

**REGISTERED NO. 11472815**

**Articles of Association**

of

**Sefton Holding Company Limited**

**Incorporated: 19/07/2018**

COMPANY LIMITED BY SHARES

THE COMPANIES ACT 2006

# ARTICLES OF ASSOCIATION OF SEFTON HOLDING COMPANY LIMITED

## PART A: INTRODUCTION

### 1. INTERPRETATION

1.1 In these Articles:

<b>“Act”</b>	means the Companies Act 2006;
<b>“AGM”</b>	means an annual general meeting of the Company;
<b>“Articles”</b>	means these Articles of Association of the Company and “Article” shall be construed accordingly;
<b>“Board”</b>	means the board of the Company comprising the Directors and (where appropriate) includes a Committee and the Directors acting by written resolution;
<b>“Board Meeting”</b>	means a meeting of the Board or (where appropriate) of a Committee;
<b>“Chair”</b>	means (subject to the context) either the person nominated as chair of the Company under Article 15 or, where the Chair of the Company is not present or has not taken the chair at a meeting, means the person who is chairing a Board Meeting at the time, or the person appointed by the Shareholders from amongst their number to chair a General Meeting;
<b>“clear days”</b>	in relation to a period of notice means the period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
<b>“Committee”</b>	means a committee of the Board;
<b>“Company”</b>	means the company regulated by these Articles;
<b>“Companies House”</b>	means the office of the Registrar of Companies;

<b>“Council”</b>	means Sefton Metropolitan Borough Council of Bootle Town Hall, Oriel Road, Bootle L20 7AE;
<b>“Council Director”</b>	means a director of the Company who is a member or officer of the Council
<b>“Director”</b>	means a director of the Company for the time being;
<b>“executed”</b>	includes any mode of execution;
<b>“Executive Director”</b>	means a director of the Company who is an employee of the Company or any Group Company
<b>“Financial Year”</b>	means the period of 12 months commencing on 1 April and ending on 31 March each year
<b>“General Meeting” “Group Company”</b>	means any meeting of the Shareholders; means any company which is a subsidiary (as defined in Section 1159 of the Act) of the Company
<b>“holder”</b>	in relation to shares means the Shareholder whose name is entered in the register of Shareholders;
<b>“including”</b>	means “including without limitation” and “include” and “includes” are to be construed accordingly;
<b>“Model Articles”</b>	means the Model Articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 as amended prior to the date of the adoption of these Articles, and reference to a numbered model article is a reference to that article of the Model Articles;
<b>"Non-Executive Director "</b>	means a director of the who is not a Council Director or an Executive Director;
<b>“Observers”</b>	means those persons (other than Directors) present under Article 18 at a Board Meeting;

- “Registered Office”** means the registered office of the Company;
- “Relevant Agreement”** means any agreement or agreements entered into between the Company and the Council relating to the management, operation and activities of the Company;
- “Secretary”** means the secretary of the Company (if any) as may be appointed under these Articles to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;
- “Share”** means a share of any type in the capital of the Company (and includes both a fully paid and a partly paid share);
- “Shareholder”** means a shareholder for the time being of the Company;
- “Shareholder Representative”** means the person nominated by the Council in its role as shareholder to represent it in all matters relating to the shareholder function with the Company
- “Shareholder Reserved Matters”** means those matters on which a decision is reserved to the Shareholders in accordance with Article 29.

1.2 In these Articles:

- 1.2.1 terms defined in the Act are to have the same meaning;
- 1.2.2 references to the singular include the plural and vice versa, to the whole include part and vice versa, and to the masculine include the feminine and neuter and vice versa;
- 1.2.3 references to “organisations” or “persons” include corporate bodies, public bodies, unincorporated associations and partnerships;
- 1.2.4 references to legislation, regulations, determinations and directions include all amendments, replacements or re-enactments and references to legislation (where appropriate) include all regulations, determinations and directions made or given under it; and
- 1.2.5 the headings are not to affect the interpretation of the Articles.

**2. NAME**

The Company’s name is Sefton Holding Company Limited.

**3. REGISTERED OFFICE**

The Company's Registered Office is to be situated in England.

**4. POWERS**

The Company may do anything that a natural or corporate person can lawfully do which is not expressly prohibited by the Articles.

**5. LIMIT OF LIABILITY**

The liability of the Shareholders is limited to the amount, if any, unpaid on the Shares held by them.

## **PART B. DIRECTORS**

### **6. BOARD**

6.1 Unless otherwise determined by a General Meeting, the Board shall consist of not more than 7 Directors and not less than 3 Directors appointed in accordance with Article 8 provided that at no time shall the number of Executive Directors in office equal or exceed the number of Non-Executive Directors in office.

### **7. POWERS OF THE BOARD**

7.1 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.

7.2 The Directors shall require the prior written approval of the Shareholders in respect of any decisions regarding the Shareholder Reserved Matters.

7.3 Alterations of the Articles do not invalidate earlier acts of the Board which would have been valid without the alteration.

### **8. APPOINTMENT AND REMOVAL OF DIRECTORS**

8.1 All of the Directors are to be appointed by ordinary resolution of the Shareholders.

8.2 The appointment of a Director takes effect at the point at which the Shareholder resolution appointing them is passed.

8.3 No Director may be appointed except as set out in the Articles.

8.4 Each Non- Executive Director shall be appointed as a Director:

8.4.1 for a term of 3 years; and

8.4.2 for a maximum of 2 terms, equating to a tenure of 6 years in total.

8.5 Subject to sections 168 and 169 of the Act, the Shareholders may remove any or all of the Directors at any time (with or without reason) by ordinary resolution.

8.6 The Shareholders may appoint a person as a Director either in substitution for a Director it has removed or to fill a casual vacancy.

8.7 A Director will cease to hold office as soon as:

8.7.1 the individual:

(a) dies;

(b) ceases to be a Director under the Act or is prohibited by law from being a Director;

- (c) resigns by written notice to the Company delivered to the Registered Office;
  - (d) is removed by ordinary resolution of the Shareholders;
  - (e) they become bankrupt or makes any arrangement or composition with their creditors generally; or
- 8.7.2 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.

## **9. DEPUTY DIRECTORS**

- 9.1 A Director may not appoint an alternate or deputy Director to act in their place.

## **10. DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

- 10.1 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 16.

10.2 If:

10.2.1 the company only has one Director, and

10.2.2 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.

## **11. DIRECTORS' FEES AND EXPENSES**

- 11.1 Subject to the rest of this Article 11, and Article 12 a Director who is not an employee of the Council may be paid such fee and expenses as the remainder of the Board may from time to time determine.

- 11.2 Directors who are not employees of the Council or the Company are entitled to be paid all reasonable expenses previously agreed and properly incurred by them in attending Board Meetings and General Meetings and in carrying out their duties as Directors.

- 11.3 Directors who are employees of the Council or the Company may claim expenses in line with their contracts of employment with the Council or the Company, but shall otherwise not be paid any additional amount by the Council or the Company.

- 11.4 The payment of expenses to Directors who are not employees of the Council is subject to the production of satisfactory receipts.

- 11.5 Where any Director is an elected member (to include any directly elected mayor) of the Council or any other local authority that is a Shareholder then such a Director may only be paid fees and/or expenses determined by the Council from time to time provided that such fees and/or expenses are not in excess of the maximum amount permitted by Regulation 5 of the Local Authorities (Companies) Order 1995.
- 11.6 Any Directors who are officers of the Council will not be paid any additional amount above their Council salaries for fulfilling their roles on the Board of the Company or any Group Companies, in line with their contracts of employment.
- 11.7 Notwithstanding Article 11.1, Non-Executive Directors shall be paid a day rate of £500 per day for their work on the Company Board as follows:
- 11.7.1 0.5 days preparation for Board meetings;
  - 11.7.2 0.5 days follow-up from Board meetings;
  - 11.7.3 1.0 days for attendance at Board meetings, up to £12,000 every Financial Year.

## **12. DIRECTORS' INTERESTS**

- 12.1 A Director who has a direct or indirect interest in any contract, proposed contract, arrangement or dealing with the Company must declare their interest under sections 177 or 182 of the Act (as appropriate) before the matter is discussed by the Board.
- 12.2 Every Director must ensure that at all times a list is kept at the Registered Office including details of:
- 12.2.1 any other body of which they are a director or officer;
  - 12.2.2 any firm of which they are a partner;
  - 12.2.3 any firm or organisation of which they are an employee;
  - 12.2.4 any public body of which they are an official or elected Shareholder;
  - 12.2.5 any company whose shares are publicly quoted in which they own or control more than 2% of the shares;
  - 12.2.6 any company whose shares are not publicly quoted in which they own or control more than 10% of the shares;
  - 12.2.7 any property owned by the Company in which they has an interest or which they occupy; or
  - 12.2.8 any other interest which is significant or material including any direct or indirect financial interest which may influence their judgement on matters being considered or to be considered by the Board.
- 12.3 A decision of the Board will not be invalid because of the subsequent discovery of an interest which should have been declared.



12.4 Every Director must ensure that at all times they declare to either the Secretary in writing or to a Board Meeting if a person with whom they are “connected” for the purposes of Section 252 of the Act:

12.4.1 is likely to receive a payment or benefit from the Company;

12.4.2 is a director, officer or employee of a company, body or organisation which is likely to receive a payment or benefit from the Company;

12.4.3 is a partner of a firm which is likely to receive a payment or benefit from the Company;

12.4.4 is an official or elected Shareholder of a public body which may make or receive a payment or benefit to or from the Company;

12.4.5 is the owner or controller of more than 2% of the shares of a company whose shares are publicly quoted and which may make or receive payment or benefit to or from the Company;

12.4.6 is the owner or controller of more than 10% of the shares of any company whose shares are not publicly quoted, which may make or receive a payment or benefit to or from the Company; or

12.4.7 is a tenant or occupier of any property owned by the Company or is seeking accommodation from the Company.

12.5 A general notice to the Board that a Director has 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, is to be treated as a disclosure that the Director has an interest in any such transaction of the nature and extent specified.

12.6 For the purposes of this Article 12 an interest of which a Director has no knowledge and of which it is unreasonable to expect them/her to have knowledge is not to be treated as an interest of that Director.

## 12.7 **Personal Interests**

12.7.1 A Director has a personal interest in a matter which is to be discussed or determined by the Board if they or a member of the Director’s family as defined in section 253 of the Act will be directly affected by the decision of the Board in relation to that matter.

12.7.2 A Director who has a personal interest in a matter which is to be discussed or determined by the Board:

(a) may not count towards the quorum in relation to that matter;

(b) may not take part in the discussion in relation to that matter;

(c) may not vote in relation to that matter; and

(d) must leave the Board Meeting at which the matter is discussed and determined.

12.8 Despite having a personal interest in the outcome, a Director may count towards the quorum, take part in the discussion and vote on a resolution of the Board (other than a resolution to make a payment or grant a benefit to the Director personally which is not at the same time being granted to the other Directors):

12.8.1 to take out Directors and officers indemnity insurance;

12.8.2 to give an indemnity or to establish a policy for the Company to give indemnities to the Directors generally under Article 39; or

12.8.3 to set a policy for the payment of Directors' fees and expenses under Article 9.

12.9 In the event that there are not sufficient Directors to hold a quorate Board Meeting because one or more Directors have a personal interest in a relevant matter and are not permitted to form part of the quorum, then those Directors with a personal interest may form part of the quorum for the purposes of agreeing to circulate an ordinary resolution to the Shareholders detailing the extent of the conflict arising from the personal interest and requesting the Shareholders to authorise the Director's conflict arising from their personal interest.

12.10 In the event that a resolution is passed by the Shareholders in accordance with Article 12.9, the Director(s) with such an authorised personal interest may then count as part of the quorum and for voting purposes in relation to the relevant matter.

#### 12.11 **Non-Personal Interests**

12.11.1 A Director who has an interest in a matter which is to be discussed or determined by the Board but which is not a personal interest may, subject to their fulfilling their duty to act in the best interests of the Company and to the right of the remaining Directors to require that they should withdraw from the Board Meeting at which the matter is to be discussed or determined:-

(a) count towards the quorum in relation to that matter;

(b) take part in the discussion in relation to that matter;

(c) remain in the Board Meeting at which the matter is to be discussed or determined; and

(d) vote in relation to that matter.

12.11.2 A Director is not to be regarded for the purposes of this Article 12 as having a non-personal interest in any matter if their interest in that matter arises solely because they are a Director or an officer of any body the accounts of which are consolidated with the Company's accounts or because they are an elected member, employee or officer of the Council or any other local authority that is a Shareholder but they must nonetheless disclose their interest in accordance with Article 12.1.

12.12 A Director may disclose the business of the Company to the Council where the Council is a Shareholder.

### **13. BOARD MEETINGS**

- 13.1 Subject to the Articles and any Relevant Agreement, the Board may regulate Board Meetings as it wishes.
- 13.2 Board Meetings may be called by any Director or the Secretary (if any).
- 13.3 Seven clear days' notice of Board Meetings must be given to each of the Directors but it is not necessary to give notice of a Board Meeting to a Director who is out of the United Kingdom.
- 13.4 A Board Meeting which is called on shorter notice than required under Article 13.3 is deemed to have been duly called if at least two Directors certify in writing that because of special circumstance it ought to be carried as a matter of urgency.
- 13.5 Questions arising at a Board Meeting are to be decided by a simple majority of votes and each Director is to have one vote. Where a Director is also an Alternate Director then they have an additional vote on behalf of each Appointer who:
- 13.5.1 is not participating in the Board Meeting; and
  - 13.5.2 would have been entitled to vote if they were participating in it.
- 13.6 If there is an equality of votes the Chair is entitled to a second or casting vote.
- 13.7 A technical defect in the appointment of a Director or in the delegation of powers to a Committee of which the Board is unaware at the time does not invalidate decisions taken in good faith.

### **14. QUORUM FOR BOARD MEETINGS**

- 14.1 The quorum for Board Meetings is three Directors.
- 14.2 A Director may be part of the quorum of a Board Meeting if they can hear comment and vote on the proceedings through telephone, video conferencing or other communications equipment.
- 14.3 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:
- 14.3.1 to appoint further Directors; or
  - 14.3.2 to call a General Meeting so as to enable the Shareholder to appoint further Directors.
- 14.4 A Board Meeting at which a quorum present shall be competent to exercise all of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in the Board generally.
- 14.5 If a quorum is not present within half an hour of the time at which the Board Meeting is due to start or if, during the Board Meeting, a quorum ceases to be present, the Chair of the meeting must adjourn it. When adjourning the meeting, the Chair must specify that the meeting is adjourning to either:

- 14.5.1 the same day, time and place the following week; or
- 14.5.2 another day, place and/or time to be decided by the Directors.

## **15. CHAIR**

- 15.1 The post of Chair of the Directors will be held by a Director nominated by the Shareholder. If the Chair for the time being is unable to attend any meeting of the Board of Directors, the Directors present at the meeting shall appoint one of their number to chair the meeting.
- 15.2 The Chair is to hold office for 3 years or such other period as the Shareholder shall from time to time determine.
- 15.3 The Chair may resign from their position at any time (without necessarily resigning as a Director at the same time).
- 15.4 The Chair is to chair all Board Meetings at which they are present unless they do not wish to do so.

## **16. UNANIMOUS DECISIONS**

- 16.1 Notwithstanding the rest of these Articles, a decision of the Directors may be 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.
- 16.2 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.
- 16.3 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 (but excluding any Director whose vote is not to be counted in respect of that particular matter).
- 16.4 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.

## **17. DELEGATION**

- 17.1 The Board may:
  - 17.1.1 establish Committees consisting of those persons the Board decides;
  - 17.1.2 delegate to a Committee any of its powers;
  - 17.1.3 determine the quorum for Committee meetings; and
  - 17.1.4 revoke (in whole or in part) or alter a delegation at any time.

- 17.2 The Members of a Committee are to be appointed by the Board to hold office for whatever period the Board decides and may be removed or replaced by the Board at any time.
- 17.3 The Board may specify the financial limits within which any Committee must function.
- 17.4 The Board may authorise a Committee to operate any bank account. The Board must decide upon the way in which that account must be operated.
- 17.5 The Board may also delegate to any Directors or any other person such of their powers as they consider desirable to be exercised by them. The Board may revoke (in whole or in part) or alter such a delegation at any time.

## **18. OBSERVERS**

- 18.1 The Board may allow individuals who are not Directors to attend Board Meetings as Observers on whatever terms the Board decide.
- 18.2 Observers may not vote, but may take part in discussions unless the Board decides otherwise.
- 18.3 The Board may exclude Observers from any part of a Board Meeting where the Board considers the business is private.
- 18.4 Notwithstanding Articles 18.1 to 18.3 the Shareholder Representative may attend any Board Meeting as an Observer, but shall not exercise any role as a director of the Company.

## **19. DIRECTORS' WRITTEN RESOLUTIONS**

- 19.1 A written resolution signed by all of the Directors entitled to receive notice of a Board Meeting (provided they would constitute a quorum at a Board Meeting) is as valid as if it had been passed at a Board Meeting.
- 19.2 A written resolution signed by all of the members of a Committee (provided they would constitute a quorum of that Committee) is as valid as if it had been passed at a meeting of that Committee.
- 19.3 A resolution under Articles 19.1 or 19.2 may consist of several documents in similar form each signed by one or more of the Directors or Committee members and will be treated as passed on the date of the last signature.

## **PART C. SHARE CAPITAL**

### **20. SHARE CAPITAL**

The share capital of the Company is £100 ordinary shares divided into 100 shares of £1 each.

### **21. ALL SHARES TO BE FULLY PAID UP**

21.1 No share is to be issued for less than the aggregate or its nominal value and any premium to be paid to the Company in consideration for its issue.

21.2 This does not apply to shares taken on the formation of the Company by the Subscribers to the Company's memorandum.

### **22. ISSUE OF SHARES AND SHARE CERTIFICATES**

22.1 The Board shall not, without the prior written consent of the Council, allot shares or other securities in, or grant any rights to subscribe for or convert into shares or other securities of, the Company to any person other than the Council. The power conferred on the directors by section 550 of the Act is limited accordingly.

22.2 Except as required by law, no person is to be recognised by the Company as holding a Share on trust, and except as otherwise required by law or the Articles, the Company is not bound to recognise any interest in a Share other than the holder's absolute ownership of it and all the rights attaching to it.

### **23. SHARE CERTIFICATES**

23.1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds.

23.2 Every certificate must specify:

23.2.1 in respect of how many shares, and of what class, it is issued; and

23.2.2 the nominal value of those shares; and

23.2.3 that the shares are fully paid; and

23.2.4 any distinguishing numbers assigned to them.

23.3 No certificate may be issued in respect of shares of more than one class.

23.4 If more than one person holds a share, only one certificate may be issued in respect of it.

23.5 Certificates must:

23.5.1 if the Company has a seal, have affixed to them the Company's common seal;  
and

23.5.2 be otherwise executed in accordance with the Act.

23.6 If a Share certificate becomes defaced, or worn out or is lost or destroyed it may be renewed. The Board may specify conditions to be satisfied before it is renewed. Those conditions may relate to evidence or indemnity and provide for the payment of the Company's reasonable costs in investigating evidence. Apart from any payments due as a result of compliance with the Board's conditions no other charge may be made. If the Share Certificate is defaced or wearing out the old certificate must be delivered to the Company before it can be renewed.

## **24. TRANSFER OF SHARES**

24.1 Shares in the Company may not be transferred without the approval of the Council. The provision of Articles 26 to 29 of the Model Articles shall apply but only to the extent that the Council elects to transfer its shares and notifies the Board of such election, or the Council gives its consent to the transfer of the Shares held by another Shareholder.

## **25. ALTERATION OF SHARE CAPITAL**

25.1 The Company may by ordinary resolution increase its share capital by new Shares of such amount as the resolution prescribes.

## **26. PURCHASE OF OWN SHARES**

26.1 Subject to the Act, the Company may purchase its own Shares (including any redeemable Shares) and pay for the redemption or purchase other than out of the Company's distributable profits or the proceeds of a fresh issue of Shares.

## **27. DIVIDENDS**

27.1 Subject to the Act, the Company may by ordinary resolution of the Shareholders declare dividends in accordance with the respective rights of the Shareholders. A dividend must not be declared unless the Board has made a recommendation as to its amount, and no dividend may exceed the amount recommended by the Board.

27.2 Subject to the Act, the Board may pay interim dividends if it appears to it that they are justified by the distributable profits of the Company. The Board may also pay any dividend payable at a fixed rate at such intervals as they decide if it appears to them that the distributable profits justify the payment.

27.3 Except where the rights attaching to Shares provide otherwise, all dividends are to be paid according to the amount paid up on the Shares on which they are paid. Where the amount paid up changes over the period for which the dividend is payable, the dividend

must be apportioned and paid proportionately to the amount paid up on the Shares during each part of the period for which the dividend is paid. If a Share is issued on terms that it is to rank for dividend as from a particular date that Share is to rank for dividend accordingly.

- 27.4 Cheques are to be payable to the person entitled (or as they direct in writing). Payment of the cheque is to be a good discharge to the Company.
- 27.5 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:
- 27.5.1 transfer to a bank or building society account specified by the Shareholder either in writing;
  - 27.5.2 sending a cheque made payable to the Shareholder by post to the Shareholder at the Shareholder's registered address or to an address specified by the Shareholder in writing; or
  - 27.5.3 any other means of payment as the Board agrees with the Shareholder in writing.
- 27.6 No dividend or other money payable on a Share is to bear interest against the Company unless the rights attached to the Share provide otherwise.
- 27.7 Any dividend unclaimed twelve years after its payment date may be forfeited by a resolution of the Board.
- 27.8 Subject to the terms of issue of the Share in question, the Company may, by ordinary resolution of the Shareholders upon the recommendation of the Board, decide to pay all or part of a dividend or other distribution payable in respect of a Share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company). For the purposes of paying a non-cash distribution, the Board may make whatever arrangements they think fit including, where any difficulty arises regarding the distribution, fixing the value of any assets and vesting any assets in trustees.

## **28. CAPITALISATION OF PROFITS**

- 28.1 The Board may, with the authority of an ordinary resolution of the Company:
- 28.1.1 capitalise any profits of the Company not required for paying a preferential dividend (whether or not they are available for distribution) or any sum in the Company's share premium account or capital redemption reserve;
  - 28.1.2 subject to Article 28.2, appropriate the sum resolved to be capitalised to the Shareholders who would have been entitled to it if it were distributed by dividend (in the same proportions) and apply it in paying up any amounts unpaid on any part paid Shares they hold and/or in paying up in full and allotting to them (or as they direct) unissued Shares or debentures in the Company of a nominal amount equal to that sum;



- 28.1.3 provide for Shares or debentures distributable in fractions by the issue of fractional certificates or by payment in cash; and/or
  - 28.1.4 authorise a person to enter into an agreement with the Company on behalf of all the Shareholders concerned, providing for the allotment to them of any Shares or debentures credited as fully paid to which they are entitled upon such capitalisation. Any agreement made under such authority is to bind all such Shareholders.
- 28.2 The Share premium account, the capital redemption reserve and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Shares to be allotted to Shareholders credited as fully paid.

## **PART D. SHAREHOLDERS AND SHAREHOLDER MEETINGS**

### **29. SHAREHOLDER RESERVED MATTERS**

- 29.1 Decisions on matters specified in a Relevant Agreement (“**Shareholder Reserved Matters**”) shall be reserved to the Shareholders of the Company from time to time.
- 29.2 In addition, the Shareholders 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.

### **30. SHAREHOLDER REPRESENTATIVE**

- 30.1 The Shareholder Representative has full delegated authority from the Council's Cabinet to act on behalf of the Council in respect of all Shareholder decisions relating to the Company and all Group Companies, as set out in a Relevant Agreement and the Council's Constitution, including decisions in respect of Reserved Matters.

### **31. GENERAL MEETINGS**

- 31.1 All General Meetings are to be called by the Board.
- 31.2 If there are insufficient Directors in the United Kingdom to form a quorum at a Board Meeting to call a General Meeting it may be called in the same way as a Board Meeting.
- 31.3 On receiving a requisition from the requisite number of Shareholders as specified under Section 303 of the Act the Board must immediately call a General Meeting.
- 31.4 Each year the Company may choose to hold a General Meeting as the AGM (but shall not be required to do so) in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it. The AGM shall be held at such time and place as the Board shall appoint.
- 31.5 In the event that the Company holds an AGM, the business of the AGM is to:
- 31.5.1 consider the Company's annual report (if any);
  - 31.5.2 fix the remuneration, and appoint and remove, the Company's auditors;
  - 31.5.3 transact any business that relates to Shareholder Reserved Matters; and
  - 31.5.4 transact any other business specified in the notice convening the meeting.

### **32. NOTICE OF GENERAL MEETINGS**

- 32.1 General Meetings must be called by at least 14 clear days' notice.

- 32.2 A General Meeting may be called by shorter notice if this is agreed by a majority in number of the Shareholders who may attend and vote and who together hold 90% or more in nominal value of the Shares giving that right.
- 32.3 The notice must specify:
- 32.3.1 the time and place of the General Meeting;
  - 32.3.2 the general nature of the business to be transacted; and,
  - 32.3.3 in the case of an AGM, that it is an AGM.
- 32.4 No business may be transacted at a General Meeting except that specified in the notice convening the meeting.
- 32.5 Notice of a General Meeting must be given to all of the Shareholders (except any living outside the United Kingdom who have not given an address for service in the United Kingdom), the Directors and the Company's auditors (if any).
- 32.6 The accidental omission to give notice of a General Meeting to, or the non-receipt of notice of a General Meeting by, any person entitled to receive notice will not invalidate the proceedings at that General Meeting.

### **33. QUORUM FOR GENERAL MEETINGS**

- 33.1 No business may be transacted at a General Meeting unless a quorum is present.
- 33.2 A quorum is one Shareholder entitled to vote upon the business to be transacted present in person or represented by a duly authorised representative but in order for a General Meeting to be quorate a representative of the Council must be present if the Council is a Shareholder.
- 33.3 If a quorum is not present within 30 minutes from the time of the General Meeting or a quorum ceases to be present during a General Meeting it must be adjourned to such time and place as the Board decides.
- 33.4 Notice of an adjournment of a General Meeting because of a lack of quorum and the time and place of the adjourned General Meeting must be given to all Shareholders in accordance with Article 33.3.
- 33.5 If a quorum is not present within 30 minutes from the time of the adjourned General Meeting it is to be dissolved.

### **34. CHAIR AT GENERAL MEETINGS**

- 34.1 The Shareholder Representative shall chair the General Meeting (hereafter in this Part C referred to as the "Chair").

## **35. VOTING AT GENERAL MEETINGS**

- 35.1 Resolutions are to be decided on a show of hands unless a poll is duly demanded in accordance with these Articles.
- 35.2 Every Shareholder present has one vote on a show of hands.
- 35.3 Directors who are not Shareholders may speak but not vote at General Meetings.
- 35.4 A Shareholder which is an organisation may, by resolution of its governing body (or a committee or officer of the organisation acting under powers delegated by its governing body), authorise such person as it thinks fit to act as its representative at General Meetings.
- 35.5 A person authorised under Article 35.4 may exercise the same powers on behalf of the organisation as the organisation could exercise if it were an individual Shareholder.
- 35.6 A declaration by the Chair that a resolution has been carried (or not carried) unanimously, or by a particular majority, which is entered into the minutes of the meeting is conclusive evidence of the fact unless a poll is demanded.

## **36. POLL VOTES**

- 36.1 A poll may be demanded on a resolution by the Chair, the Board, or any qualifying person (as defined by section 318 of the Act) present and entitled to vote on the resolution.
- 36.2 A demand for a poll vote may be withdrawn if the poll has not yet been taken and the Chair consent to the withdrawal. A demand for a poll vote so withdrawn shall not be taken to have invalidated the result on a show of hands declared before the poll vote was demanded.
- 36.3 The demand for a poll will not prevent the General Meeting continuing to transact business other than the question on which the poll is demanded.
- 36.4 A poll is to be taken as the Chair directs. The Chair may appoint scrutineers (who need not be Shareholders) and set a time and place to declare the result. The result will be the resolution of the General Meeting at which the poll was demanded but will be treated as passed when the result is declared.
- 36.5 A poll on the election of a chair or an adjournment must be taken immediately. A poll on any other question may be taken either immediately or at such time and place as the Chair directs.
- 36.6 If the poll is to be taken at a date and time after the General Meeting, at least 7 clear days' notice must be given of the time and place at which the ballot is to be taken unless the time and place are announced at the General Meeting at which it is demanded.

## **37. SHAREHOLDERS' WRITTEN RESOLUTIONS**

- 37.1 Subject to the Act, a written resolution signed by a simple majority (or in the case of a special resolution by a majority of not less than 75%) of the Shareholders entitled to attend and vote at a General Meeting (provided those Shareholders would constitute a quorum at a General Meeting) is as valid as if it had been passed at a General Meeting.
- 37.2 A resolution under Article 37.1 may consist of several documents in similar form each signed by one or more Shareholders.
- 37.3 A resolution under Article 37.1 may be signed for a corporate body or an organisation which is a Shareholder by its authorised representative, a Member of its governing body or secretary, its solicitor or by an attorney.

## **PART E. OFFICERS**

### **38. THE SECRETARY**

- 38.1 The Board may decide whether to appoint a Secretary and for what term.
- 38.2 Where appointed a Secretary may be removed by the Board at any time.
- 38.3 No Director may occupy a salaried position of Secretary.
- 38.4 Where any Secretary appointed is an employee of the Council then they shall not be paid any fee or expenses by the Company.

### **39. INDEMNITIES FOR OFFICERS AND EMPLOYEES**

- 39.1 No officer or employee is to be liable for losses suffered by the Company except those due to their own dishonesty or gross negligence.
- 39.2 Subject to the Act every Director, officer or employee is to be indemnified by the Company against any liability incurred in the discharge of their duties or in that capacity in defending any civil or criminal proceedings as long as:
  - 39.2.1 judgment is given in their favour (or the proceedings are dealt with without a finding or admission of a material breach of duty by them); or
  - 39.2.2 they are acquitted; or
  - 39.2.3 relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

## **PART F. STATUTORY AND MISCELLANEOUS**

### **40. MINUTES**

- 40.1 The Board must arrange for minutes to be kept of all Board and General Meetings. The names of the Directors present must be included in the minutes.
- 40.2 Copies of the draft minutes of Board Meetings must be distributed to the Directors as soon as reasonably possible after the meeting.
- 40.3 Minutes must be approved as a correct record at the next General Meeting (as regards minutes of General Meetings) or Board Meeting (as regards minutes of Board Meetings). Once approved they must be signed by the person chairing the meeting at which they are approved.
- 40.4 The Board must keep minutes of all of the appointments made by the Board.

### **41. ACCOUNTS ANNUAL REPORT AND ANNUAL RETURN**

- 41.1 The Company must comply with Part 15 of the Act in:
  - 41.1.1 preparing and filing an annual Directors' report and annual accounts; and
  - 41.1.2 making an annual return to the Registrar of Companies.
- 41.2 The Company must comply with Part 16 of the Act in relation to the audit or examination of accounts to the extent that the law requires.
- 41.3 The annual Directors report and accounts must contain:
  - 41.3.1 the revenue accounts and balance sheet for the last accounting period;
  - 41.3.2 the auditor's report on those accounts (if applicable); and
  - 41.3.3 the Board's report on the affairs of the Company.
- 41.4 The accounting records of the Company must always be open to inspection by a Director.

### **42. BANK AND BUILDING SOCIETY ACCOUNTS**

- 42.1 All bank and building society accounts must be controlled by the Directors and must include the name of the Company.
- 42.2 Cheques and orders for the payment of money must be signed in accordance with the Board's instructions.

### **43. EXECUTION OF DOCUMENTS**

- 43.1 If the Company has a seal it may only be used with the authority of the Board (which may be given generally for documents of a particular type).

- 43.2 Unless the Board decides otherwise, documents to which the seal is attached or which are executed as deeds must be signed by:
- 43.2.1 two Directors; or
  - 43.2.2 one Director and the Secretary (where appointed); or
  - 43.2.3 one Director in the presence of a witness who attests the Director's signature.

#### **44. NOTICES**

- 44.1 Notices under the Articles must be in writing (which shall include suitable electronic means) except notices calling Board Meetings.
- 44.2 A Shareholder present in person at a General Meeting is deemed to have received notice of the General Meeting and (where necessary) of the purposes for which it was called.
- 44.3 The Company may give a notice to a Shareholder, Director or auditor:
- 44.3.1 personally;
  - 44.3.2 by sending it by post in a prepaid envelope;
  - 44.3.3 by sending it by commercial courier;
  - 44.3.4 by suitable electronic means;
  - 44.3.5 by leaving it at their address; or
  - 44.3.6 as the Board prescribes from time to time.
- 44.4 Notices under Article 44.3.244.3.55 may be sent:
- 44.4.1 to an address in the United Kingdom which that person has given the Company;
  - 44.4.2 to the last known home or business address of the person to be served; or
  - 44.4.3 to that person's address in the Company's register of Shareholders.
- 44.5 Notices under Article 44.3.4 may be sent to an email address which that person has given the Company.
- 44.6 Any notice given in accordance with the Articles is to be treated for all purposes as having been received:
- 44.6.1 24 hours after being sent by electronic means or delivered by hand to the relevant address;
  - 44.6.2 48 hours after being sent by first class post to that address;
  - 44.6.3 on being handed to a Shareholder or Director personally;
  - 44.6.4 at the time of signature of the courier's delivery receipt;
  - 44.6.5 as soon as the Shareholder or Director acknowledges actual receipt.



- 44.7 A notice may be served on the Company by delivering it or sending it to the Registered Office or by handing it to the Secretary (where appointed).
- 44.8 If deemed receipt under Article 46 or Article 47 is not within business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of receipt), when business next starts in the place of deemed receipt and all references to time are to local time in the place of deemed receipt.
- 44.9 To prove delivery, it is sufficient to prove that notice was transmitted by email to the email address which that person has given the Company or, in the case of post, that the envelope containing the notice was properly addressed and posted.
- 44.10 The Board may make standing orders to define other acceptable methods of delivering notices.

## **45. STANDING ORDERS**

- 45.1 Subject to Article 45.4:
- 45.1.1 the Board may from time to time adopt, alter, add to or repeal make standing orders for the proper conduct and management of the Company; and
  - 45.1.2 the Company in General Meeting may alter, add to or repeal the standing orders.
- 45.2 The Board must use such means as they think sufficient to bring the standing orders to the notice of Shareholders.
- 45.3 Standing orders are binding on all Shareholders and Directors.
- 45.4 No standing order may be inconsistent with or may affect or repeal anything in the Articles.