any Corporate body, partnership, Strategic Agency, Local Authority or unincorporated association admitted as a member of the Company shall nominate an

individual to act as a representative of such body in respect of the Company from time to time and shall exercise all rights as a member provided that where such a body acts through a representative the body shall first deposit a letter of appointment of authority with the Company before such representatives shall have authority to act in respect of the Company.

9. A member may at any time withdraw from the company by giving at least seven clear days' notice to the company.

Members' reserve power

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

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

Proceedings at general meetings

12. No business shall be transacted at any meeting unless a quorum of 5 is present.

13. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the 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.

14. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, 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 chairman.

15. If no director is willing to act as chairman, or if no director 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 chairman.

16. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting.

17. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by 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 which might properly have been transacted at the meeting had the adjournment not 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.

18. A resolution put to the vote of a 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:

- (a) by the chairman; or
 - (b) by at least two members having the right to vote at the meeting; or
 - (c) by a member or members representing not less than one-tenth of the total voting rights of all the 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 the member.

19. Unless a poll is duly demanded a declaration by the chairman 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.

20. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman 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.

21. A poll shall be taken as the chairman 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 meeting at which the poll was demanded.

22. A poll demanded on the election of a chairman 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 directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a 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 meeting shall

continue as if the demand had not been made.

23. 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 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.

24. 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 he 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.

Votes of members

25. Subject to article 28 on a show of hands every member present in person shall have one vote. On a poll every member present in person or by proxy shall have one vote.

26. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy.

Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

27. No objection shall be raised to the qualification of any voter except at the meeting or 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 chairman whose decision shall be final and conclusive.

28. The appointment of a proxy shall be executed by or on behalf of the appointer and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve) -

*** PLC/Limited

I/We, **, of **, being a member/members of the abovenamed company, hereby appoint ** of **, or failing him, **

of **, as my/our proxy to vote in my/our name[s] and on my/our behalf

at the annual/extraordinary general meeting of the company to be held on **

, and at any adjournment thereof.

Signed on ** ."

29. Where it is desired to afford members an opportunity of instructing the proxy how

he shall act the appointment of a proxy shall be in the following form (or in a form as

near thereto as circumstances allow or in any other form which is usual or which the

directors may approve) -

"** PLC/Limited

I/We, **, of **, being a member/members of the abovenamed company, hereby appoint ** of **, or failing him, **

of **, as my/our proxy to vote in my/our name[s] and on my/our behalf

at the annual/extraordinary general meeting of the company, to be held on **

, and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No.1 *for *against

Resolution No.2 *for *against.

*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed this ** day of ** ."

30. The appointment of a proxy and any authority under which it is executed or a copy

of such authority certified notarially or in some other way approved by the directors

may:-

(a) in the case of an instrument in writing being deposited at the office or at 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 less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;

(b) in the case of an appointment contained in an electronic communication,

where an address has been specified for the purpose of receiving electronic communications:

- (i) in the notice convening the meeting, or
 - (ii) in any instrument of proxy sent out by the company in relation to the meeting, or
 - (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the company in relation to the meeting,
- (c) be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;
- (d) in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (e) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;
- and an appointment of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid. In this regulation and the next, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.

31. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation 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 or, where the appointment of the proxy was contained in an electronic communication, at the address at which such appointment was duly received before the commencement of the meeting or adjourned 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 meeting or adjourned meeting) the time appointed for taking the poll.

Amendments to Resolutions

32. An ordinary resolution to be proposed at a general meeting may be amended by

ordinary resolution if:

- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
- (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

33. A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
- (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

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

Number and appointment of directors

35. Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall be a minimum of 13. Article 79 (Avoiding Influenced Company Status) shall limit the number of directors who are associated with a local authority within the meaning of section 69(5) of the Local Government and Housing Act 1989 to less than 20% of the whole.

36. The Board must approve all new Directors' appointments.

37. Representation of BID members may be a combination of sectors and skills from across the BID area (and beyond if appropriate) with the following minimum prescription as –

- (a) Nominated members may appoint 2 Directors in the case of the Local Authority and 1 Director in the case of the University and the Eden Shopping Centre respectively.
- (b) Small business representation may appoint 2 Directors, with 'small' defined as below £15,000 rateable value

38. The following Representatives shall also sit on the board:-

- (a) Any members from the class of BID Members

39. For the avoidance of doubt and other Representatives attending shall perform only an advisory role to the Board and shall be elected by the Directors and such other committees or sub-committees of the Company and shall not be permitted to vote at Board meeting nor become a director.

40. Any person who is a director immediately before ***** (being the date upon which these Articles were adopted) shall either

- (i) continue as a director; or
- (ii) resign from office within *** months of the date upon which these Articles were adopted.

41. Subject to Article 42, the Board shall be entitled to invite any organisation or body to send a non-voting representative to attend and speak at meetings of the Board.

42. The maximum number of non-voting representatives permitted to attend meetings of the Board at any one time shall be at the discretion of the Chairman of the Board.

43. Directors shall be required to retire by rotation at least once within each BID term but re-appointment is permissible.

Powers of directors

44. Subject to the provisions of the Act, the articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company. No alteration of the articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given.

45. The directors 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 they determine, including authority for the agent to delegate all or any of his powers.

Delegation of directors' powers

46. The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

Rules

47. The directors may from time to time make such rules or byelaws (Rules) as they may deem necessary or expedient or convenient for the proper conduct and management of the company and for the purposes of prescribing the classes of and

conditions of membership and in particular, but without prejudice to the generality of the foregoing, they shall by such Rules regulate:

- (a) the admission and classification of members and the rights and privileges of such members and the conditions of membership and the terms on which members may resign or have their membership terminated and the levies, fees subscriptions and other fees, charges, contributions or payments to be made by members;
- (b) the conduct of members in relation to one another and to the company and to the company's servants or agents;
- (c) the procedure at general meetings and meetings of the directors and committees of the directors insofar as such procedure is not regulated by these Articles; and
- (d) generally all such matters as are commonly the subject matter of company rules or regulations appropriate to a company of this type and with the Objects.

48. The directors must bring the Rules to the notice of the members.

49. The Rules shall be binding on the members.

50. No Rules shall be inconsistent with or shall affect or repeal anything contained in these Articles

Disqualification and removal of directors

51. The office of a director shall be vacated if:

- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (c) he is, or may be, suffering from mental disorder and either:
 - (i) 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 (Scotland) Act 1960, or
 - (ii) 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;
or

(d) he resigns his office by notice to the company; or

(e) he shall for more than three consecutive meetings have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated.

Remuneration of directors

52. The directors shall not be entitled to any remuneration by way of fee for services as a Director.

Directors' expenses

53. Only in exceptional circumstances, and with the prior written consent of the Board will directors be paid for expenses incurred by them in connection with the discharge of their duties.

Directors' appointments and interests

54. Subject to the provisions of the Act, the directors may appoint one or more of their number to specific roles within the Board but no remuneration will be permissible for these roles.

55. Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:

(a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested;

(b) 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

(c) 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.

56. For the purposes of article 55:

(a) a general notice given to the directors 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

(b) 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.

Directors' gratuities and pensions

57 The directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any officer who has held but no longer holds any executive office or employment with the company or with any body corporate which is or has been a subsidiary of the company or a predecessor in business of the company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

Proceedings of directors – The Board

58. Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors ("the Board"). It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote.

59. The quorum for the transaction of the business of the Board may be fixed by the directors but as a minimum must always be 5. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

60. The continuing directors or a sole continuing director 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 filling vacancies or of calling a general meeting.

61. The directors may appoint one of their number to be the chairman of the board of

directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

62. All acts done by a meeting of directors, or of a committee of directors, 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.

63. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors; but 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.

64. Subject to Article 43 and where he has disclosed his interest as required by the Act, a director may not vote at any meeting of the board or at any committee of the board on any resolution where any item relates to a matter in which he has, directly or indirectly, any kind of financial interest.

65. The company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the articles prohibiting a director from voting at a meeting of directors or of a committee of directors.

66. Where proposals are under consideration concerning the appointment of two or more directors to offices or employments 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.

67. If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

68. Without prejudice to the generality of Article 47 (above) amongst the functions of the Board shall be to:

- (a) define and ensure compliance with the objectives of the Company, including, without limitation the Objects;
- (b) establish policies and plans to meet those objectives;
- (c) approve each year's budget prior to publication;
- (d) establish and oversee a framework for delegation and control to employees, officer committees and sub-committees (as appropriate).
- (e) agree policies and make decisions on all matters that create a significant financial risk to the Company;
- (f) monitor the Company's performance in relation to these plans, budgets, controls and decisions;
- (g) appoint (and if necessary remove) the Chief Executive;
- (h) from time to time as they see fit (or if required by the Regulations) arrange meetings to which the BID Members be invited

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

Secretary

70. Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

Minutes

71. The directors shall cause minutes to be made in books kept for the purpose -

- (a) of all appointments of officers made by the directors; and

(b) of all proceedings at meetings of the company and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

The seal

72. The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors 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.

Accounts

73. 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 directors or by ordinary resolution of the company.

Notices

74. Any notice to be 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 shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice. In this regulation, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.

75. The company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address or by giving it using electronic communications to an address for the time being notified to the company by the member. A member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be given to him, or an address to which notices may be sent using electronic communications, shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the company. In this regulation and the next, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.

76. A member present, either in person or by proxy, at any meeting of the company shall be deemed to have received notice of the meeting and, where requisite, of the

purposes for which it was called.

77. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent.

Indemnity

78. Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.

Changes to the Articles

79. Any changes to the Articles of Association shall require the passing of a special resolution by those members entitled to vote at a general meeting.

Avoiding Influenced Company Status

80. (a) Notwithstanding the number of Members from time to time, for as long as there is a business relationship (as defined in section 69(3) of the Local Government and Housing Act 1989, as may be amended from time to time (a "Business Relationship") between the Company 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) the maximum aggregate number of votes exercisable by all such Members 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.

(b) 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, and there is at that time a Business Relationship between the Company and any Member which is a Local Authority Associated Person. For as long as there is a Business Relationship between the Company and any Member which is a Local Authority Associated Person, upon any resolution put to the Board, the maximum aggregate number of votes exercisable by the 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.

(c) 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.

(d) If, at the time of either his becoming a Member or his first appointment to office as a director, and at that time there is a Business Relationship between the Company and any Member which is a Local Authority Associated Person, 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.

(e) If at any time the number of directors who are also Local Authority Associated Persons would (but for this Article 80) 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.

(f) 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).

Members Liability

81. The liability of the members is limited to £1 being the amount that each member undertakes to contribute to the assets of the company in the event of it being wound up while he is a member or within one year after he ceases to be a member, for:

- (a) Payment of the company's debts and liabilities contracted before he ceases to be a member;
- (b) Payment of the costs, charges and expenses of winding up; and
- (c) Adjustment of the rights of the contributories amongst themselves

Company seals

82. Any common seal may only be used by the authority of the directors.

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

84. Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature or two authorised persons.

85. For the purposes of this Article, an authorised person is:

- (a) any director of the company;
- (b) the company secretary (if any); or
- (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

No right to inspect accounts and other records

86. Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a member.

Provision for employees on cessation of business

87. The directors may decide to make provision for the benefit of persons employed or

formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

ANNEX 1

282 Ordinary resolutions

- (1) An ordinary resolution of the members (or of a class of members) of a company means a resolution that is passed by a simple majority.
- (2) A written resolution is passed by a simple majority if it is passed by members representing a simple majority of the total voting rights of eligible members
- (3) A resolution passed at a meeting on a show of hands is passed by a simple majority if it is passed by a simple majority of:-
 - (a) the members who, being entitled to do so, vote in person on the resolution, and
 - (b) the persons who vote on the resolution as duly appointed proxies of members entitled to vote on it.
- (4) A resolution passed on a poll taken at a meeting is passed by a simple majority if it is passed by members representing a simple majority of the total voting rights if members who (being entitled to do so) vote in person or by proxy on the resolution.
- (5) Anything that may be done by ordinary resolution may also be done by special resolution.

ANNEX 2

283 Special resolutions

- (1) A special resolution of the members (or of a class of members) of a company means a resolution passed by a majority of not less than 75%.
- (2) A written resolution is passed by a majority of not less than 75% if it is passed by members representing not less than 75% of the total voting rights of eligible members.
- (3) Where resolution of a private company is passed as a written resolution:-

(a) the resolution is not a special resolution unless it is stated that it was proposed as a special resolution, and

(b) if the resolution so stated, it may only be passed as a special resolution.

(4) A resolution passed at a meeting on a show of hands is passed by a majority of not less than 75% if it is passed by not less than 75% of:-

(a) the members who, being entitled to do so, vote in person on the resolution, and

(b) the persons who vote on the resolution as duly appointed proxies of members entitled to vote on it.

(4) A resolution passed on a poll taken at a meeting is passed by a majority of not less than 75% if it is passed by members representing not less than 75% of the total voting rights of the members who (being entitled to do so) vote in person or by proxy on the resolution.

(5) Where a resolution is passed at a meeting:

(a) the resolution is not a special resolution unless the notice of the meeting included the text of the resolution and specified the intention to propose the resolution as a special resolution; and

(b) if the notice of the meeting so specified, the resolution may only be passed as a special resolution.