

THE COMPANIES ACT 2006

**Private company limited by guarantee
and not having a share capital**

Memorandum and Articles of Association

of

The English Rivera Tourism Company Limited

Company Number [.....]

Date of Incorporation [.....]

THE COMPANIES ACT 2006

A PRIVATE COMPANY LIMITED BY GUARANTEE and not having a share
capital

MEMORANDUM OF ASSOCIATION

- of -

THE ENGLISH RIVIERA TOURISM COMPANY LIMITED

The subscriber to this memorandum of association wishes to form a
company under the Companies Act 2006 and agrees to become a member
of the company.

Name of each Subscriber

Authentication by each
subscriber

The Council of the Borough of Torbay
Town Hall,
Castle Circus,
Torquay,
TQ1 3DR

Dated:.....

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE
AND NO HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

OF

THE ENGLISH RIVIERA TOURISM COMPANY LIMITED

1. The company's name is THE ENGLISH RIVIERA TOURISM COMPANY LIMITED (the Company)
2. The Company will be a company is a Private Company limited by guarantee and not having a share capital
3. The Company will be a new company solely owned by the Council of the Borough of Torbay operating as a public/private tourism partnership
4. The Company's registered office is to be in England and Wales
5. The Company's objects are:
 - 5.1 The English Riviera Tourism Company is to act as an unified destination marketing organisation whose key purpose is to promote the English Riviera brand as a quality leisure and business destination to attract UK and Overseas leisure and business visitors to Torbay
 - 5.2 to manage and deliver a quality 'in resort' Visitor Information Service working in conjunction with supporting agencies and partners
 - 5.3 to support the development and implementation of the adopted tourism strategy – 'Turning the Tide for Tourism in Torbay' for the Council of the Borough of Torbay;

- 5.4 to represent the interests of the tourism industry within Torbay;
- 5.5 to represent the interests of the Company's partners, members and associate members and to establish forums to encourage the sharing of information and ideas;
- 5.6 to promote and encourage continued investment in tourist facilities, throughout Torbay by working in partnership with Torbay Council and the tourism businesses;
- [5.7 to promote and stimulate the maintenance and improvements of the public domain within the town centres of Torbay]
- 5.8 to communicate to residents the benefits of a thriving tourism economy;
- 5.9 to promote and encourage the development of a prosperous and sustainable tourism economy working closely with the retail and cultural sectors
- 5.10 to form part of a forum to enable the Council of the Borough of Torbay and the commercial sector to co-operate and work together;
- 5.14 to promote the interests of Torbay's visitor economy, retail and cultural sectors;
- 5.15 to collect and disseminate tourism information and research and to work with other agencies to support the wider economic development of Torbay;
- 5.16 to carry on any other trade or business whatever which can in the opinion of the board of directors be advantageously carried on in connection with or as being ancillary to any of the businesses or activities of the Company.
- 5.17 notwithstanding the specific nature of those objects above, undertake

all activities, enter into any arrangements and engage in all matters which are for the benefit of Torbay and consistent with the objects herein.

3. AND so that:

- 3.1 none of the objects set out in any of the sub-clauses of Article 2 of these articles shall be restrictively construed but the widest interpretation shall be given to each such object, and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of Article 2 of these articles, or by reference to or inference from the name of the Company;
- 3.2 none of the sub-clauses of Article 2 of these articles and none of the objects therein specified shall be deemed subsidiary or ancillary to any of the objects specified in any other such sub-clause, and the Company shall have as full a power to exercise each and every one of the objects specified in each sub-clause of Article 2 of these articles as though each such sub-clause contained the objects of a separate company;
- 3.3 the word “**company**” in Article 2 of these articles, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere;

3.4 For so long as the Company is controlled (both by way of membership and strategic influence) by the Council together with other local authorities (as the case may be) the essential part of its activities must be carried out for the Council and/or any other local authorities that may control it

4. The liability of the members is limited to £1 (one pound) 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 among themselves.

5. If upon winding-up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall be paid to and distributed to the Council.

6. Interpretation

6.1 In these Articles the following expressions have the following meanings unless inconsistent with the context:

“the Act” the Companies Act 2006;

“Associate Members” those persons from time to time who shall be admitted to **“Associate Members”** of the

	Company by the Board;
“clear days”	in relation to the period of 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;
“Council”	The Council of the Borough of Torbay
“Council Director”	means a director who is also a member or employee of the Council and is appointed by the Council as a Council Director
“the Board” or “the directors”	the directors of the Company from time to time;
“Memorandum”	the memorandum of association of the Company from time to time;
“Model Articles”	means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles
“Torbay”	means the administrative area of the Council

6.2 Unless the context otherwise requires:

6.2.1 words or expressions the definitions of which are contained or referred to in the Act shall be construed as having the meaning thereby attributed to them but excluding any statutory modification thereof not in force on the date of adoption of these Articles; and

6.2.2 every gender, and words importing persons include any

person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) or one or more of the foregoing; and (in each case) vice versa.

6.2.3 save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles

6.2.4 headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles

6.2.5 a reference in these Articles to an “article” is a reference to the relevant article of these Articles unless expressly provided otherwise

6.2.6 unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:

6.2.6.1 any subordinate legislation from time to time made under it; and

6.2.6.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

6.2.7 any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as

illustrative and shall not limit the sense of the words preceding those terms

6.2.8 the Model Articles shall apply to the Company, except insofar as they are modified or excluded by these Articles

6.2.9 Article 20 of the Model Articles shall be amended by the insertion of the words “(including alternate directors) and the secretary” before the words “properly incur”.

7. Members

7.1 There shall be one member of the Company unless and until the member shall, by ordinary resolution decide otherwise (“the Member”)

8. Associate Members

8.1 Any person or corporation wishing to become an Associate Member may apply to the Board and must sign and return to the Board an application form prescribed for the time being by the Board to be admitted as an Associate Member of the Company in accordance with the Memorandum and these Articles

8.2 Admission to Associate Membership shall be in accordance with a procedure to be prescribed by the Board from time to time. The Board shall have absolute discretion as to whether or not to accept any application for Associate Membership

8.3 Upon an application for Associate Membership being approved and upon payment of an annual subscription being made (such amount to be determined by the Board) the Board shall enter the name of such person in its register of Associate Members and upon such entry such person shall become an Associate Member

8.4 Associate Membership shall not entitle the Associate Member to receive notice of or to attend or to vote at any meeting of the Members

8.5 The rights and privileges of Associate Membership shall be transferable at the discretion of the Board.

8.6 An Associate Member shall cease to be an Associate member if:

8.6.1 he resigns by written notice to the Company;

8.6.2 (if an individual) he dies, is of unsound mind, bankrupt or compounds with his creditors;

8.6.3 (if a corporation) it has a winding-up resolution passed or an order for its winding-up made or a receiver is appointed over any of its assets; or

8.6.4 his subscription has not been paid for a period of one month from its renewal date.

8.7 The Board shall have an absolute discretion to remove any Associate Member in accordance with the procedures prescribed by the Board from time to time.

8.8 The Board may at their absolute discretion return any subscription for Associate Membership or refuse to allow any subscription to be renewed without having to give any explanation or reason and thereupon the Associate Member whose subscription shall be returned or refused shall cease to be an Associate Member of the Company

9. Proceedings at General Meetings

For so long as the Company has only a sole Member:-

9.1 that Member shall constitute a quorum if present in person or by proxy or, if that Member is a corporation, by a duly authorised representative;

9.2 any decisions or actions made or taken by that Member which are ordinarily required to be made or taken in General Meeting of the Company or by means of a written resolution, shall be as valid and effectual as if agreed by the Company in General Meeting save that this paragraph shall not apply to resolutions passed pursuant to Sections 168 of the Act and Section 510 of the Act; and

9.3 any decision taken by a sole Member pursuant to paragraph 9.2 above shall be recorded in writing and delivered by that Member to the Company for entry in the Company's Minute Book.

10. Proxies

10.1 Article 31(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles 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 accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".

10.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

11. Appointment and Removal of Directors

11.1 The directors shall not be entitled to appoint directors and Article 17(b) of the Model Articles and the words "to appoint further directors" in Article 11(3)(a) shall not apply to the Company.

11.2 The minimum number of Directors shall be [2].

11.3 The Members may by ordinary resolution remove a director. The removal takes effect on the date on which it is received by the Company or the date specified in the resolution.

11.4 The maximum number of Directors shall be 12.

11.5 The Board shall consist of:

11.5.1 three directors who are Council Directors

11.5.2 up to nine directors proposed by the directors

and shall be appointed and removed by the Council

12. Disqualification and Removal of Directors

12.1 Notwithstanding Article 11 of these articles the office of a director shall be vacated if:

12.1.1 he ceases to be a director by virtue of any provision of the Companies Act or these Articles or he becomes prohibited by law from being a director; or

12.1.2 if a Council Director, he ceases to be a local authority councillor or his nomination to serve as a director is withdrawn by the Council; or

12.1.3 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or

12.1.4 he becomes incapable by reason of mental disorder, illness or injury of managing and administering his property and affairs; or

12.1.5 he resigns his office by notice to the Company; or

12.1.6 he shall for more than six consecutive months 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.

13. Directors

13.1 Article 20 of the Model Articles shall be amended by the insertion of the words “(including alternate directors) and the secretary” before the words “properly incur”.

13.2 Any Director, who, by request, performs special services or goes or resides abroad for any purposes of the Company or who otherwise performs services which, in the opinion of the Board, are outside the scope of the ordinary duties of a Director shall receive such extra remuneration by way of salary or otherwise as the Board may determine which shall be charged as part of the Company’s ordinary working expenses.

13.3 For the purposes of Article 14 of the Model Articles, a Director shall disclose any actual or proposed transaction or arrangement with the Company in which the director is interested in the following manner:

13.3.1 a general notice 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;

13.3.2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and

13.3.3 an interest of a person who is, for any purpose of the Act

(excluding any statutory modification not in force when this Article becomes binding on the Company), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.

14. Directors' interests

14.1 For the purposes of section 175 of the Companies Act 2006, the Members (and not the directors) shall have the power to authorise, by resolution and in accordance with the provisions of these Articles, any matter or situation proposed to them by a director which would, if not so authorised, involve a breach of duty by a director under section 175 of the Companies Act 2006 to avoid conflicts of interest (a Conflict). Any authorisation of a matter or situation under this Article may extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised.

14.2 The relevant director seeking authorisation of the Conflict (the interested Director) must provide the Members with such details as are necessary for the Members to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the Members.

14.3 Any authorisation by the Members of a Conflict may (whether at the time of giving the authorisation or subsequently):

14.3.1 provide that the Interested Director be excluded from the

receipt of documents and information, the participation in discussions and/or the making of decisions (whether at meetings of the directors or otherwise) related to the Conflict;

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

14.3.3 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 will 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

14.3.4 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 The Interested Director will be obliged to conduct himself in accordance with any terms imposed by the Members in relation to the Conflict.

14.5 The Members may revoke or vary such authorisation at any time but this will 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, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares or membership) in, the member who appointed him as a director of the Company and such situation is authorised pursuant to article 14 and shall not amount to

a breach of the director's duty under section 175 of the Act.

14.7 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 Members in accordance with this article (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

15. Proceedings of the Directors

15.1 The quorum necessary for the transaction of business of the directors shall be three provided that the quorum shall consist of at least one Council Director.

15.2 Questions arising at any meeting of the directors shall be determined by a majority of votes and in the case of an equality of votes the Chairman of the meeting shall not have a second or casting vote PROVIDED ALWAYS THAT any motion put to a meeting of the directors shall be deemed not to have been carried if a majority of the Council Directors present at the meeting (or their respective alternates) vote against the motion and for the avoidance or doubt in the case of only two Council Directors or their respective alternates being present if either one votes against the motion then the motion may still carry if there is a majority of votes for the motion.

15.3 Any director (including an alternate director) may participate in a meeting of the directors or a committee of the directors of which he is a Member by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each

other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Act, he shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

16. Calling a director's meeting

16.1 Any director may call a directors' meeting by giving [not less than [NUMBER] business days'] notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.

16.2 Notice of a directors' meeting shall be given to each director in writing by the director calling the meeting or the company secretary

16.3 Articles 9(1) and 9(3) of the Model Articles shall not apply.

17. Chairing of a Directors' Meeting

17.1 The Council shall appoint a director as the first Chairman of the Company (the "First Chairman") and for the avoidance of doubt a new chair may be appointed by the directors at any time after the appointment of the First Chairman.

17.2 Any future appointment of a director to the position of Chairman after the First Chairman has ceased to hold the position shall be made by the Board.

17.3 The Chairman shall be the chairman at all directors' meetings at which he is present and at any time that he is not so present within ten (10) minutes of the time at which the meeting was to start, the other directors in attendance

must appoint one of themselves to act as chairman for that meeting (the "Acting Chairman"). The Acting Chairman shall have all the same rights at the directors' meeting as if he was the Chairman (including for the avoidance of doubt the casting vote) and the respective references to "other director chairing the meeting" and "other director" in article 13(1) and article 13(2) of the Model Articles shall be deleted and the wording "Acting Chairman" shall be applied in their place and construed in accordance with these Articles.

17.4 Article 12 of the Model Articles shall not apply to the Company.

18. Appointment and removal of alternate directors

18.1 Any director (Appointer) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

18.1.1 exercise that director's powers; and

18.1.2 carry out that director's responsibilities

in relation to the taking of decisions by the directors, in the absence of the alternate's Appointor.

18.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the directors.

18.3 the notice must:

18.3.1 identify the proposed alternate; and

18.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

19. Rights and responsibilities of alternate directors

19.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's Appointor.

19.2 Except as these Articles specify otherwise, alternate directors:

19.2.1 are deemed for all purposes to be directors;

19.2.2 are liable for their own acts and omissions;

19.2.3 are subject to the same restrictions as their appointors;

and

19.2.4 are not deemed to be agents of or for their appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his Appointor is a member.

19.3 A person who is an alternate director but not a director;

19.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

19.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and

19.3.3 shall not be counted as more than one director for the purposes of articles 19.3.1 and 19.3.2

19.4 A director who is also an alternate director is entitled, in the absence of his Appointor, to a separate vote on behalf of his appointor, in addition to his

own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

19.5 An alternate director is not entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's Appointor's remuneration as the appointor may direct by notice in writing made to the company.

20. Termination of alternate directorship

An alternate director's appointment as an alternate terminates:

20.1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

20.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director;

20.3 on the death of the alternate's Appointor; or

20.4 when the alternate's Appointor's appointment as a director terminates.

21. Secretary

The directors may appoint any person who is willing to act as the secretary ('the Company Secretary') for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

22. Means of communication to be used

22.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

22.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, [48] hours after it was posted [(or [five] business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least [five] business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider)];

22.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

22.1.3 if property addressed and sent or supplied by electronic means, [one] hour after the document or information was sent or supplied; and

For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

22.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY GUARANTEE

Schedule 2 Companies (Model Articles) Regulations 2008 (SI 2008/3229)

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PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise—

“articles” means the company’s articles of association;

“bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

“chairman” has the meaning given in article 12;

“chairman of the meeting” has the meaning given in article 25;

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

“director” means a director of the company, and includes any person occupying the position of director, by whatever name called;

“document” includes, unless otherwise specified, any document sent or supplied in electronic form;

“electronic form” has the meaning given in section 1168 of the Companies Act 2006;

“member” has the meaning given in section 112 of the Companies Act 2006;

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;

“participate”, in relation to a directors’ meeting, has the meaning given in article 10;

“proxy notice” has the meaning given in article 31;

“special resolution” has the meaning given in section 283 of the Companies Act 2006;

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006; and

“writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

Liability of members

2. 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—

- (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 among themselves.

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

Directors' general authority

3. Subject to the 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.

Members' reserve power

4.—(1) The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.

(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

Directors may delegate

5.—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—

- (a) to such person or committee;
- (b) by such means (including by power of attorney);
- (c) to such an extent;
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions; as

they think fit.

(2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

Committees

6.—(1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

(2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

7.—(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

(2) If—

- (a) the company only has one director, and

(b) no provision of the articles requires it to have more than one director, the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

Unanimous decisions

8.—(1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

(4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

Calling a directors' meeting

9.—(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

(2) Notice of any directors' meeting must indicate—

(a) its proposed date and time;

(b) where it is to take place; and

(c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

(3) Notice of a directors' meeting must be given to each director, but need not be in writing.

(4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

Participation in directors' meetings

10.—(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—

(a) the meeting has been called and takes place in accordance with the articles, and

(b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

(2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

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

Quorum for directors' meetings

11.—(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

(2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

(3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—

(a) to appoint further directors, or

(b) to call a general meeting so as to enable the members to appoint further directors.

Chairing of directors' meetings

12.—(1) The directors may appoint a director to chair their meetings.

- (2) The person so appointed for the time being is known as the chairman.
- (3) The directors may terminate the chairman's appointment at any time.
- (4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

Casting vote

13.—(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

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

Conflicts of interest

14.—(1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.

(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

(3) This paragraph applies when—

- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
- (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (c) the director's conflict of interest arises from a permitted cause.

(4) For the purposes of this article, the following are permitted causes—

- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
- (b) subscription, or an agreement to subscribe, for securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such securities; and
- (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

(5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

(6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

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

Records of decisions to be kept

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

Directors' discretion to make further rules

16. Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

APPOINTMENT OF DIRECTORS

Methods of appointing directors

17.—(1) 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—

- (a) by ordinary resolution, or
- (b) by a decision of the directors.

(2) In any case where, as a result of death, the company has no members and no directors, the personal representatives of the last member to have died have the right, by notice in writing, to appoint a person to be a director.

(3) For the purposes of paragraph (2), where 2 or more members die in circumstances rendering it uncertain who was the last to die, a younger member is deemed to have survived an older member.

Termination of director's appointment

18. A person ceases to be a director as soon as—

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

Directors' remuneration

19.—(1) Directors may undertake any services for the company that the directors decide.

(2) Directors are entitled to such remuneration as the directors determine—

- (a) for their services to the company as directors, and
- (b) for any other service which they undertake for the company.

(3) Subject to the articles, a director's remuneration may—

- (a) take any form, and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

(4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.

(5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

Directors' expenses

20. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—

- (a) meetings of directors or committees of directors,
- (b) general meetings, or
- (c) separate meetings of the holders of debentures of the company,

or otherwise in connection with the exercise of their powers and the discharge responsibilities in relation to the company.

PART 3
MEMBERS
BECOMING AND CEASING TO BE A MEMBER

Applications for membership

- 21.** No person shall become a member of the company unless—
- (a) that person has completed an application for membership in a form approved by the directors, and
 - (b) the directors have approved the application.

Termination of membership

22.—(1) A member may withdraw from membership of the company by giving 7 days' notice to the company in writing.

- (2) Membership is not transferable.
- (3) A person's membership terminates when that person dies or ceases to exist.

ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

23.—(1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

- (2) A person is able to exercise the right to vote at a general meeting when—
 - (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

(3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

(4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

(5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

Quorum for general meetings

24. No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

Chairing general meetings

25.—(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

- (a) the directors present, or
- (b) (if no directors are present), the meeting,

must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

(3) The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

Attendance and speaking by directors and non-members

26.—(1) Directors may attend and speak at general meetings, whether or not they are members.

(2) The chairman of the meeting may permit other persons who are not members of the company to attend and speak at a general meeting.

Adjournment

27.—(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

- (a) the meeting consents to an adjournment, or
- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

(3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

(4) When adjourning a general meeting, the chairman of the meeting must—

- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

(5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—

- (a) to the same persons to whom notice of the company's general meetings is required to be given, and
- (b) containing the same information which such notice is required to contain.

(6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

Voting: general

28. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

Errors and disputes

29.—(1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

(2) Any such objection must be referred to the chairman of the meeting whose decision is final.

Poll votes

30.—(1) A poll on a resolution may be demanded—

- (a) in advance of the general meeting where it is to be put to the vote, or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

(2) A poll may be demanded by—

- (a) the chairman of the meeting;
- (b) the directors;
- (c) two or more persons having the right to vote on the resolution; or
- (d) a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.

- (3) A demand for a poll may be withdrawn if—
 - (a) the poll has not yet been taken, and
 - (b) the chairman of the meeting consents to the withdrawal.
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

- 31.**—(1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—
- (a) states the name and address of the member appointing the proxy;
 - (b) identifies the person appointed to be that member’s proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- (4) Unless a proxy notice indicates otherwise, it must be treated as—
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

Delivery of proxy notices

- 32.**—(1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor’s behalf.

Amendments to resolutions

- 33.**—(1) 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.
- (2) 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.
- (3) 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.

PART 4

ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

34.—(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

(2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

(3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

Company seals

35.—(1) Any common seal may only be used by the authority of the directors.

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

(3) 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.

(4) 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

36. 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

37. 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.

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

38.—(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—

- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
- (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
- (c) any other liability incurred by that director as an officer of the company or an associated company.

(2) This article does not authorise any indemnity which would be prohibited or rendered void by any

provision of the Companies Acts or by any other provision of law.

(3) In this article—

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a “relevant director” means any director or former director of the company or an associated company.

Insurance

39.—(1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

(2) In this article—

- (a) a “relevant director” means any director or former director of the company or an associated company,
- (b) a “relevant loss” means any loss or liability which has been or may be incurred by a relevant director in connection with that director’s duties or powers in relation to the company, any associated company or any pension fund or employees’ share scheme of the company or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.