

**The Companies Act 2006**

**Company Limited by Guarantee**

**Articles of Association of**

**Pan-London Accommodation Collaborative Enterprise  
Limited**

**Incorporated on 29<sup>th</sup> May 2018**

**Registered number 11385749**

## Articles of Association

### 1. Interpretation

1.1 In these Articles, unless the context otherwise requires:

- “A Director”** means a Director appointed by the A Members in accordance with these Articles
- “Annual General Meeting”** means an annual general meeting of the Company
- “A Member”** means a Member designated as an A Member in the Register of Members in accordance with Article 2.2, which may include any or all of the following:
- (a) The Mayor and Burgesses of the London Borough of Tower Hamlets;
  - (b) The Mayor and Burgesses of any London Borough that is not designated as a B Member; and
  - (c) The Mayor and Commonalty and Citizens of the City of London (where not designated as a B Member).
- “Alternate Director”** means an alternate director appointed in accordance with Article 11
- “Articles”** means these Articles of Association as framed at the date of adoption hereof or as from time to time altered in accordance with the provisions therein contained and with the Companies Act
- “B Director”** means a Director appointed by the B Members in accordance with these Articles
- “B Member”** means a Member designated as a B Member in the Register of Members in accordance with Article 2.2, which may include any or all of the following:
- (a) The Mayor and Burgesses of any London Borough that is not designated as an A Member; and

- (b) The Mayor and Commonalty and Citizens of the City of London (where not designated as an A Member); and
- (c) any other Contracting Authority that shall be admitted as a member in accordance with Article 2.5

|                                |   |
|--------------------------------|---|
| <b>“Board”</b>                 | means the board of Directors for the time being of the Company  |
| <b>“Chair”</b>                 | means the chair of the Board appointed from time to time  |
| <b>“clear days”</b>            | means 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 days for which it is given or on which it is to take effect   |
| <b>“Companies Act”</b>         | means the Companies Act 2006  |
| <b>“Company”</b>               | means the company known as Pan-London Accommodation Collaborative Enterprise Limited  |
| <b>“Conflict”</b>              | means a situation in which a Director has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Company provided always that a Conflict shall not arise solely as a result of a Director being an employee, officer or elected member of any Member |
| <b>“Contracting Authority”</b> | has the meaning given to it in Regulation 2 of the Public Contracts Regulations 2015  |
| <b>“Directors”</b>             | means the persons who have been appointed for the time being to membership of the Board (including both Executive Directors and Non-Executive Directors)  |
| <b>“Eligible Director”</b>     | means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding in relation to the authorisation of a Conflict pursuant to Article 14, any Director whose vote is not to be counted in respect of the particular matter)  |
| <b>“Executive Director”</b>    | means a Director who is also employed by the  |

Company in a Relevant Qualifying Post

|                                   |   |
|-----------------------------------|---|
| <b>“General Meeting”</b>          | means any meeting of the Members of the Company including an Annual General Meeting             |
| <b>“Member Reserved Matters”</b>  | means those matters on which a decision is reserved to the Members in accordance with Article 3 |
| <b>“Member”</b>                   | means any Member for the time being of the Company  |
| <b>“Month”</b>                    | means a calendar month  |
| <b>“Non-Executive Director”</b>   | means all Directors other than Executive Directors  |
| <b>“Office”</b>                   | means the registered office of the Company  |
| <b>“Regulation 12”</b>            | means Regulation 12 of the Public Contracts Regulations 2015                                    |
| <b>“Relevant Qualifying Post”</b> | means such post or posts with the Company as the Board may from time to time determine          |
| <b>“Seal”</b>                     | means the Seal of the Company   |

1.2 Words importing the singular number only shall include the plural and vice versa. Words importing the masculine gender only shall include the feminine. Words importing persons shall include corporations and the expression “Secretary” shall include any person appointed by the Board to perform any of the duties of the Secretary.

1.3 Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form. Subject to the foregoing, words or expressions defined in the Companies Act shall, if inconsistent with the subject or context, bear the same meaning in these presents.

## **2. Membership**

2.1 The Members of the Company shall be such persons as are admitted to membership from time to time in accordance with these Articles.

2.2 The Members of the Company shall be divided into two classes:

2.2.1 A Members; and

2.2.2 B Members;

each class having the rights set out in these Articles. Each person admitted as a Member in accordance with these Articles shall be designated from time to time by the Board as an A Member or a B Member in accordance with the definitions of those two classes of Member.

2.3 On the date of adoption of these Articles:

2.3.1 the A Members are:

The Mayor and Burgesses of the London Borough of Tower Hamlets;

2.3.2 the B Members are:

(a) There are no B Members on incorporation

2.4 No other person shall become a Member of the Company unless:

2.4.1 they are a Contracting Authority; and

2.4.2 the Board or the existing Members have approved their application in accordance with Article 2.5 below.

2.5 Every person who wishes to become a Member shall deliver to the Company an application for membership in such form and containing such information as the Board shall from time to time prescribe. At the next meeting of the Board after the receipt of any application for membership such application shall be considered by the Board who shall determine the admission or rejection of the applicant as follows:

2.5.1 an application from any person who is not a Contracting Authority shall be rejected;

2.5.2 an application from any organisation listed in the definition of an A Member shall be accepted;

2.5.3 an application from any of those persons specified at paragraphs (a) and (b) of the definition of a B Member to become a B Member shall be accepted;

2.5.4 an application from any of those persons specified at paragraphs (a) and (b) of the definition of a B Member to become an A Member shall be accepted provided always that a person cannot be both an A Member and a B Member at the same time;

2.5.5 an application from any other Contracting Authority to become a B Member shall be referred to the existing Members of the Company for their approval (such approval shall be demonstrated by an ordinary resolution of the existing Members).

2.6 Membership shall not be transferable and every Member shall cease to be a Member on the happening of any of the following events:

2.6.1 if the Member serves upon the Company one Month's written notice of his intention to resign his membership in which event the Member shall cease to

- be a Member at the expiration of one Month from the date of service of such notice upon the Company;
- 2.6.2 if the other Members resolve to terminate the Membership for conduct damaging to the Company, its reputation or its compliance with Regulation 12, subject to giving the Member concerned a reasonable opportunity to explain why it should not be removed;
  - 2.6.3 if the other Members resolve by ordinary resolution passed at a duly called General Meeting that such Member shall cease to be such, in which case the Member in question shall cease to be such immediately on the passing of such resolution;
  - 2.6.4 if at any time a Member ceases to be a Contracting Authority, whether temporarily or permanently; or
  - 2.6.5 otherwise in accordance with these Articles.
- 2.7 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:
- 2.7.1 Payment of the Company's debts and liabilities contracted before he ceases to be a Member;
  - 2.7.2 Payment of the costs, charges and expenses of the winding up; and
  - 2.7.3 Adjustment of the rights of the contributories among themselves.

### **3. Member Reserved Matters**

- 3.1 Decisions on the following matters ("**Member Reserved Matters**") shall be reserved to the Members of the Company from time to time:
- 3.1.1 any changes to the Company's core business;
  - 3.1.2 approval of the Company's annual business plan and any changes to the annual business plan;
  - 3.1.3 any change to the Company's name, trading name or registered office;
  - 3.1.4 any decision which deviates from the agreed annual business plan;
  - 3.1.5 the admission of new Members (save for the admission of A Members and B Members in accordance with Article 2.5 above);
  - 3.1.6 forming any subsidiary of the Company or acquiring in any other company or participating in any partnership or corporate joint venture;
  - 3.1.7 amalgamating or merging with any other company or undertaking;
  - 3.1.8 selling any part of the Company's business;

- 3.1.9 the appointment of any agents or contractors/sub-contractors of the Company;
  - 3.1.10 any variation to these Articles;
  - 3.1.11 any acquisitions, assimilations or asset transfers by or to the Company other than those approved in the annual business plan;
  - 3.1.12 the appointment and removal of Directors (in accordance with Article 9) and their terms and conditions to include remuneration and pensions and changes to the same;
  - 3.1.13 the approval of the recruitment of any employees and the terms and conditions (including remuneration) of such employees or the approval of any recruitment policy under which the Board will be authorised to recruit individual employees;
  - 3.1.14 the approval of any redundancy of any employees or the approval of any redundancy policy under which the Board will be authorised to make employees of the Company redundant;
  - 3.1.15 establishing any pension scheme in respect of Company employees or the alteration of any pension scheme or arrangements operated by the Company;
  - 3.1.16 the election of the Chair and deputy Chair in accordance with Article 12.5;
  - 3.1.17 any decisions relating to the strategic objectives of the Company (to the extent that these are not in any case reflected by the Company's annual business plan);
  - 3.1.18 the approval of any borrowing by the Company or the issuing of any loan capital by the Company;
  - 3.1.19 creating or granting any encumbrance over the whole or any part of the Company or its business, undertaking or assets other than liens arising in the normal course of business;
  - 3.1.20 the acquisition or disposal of any land or building or entering into any option in respect of any land;
  - 3.1.21 the disposal, sale, assignment or granting of any rights in the Company's intellectual property outside of the normal course of business;
  - 3.1.22 passing any resolution for the winding up of the Company, or presenting any petition for its administration (save for in insolvency); and
  - 3.1.23 any other significant decisions of the Company.
- 3.2 In addition, the Members may, by special resolution, direct the Directors to take, or to refrain from taking, any specified action. No such special resolution shall invalidate anything which the Directors have done before the passing of such resolution.

3.3 The Board shall not be required to refer any decision to the Members under Articles 3.1.6 to 3.1.9, 3.1.13 to 3.1.15 and/or 3.1.18 to 3.1.21 where the matter has already been approved by the Members through the approval of the annual business plan under Article 3.1.2.

#### **4. General Meetings**

4.1 Each year the Company shall hold a General Meeting as the Annual General Meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it. The Annual General Meeting shall be held at such time and place as the Board shall appoint.

4.2 The business of the Annual General Meeting is to:

- 4.2.1 consider and approve the Company's annual business plan;
- 4.2.2 consider the Company's annual report (if any);
- 4.2.3 fix the remuneration, and appoint and remove, the Company's auditors;
- 4.2.4 transact any business that relates to Member Reserved Matters; and
- 4.2.5 transact any other business specified in the notice convening the meeting.

4.3 The Board may whenever they think fit convene a General Meeting.

4.4 The Board shall convene a General Meeting where requested to do so by Members representing at least 5% of the total voting rights of the Members.

4.5 Where the Board fails to convene a General Meeting where requested in accordance with Article 4.4 then Members representing at least 5% of the total voting rights of the Members may convene the General Meeting.

4.6 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 Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

#### **5. Notice of General Meetings**

5.1 Subject to Article 5.2, a General Meeting shall be called by at least fourteen clear days' notice in writing.

5.2 A General Meeting of the Company may be called by shorter notice than that specified in Article 5.1 if it is so agreed by a majority in number of the Members having a right to attend and vote and together representing not less than 90% of the total voting rights at a meeting of all Members.

5.3 The notice shall specify:

- 5.3.1 the place, date and time of the meeting; and

- 5.3.2 the general nature of the business to be transacted.
- 5.4 Subject to the provisions of these Articles, the notice shall be given to all the Members, and to the Directors and the auditors of the Company.
- 5.5 The accidental omission to give notice of a General Meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings of that meeting.

## **6. Proceedings at General Meetings**

- 6.1 All business shall be deemed special that is transacted in a General Meeting other than an Annual General Meeting.
- 6.2 No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at a General Meeting shall be:
  - 6.2.1 two A Members (provided that where there are fewer than two A Members then the quorum shall be one A Member); and
  - 6.2.2 one B Member provided that this Article 6.2.2 shall not apply where there are no B Members,in each case present in person or by proxy.
- 6.3 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other time and place as the Board may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Members present shall be a quorum.
- 6.4 The Chair, if any, of the Board shall preside as Chair at every General Meeting, or if there is no such Chair, or if he shall not be present within five minutes after the time appointed for the holding of the meeting or is unwilling to act, the Directors present shall elect one of their number to be Chair of the meeting.
- 6.5 If at any General Meeting no Director is willing to act as Chair or if no Director is present within five minutes after the time appointed for holding the meeting, the Members of the Company present shall choose one of their number to be Chair of the meeting.
- 6.6 The Chair may, with the consent of any 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 any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be

necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

6.7 Subject to the Companies Act, at any General Meeting:

6.7.1 every Member who is present in person (or by proxy) shall on a show of hands have one vote; and

6.7.2 every Member who is present in person (or by proxy) shall on a poll have one vote.

6.8 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 demanded:

6.8.1 by the Chair; or

6.8.2 by at least three Members present in person or by proxy and entitled to vote at the meeting on the resolution in question; or

6.8.3 by a Member or Members present in person or by proxy and representing one-tenth of the total voting rights of all the Members having the right to vote at the meeting on the resolution in question.

Unless a poll be so demanded a declaration by the Chair that a resolution has on a show of hands been carried unanimously, or by a particular majority, or lost or not carried by a particular majority and an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

6.9 The demand for a poll may be withdrawn before the poll is taken. If the demand for a poll is withdrawn the result of the show of hands will stand.

6.10 Except as provided in Article 6.11 below, if a poll is duly demanded it shall be taken in such manner as the Chair directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

6.11 A poll demanded on the election of a Chair, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chair of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

6.12 A resolution in writing signed (including by way of electronic signature) by the requisite percentage of Members for each resolution who would have been entitled to vote upon it if it had been proposed at a meeting at which he was present shall be as valid and effectual as if it had been passed at a meeting duly convened and held and may consist of several instruments in the like form each signed by or on behalf of one or more of those entitled to vote. The date of a written resolution shall be the date on which the last person signs.

6.13 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor 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):

“I, [ ], of [ ], being a[n] [A] [B] Member of the above-named Company, hereby appoint [ ] of [ ], or failing him, [ ] of [ ], as my proxy to vote in my name and on my behalf at the General Meeting of the Company to be held on [ ] 20[ ], and at any adjournment thereof.

Signed this [ ] day of [ ] 20[ ].”

6.14 Where it is desired to afford Members an opportunity of instructing the proxy how he shall act the instrument appointing 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)

“I, [ ], of [ ], being a[n] [A] [B] Member of the above-named Company, hereby appoint [ ] of [ ], or failing him, [ ] of [ ], as my proxy to vote in my name and on my behalf at the General Meeting of the Company to be held on [ ] 20[ ], 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 [ ] 20[ ].”

6.15 The instrument appointing 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:

6.15.1 be 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 at least 24 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

6.15.2 in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and at least 24 hours before the time appointed for the taking of the poll; or

6.15.3 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 Chair or to the Secretary or to any Director prior to the poll being taken;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

6.16 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 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.

## **7. Board**

7.1 At no time shall the number of Executive Directors in office equal or exceed the number of Non-Executive Directors in office.

7.2 Subject to Articles 7.3 and 7.4, Directors (who are not elected members of officers or a local authority that is a Member) may be paid travelling, hotel and other expenses reasonably and properly incurred by them in attending and returning from meetings of the Board or General Meetings of the Company or in connection with the business of the Company in accordance with the terms and conditions approved by the Members under Article 3.

7.3 Where any Director is an elected member of a local authority that is a Member then such a Director may only be paid such fees and/or expenses as are permitted by the Local Authorities (Companies) Order 1995.

7.4 Where any Director is an officer of a local authority that is a Member then they may only claim expenses from their local authority and not from the Company and shall not be entitled to any fee from the Company.

7.5 Subject to Articles 7.3 and 7.4, the terms and remuneration in respect of any Executive Director shall be determined by the Members in accordance with Article 3.

## **8. Directors' General Authority**

8.1 Subject to these Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

8.2 The Directors shall require the prior written approval of the Members in respect of any decisions regarding the Member Reserved Matters.

**9. Appointment of Directors**

9.1 Subject to Article 9.2, any person who is willing to act as a Director and is permitted by law to do so, may be appointed to be a Director by the Members.

9.2 Notwithstanding the generality of Article 9.1, the Members shall have the following rights to appoint A Directors and B Directors:

9.2.1 the A Members shall together be entitled to appoint one A Director per A Member; and

9.2.2 the B Members shall (together) be entitled to appoint one B Director for every eight B Members registered with the Company as follows:

| Number of B Members registered | Number of B Directors that can be appointed |
|--------------------------------|---|
| 1-8                            | 1   |
| 9-16                           | 2   |
| 17-24                          | 3   |
| 25-32                          | 4   |
| 33-40                          | 5   |

9.3 The Board may at any time recommend the appointment of Directors (which shall include Executive Directors) in addition to those appointed under Article 9.2 to the Members for appointment in accordance with Article 9.1.

**10. Termination of Directors' Appointments**

10.1 A person ceases to be a Director as soon as:

10.1.1 all of the A Members or B Members that appointed that Director together notify the Company that the individual is to be removed as a Director;

10.1.2 the individual:

- (a) dies;
- (b) ceases to be a Director by virtue of any provision of the Companies Act or is prohibited from being a Director by law;
- (c) becomes bankrupt or makes any arrangement or composition with his creditors generally in satisfaction of that individual's debts;

- (d) has become physically or mentally incapable of acting as a Director and may remain so for more than three Months (but only where a registered medical practitioner who is treating that individual gives a written opinion to the Company so stating);
  - (e) is wholly or partly prevented from personally exercising any powers or rights which that individual would otherwise have by a court making an order by reason of that person's mental health;
- 10.1.3 the individual resigns from office and such resignation has taken effect in accordance with its terms (but only if at least two Directors will remain in office when such resignation has taken effect).

## **11. Alternate Directors**

11.1 Any Director (the "Appointer") may appoint as an alternate ("Alternate Director") any other Director, or any other person from a list of persons approved by resolution of the Directors to:

- 11.1.1 exercise that Director's powers; and
- 11.1.2 carry out that Director's responsibilities;

in relation to the taking of decisions by the Board or any committee of the Board ("committee") in the absence of the relevant Appointer.

11.2 Any appointment or removal of an Alternate Director must be effected by notice in writing to the Company signed by the Appointer or in any other manner approved by the Board.

11.3 Any notice under Article 11.2 must:

- 11.3.1 identify the proposed Alternate Director; and
- 11.3.2 in the case of a notice of appointment of an Alternate Director contain a statement signed by the proposed Alternate Director that he is willing to act as the alternate of the Director giving the notice.

11.4 An Alternate Director's appointment terminates on the earlier of either of the following:

- 11.4.1 the date specified in a notice from the Appointer to the Company revoking the appointment of the Alternate Director; or
- 11.4.2 the date the Appointer ceases to be a Director in accordance with the Articles.

11.5 An Alternate Director may act as an Alternate Director to more than one Director and has the same rights in relation to any decision of the Board as the relevant Appointer.

11.6 Except as the Articles specify otherwise, Alternate Directors:

- 11.6.1 are deemed for all purposes to be Directors when acting as an Alternate Director;

- 11.6.2 are liable for their own acts and omissions;
  - 11.6.3 are subject to the same restrictions as their Appointer;
  - 11.6.4 are not deemed to be agents of or for their Appointer; and
  - 11.6.5 shall be entitled to receive notice of all meetings of the Board and all committees of which his Appointer is a member.
- 11.7 An Alternate Director who is not in their own right a Director:
- 11.7.1 may be included for the purposes of determining whether a quorum is present for any Board meeting or a committee provided that his Appointer is eligible to be included in the quorum and is not participating in the Board meeting or committee meeting in question;
  - 11.7.2 may participate in a decision of the Board or any committee provided that his Appointer is eligible to participate in the decision of the Board or committee but is not participating in the Board meeting or committee meeting in question; and
  - 11.7.3 shall be counted as more than one Director for the purposes of Article 11.7.1 even where he is appointed by two different Appointers.
- 11.8 An Alternate Director who is a Director in his own right is entitled in the absence of his Appointer:
- 11.8.1 to be counted twice for the purposes of quorum in his own right as a Director and as an Alternate Director for his Appointer provided that both he and his Appointer are eligible for quorum; and
  - 11.8.2 to have a separate vote on behalf of his Appointer, in addition to his own vote on any decision of the Board or a committee provided that he and his Appointer are both eligible to take part in the decision. Where only the Appointer is eligible to take part then the Alternate Director will only have one vote.
- 11.9 An Alternate Director may be paid expenses and may be indemnified by the Company to the same extent as his Appointer but shall not be entitled to receive any fee from the Company for serving as an Alternate Director except such part of the Appointer's fee (to the extent the Appointer receives any fee in accordance with Article 28) as the Appointer may direct by notice in writing to the Company. Where any Alternate Director is an employee of the Council then no fee may be paid even if the Appointer was eligible for a fee. Where any Alternate Director is an elected member of the Council or any local authority that is a Member then Article 7 shall apply as if the reference to the Director in that Article was to Alternate Director.

## **12. Proceedings of the Board**

- 12.1 Subject to these Articles, the Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 12.2 A Director may, and on the request of a Director the Secretary shall, at any time, summon a meeting of the Board by notice served upon the Directors. A Director who is absent from the United Kingdom shall not be entitled to notice of a meeting.
- 12.3 A meeting may be held by telephone or by televisual or other electronic or virtual means agreed by resolution of the Directors in which all participants may communicate with all other participants.
- 12.4 Notice of any Directors' meeting must indicate:
- 12.4.1 its proposed date and time;
  - 12.4.2 where it is to take place;
  - 12.4.3 if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate simultaneously with each other during the meeting.
- 12.5 The Members shall be entitled to elect a Chair and a deputy Chair from the Directors, who shall be entitled to preside at all meetings of the Board at which he shall be present and may determine for what period he is to hold office. If no such Chair be elected, or if at any meeting the Chair or deputy Chair be not present within five minutes after the time appointed for holding the meeting and willing to preside, the Directors present shall choose one of their number to be Chair of the meeting.
- 12.6 The quorum for any meeting of the Board shall be as follows:
- 12.6.1 at least two A Directors present (provided that where there are fewer than two A Members then only one A Director needs to be present); and
  - 12.6.2 one B Director present (provided that a B Director has been appointed).
- 12.7 Unless otherwise determined, the questions arising at any meeting shall be decided by a majority of votes. In cases of an equality of votes the Chair shall have a second or casting vote.
- 12.8 In accordance with Article 11, a Director who is also an Alternate Director for another Director shall be entitled in the absence of his Appointer to a separate vote on behalf of his Appointer in addition to his own vote as a Director.
- 12.9 A meeting of the Board at which a quorum is present shall be competent to exercise all the authorities, powers and discretions by or under the regulations of the Company for the time being vested in the Board generally.
- 12.10 If a quorum is not present within half an hour of the time at which a meeting of the Board is due to start or if, during the meeting, a quorum ceases to be present, the Chair of the meeting must adjourn it.

12.11 When adjourning the meeting the Chair must specify that the meeting is adjourning to either:

12.11.1 the same day, place and time the following week; or

12.11.2 another day, place and time to be decided by the Directors.

12.12 If the total number of Directors for the time being is less than the quorum required for a meeting of the Board, the Directors must not take any decision other than a decision to call a General Meeting so as to enable the Members to appoint further Directors.

12.13 The Board shall cause proper minutes to be made of all appointments of officers made by the Board and of the proceedings of all meetings of the Company and of the Board and all business transacted of such meetings and any such minutes of any meeting if purporting to be signed by the Chair of such meeting, or by the Chair of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated.

12.14 A resolution in writing signed (including by way of electronic signature) by the requisite percentage of Directors required for each resolution who would have been entitled to vote upon it if it had been proposed at a meeting at which he was present shall be as valid and effective as if it had been passed at a meeting duly convened and held and may consist of several instruments in the like form each signed by or on behalf of one or more of those entitled to vote. The date of a written resolution shall be the date on which the last person signs.

12.15 All acts bona fide done by any meeting of the Board or by any person acting as a Director shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a Director.

### **13. Directors may delegate**

13.1 Subject to these Articles, the Board may delegate any of the powers which are conferred on it under the Articles:

13.1.1 to such person (including an Executive Director), committee or working party;

13.1.2 by such means (including by power of attorney);

13.1.3 to such an extent;

13.1.4 in relation to such matters; and

13.1.5 on such terms and conditions (including but not limited to the period for which any committee or working party shall be in place, any financial limits that shall apply, the quorum for any meetings, requirements as to reporting to the Board, and all other matters),

as it thinks fit.

13.2 If the Board so specifies, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.

13.3 The Board may revoke any delegation in whole or in part, or alter its terms and conditions, at any time and as it sees fit.

#### **14. Directors' Conflicts of Interests**

14.1 The Board may, in accordance with the requirements set out in this Article 14, authorise any Conflict proposed to them by any Director which would, if not authorised, involve a Director (an "**Interested Director**") breaching his duty to avoid conflicts of interest under section 175 of the Companies Act.

14.2 Any authorisation under this Article 14 shall be effective only if:

14.2.1 the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Board may determine;

14.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and

14.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

14.3 Any authorisation of a Conflict under this Article 14 may (whether at the time of giving the authorisation or subsequently):

14.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

14.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;

14.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;

14.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;

14.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he shall not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and

- 14.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 14.4 Where the Board authorises a Conflict, the Interested Director shall be obliged to conduct himself in accordance with any terms and conditions imposed by the Board in relation to the Conflict.
- 14.5 The Board may revoke or vary such authorisation at any time, but this shall not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 14.6 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in General Meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 14.7 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Companies Act, and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 14.7.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
  - 14.7.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
  - 14.7.3 shall be entitled to vote at a meeting of the Board (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
  - 14.7.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
  - 14.7.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
  - 14.7.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in

section 252 of the Companies Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Companies Act.

## **15. Secretary and Officers**

15.1 Subject to Article 3, the Board may appoint a Secretary and such officers as it may from time to time deem necessary.

## **16. Execution of Documents and the Company Seal**

16.1 Where the Company has a Seal then the Board shall provide for the safe custody of the Seal and the Seal shall not be affixed to any instrument except by the authority of a resolution of the Board and shall be so affixed in the presence of at least one Director and of the Secretary or such other person as the Board may from time to time appoint for the purpose and such Director and Secretary or other person aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

16.2 Unless the Board decides otherwise, documents which are executed as deeds, otherwise than in accordance with Article 16.1, must be signed by:

16.2.1 two Directors;

16.2.2 one Director and the Secretary; or

16.2.3 in any other manner the Board authorises which complies with the Companies Act.

## **17. Accounting Records**

17.1 The Board shall cause proper accounting records to be kept in accordance with Section 386 of the Companies Act and with respect to:

17.1.1 sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place;

17.1.2 sales and purchases of goods or services by the Company; and

17.1.3 assets and liabilities of the Company.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair value of the state of the affairs of the Company and to explain its transactions.

17.2 The accounting records shall be kept at the Office or, subject to the provisions of the Act at such place or places as the Board shall think fit and shall always be open to the inspection of the Directors.

17.3 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.

## **18. Audit**

18.1 Once at least in every year the accounts of the Company shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by one or more properly qualified Auditor or Auditors.

18.2 Auditors shall be appointed and their duties regulated in accordance with the provisions of the Companies Act.

## **19. Notices**

19.1 A notice may be served by the Company upon any Member; either personally or by sending it through the post in a prepaid letter, addressed to such Member at his registered address as appearing in the register of Members, or by electronic communication to an address provided for that purpose or posted on a website where the recipient has been notified of such posting in a manner agreed by him.

19.2 Any Member described in the register of Members by an address not within the United Kingdom, who shall from time to time give the Company an address within the United Kingdom at which notices may be served upon him, shall be entitled to have notices served upon him at such address but, save as aforesaid and as provided by the Act, only those Members who are, described in the register of Members by an address within the United Kingdom shall be entitled to receive notices from the Company.

19.3 Any notice, if served by post or electronic communication, shall be deemed to have been served on the day following that on which the letter or electronic communication containing the same is put into the post or transmitted, and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the post office as a prepaid letter and proof that an electronic communication has been transmitted to the proper address shall be conclusive evidence that the notice was given.

## **20. Distributions**

20.1 Subject to the provisions of Article 20.2 below, the income and property of the Company shall be applied solely towards the promotion of the Company's objects. 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. Nothing in these Articles shall prevent any payment in good faith by the Company:

- 20.1.1 of reasonable and proper remuneration to any Member, officer or servant of the Company for any services rendered to the Company;
- 20.1.2 of interest on money lent by any Member of the Company;
- 20.1.3 of reasonable and proper rent or licence fee for any premises demised, let or licensed by any Member of the Company;
- 20.1.4 of fees, remuneration or other benefit in money or money's worth to a company of which a Member of the Company or a Director may be a member; or
- 20.1.5 to any Director of reasonable out of pocket expenses properly incurred in connection with the business or undertaking of the Company.

20.2 On the winding-up or dissolution of the Company, after provision has been made for all its debts and liabilities, any assets or property that remains available to be distributed or paid, shall not be paid or distributed to the Members (except to a Member that qualifies under this Article) but shall be transferred to another body with objects similar to those of the Company, such body to be determined by resolution of the Members at or before the time of winding up or dissolution and, subject to any such resolution of the Members, may be made by resolution of the Directors at or before the time of winding up or dissolution.

## **21. Indemnity and Insurance**

21.1 Subject to Article 21.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

21.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

- (a) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- (b) in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and

- 21.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 21.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 21.2 This Article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Companies Act or by any other provision of law and any such indemnity is limited accordingly.
- 21.3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- 21.4 In this Article:
- 21.4.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
  - 21.4.2 a “**relevant loss**” means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer’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
  - 21.4.3 a “**relevant officer**” means any Director or other officer or former Director or other officer of the Company, but excluding in each case any person engaged by the Company as auditor (whether or not he is also a Director or other officer), to the extent he acts in his capacity as auditor).