

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

of

**THE LIVERPOOL CITY REGION LOCAL
ENTERPRISE PARTNERSHIP**

(re-printed incorporating changes made on or before 3 November
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Incorporated on 5 October 1992

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PART 1

INTERPRETATION, LIMITATION OF LIABILITY AND OBJECTS

1. DEFINED TERMS

1.1. In these Articles, unless the context requires otherwise:

Articles means the Company's Articles of Association for the time being in force;

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;

Board means the board of directors appointed in accordance with Article 22;

business day means any day (other than a Saturday, Sunday or public holiday in the United Kingdom:) on which clearing banks in the City of London are generally open for business;

CA 2006 means the Companies Act 2006;

chairman of the meeting has the meaning given to that term in Article 12.3;

Chief Executive means the individual appointed in accordance with Article 34;

Class "A" Member means each local authority which is for the time being a member of the Company and which has contributed or undertaken to contribute in respect of the current financial year such sum as may have been agreed with the Board or, failing agreement, the amount paid in the preceding financial year;

Class "C" Member means a member (other than a Class "D" or Class "E" Member) who has contributed or undertaken to contribute the subscription determined by the Board for the current financial year in respect of a Class "C" Member;

Class "D" Member means a member (other than a Class "C" Member or Class "E" Member) who has contributed or undertaken to contribute the subscription determined by the Board for the current financial year in respect of a Class "D" Member;

Class "E" Member means a member (other than a Class "C" or "D" Member) who has contributed or undertaken to contribute the subscription determined by the Board for the current financial year in respect of a Class "E" Member;

Clear Days means (in relation to the period of a notice) that period excluding the day on which 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;

Companies Acts means the Companies Acts (as defined in section 2 of CA 2006), in so far as they apply to the Company;

Conflict has the meaning given to that term in Article 27;

conflicted director means a director who has, or could have, a Conflict in a situation involving the Company and consequently whose vote is not to be counted in respect of any resolution to authorise such Conflict and who is not to be counted as participating in the quorum for the meeting (or part of the meeting) at which such resolution is to be voted upon;

director means a member of the Board;

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

electronic form has the meaning given to that term in section 1168 of CA 2006;

financial year means the financial year of the Company being the period commencing on 1 April in one year and ending on 31 March in the next year or such other period as the Board may determine;

hard copy form has the meaning given to that term in section 1168 of CA 2006;

instrument means a document in hard copy form;

Leader in relation to a local authority means the individual appointed as such (or elected Mayor) for the time being in accordance with the procedures of that local authority;

LEP means the unincorporated board of representatives known as Liverpool City Region Local Enterprise Partnership and which is recognised by government as the entity which was established on 16 March 2012;

LEP Board means the board of members of the LEP;

member has the meaning given to that term in section 112 of CA 2006;

Model Articles means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2009/3229) as amended prior to the date of adoption of these Articles;

non-conflicted director means any director who is not a conflicted director;

ordinary resolution has the meaning given to that term in section 282 of CA 2006;

proxy notice has the meaning given to that term in Article 18;

proxy notification address has the meaning given to that term in Article 19.1;

relevant loss has the meaning given to that term in Article 42.2;

Relevant Leaders means the Leaders referred to in Article 22.2.1

relevant officer has the meaning given to that term in Articles 41.3.2 or 42.2.1, as the case may be;

special resolution has the meaning given to that term in section 283 of CA 2006;

subscription unit means the minimum subscription fixed in accordance with Article 6 for a Class "E" Member;

subsidiary has the meaning given to that term in section 1159 of CA 2006;

United Kingdom means Great Britain and Northern Ireland;

working day has the meaning given to that term in section 1173(1) of CA 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.

- 1.2. 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 CA 2006 as in force on the date when these Articles become binding on the Company shall have the same meanings in these Articles.

- 1.3. Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4. 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 and shall include any orders, regulations or subordinate legislation from time to time made under it and any amendment or re-enactment of it or any such orders, regulations or subordinate legislation for the time being in force.
- 1.5. 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.
- 1.6. No regulations set out in any statute or in any statutory instrument or other subordinate legislation concerning companies, including the Model Articles, shall apply to the Company, but these Articles shall be the articles of association of the Company.

2. LIABILITY OF MEMBERS

The liability of the members is limited to £1, being the amount that each member undertakes to contribute to the assets of the Company in the event of 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.

3. OBJECTS OF THE COMPANY

The objects for which the Company is established are to support the LEP in the promotion, by the co-operation of all interested parties, of the economic, cultural and social well-being of the area known as **the Liverpool City Region** consisting of the City of Liverpool and the Metropolitan Boroughs of Halton, Knowsley, St. Helens, Sefton and Wirral and any other local authority area adjacent to that area whose local authority becomes a Class “A” Member in accordance with these Articles and for that

purpose the Company shall have the following powers to be exercised in furtherance of and incidental to this principal object:

- 1.1. to support the LEP in the promotion of the association or partnership of governmental agencies and local authorities, voluntary organisations, trade unions, employers, the professions and the inhabitants of the Liverpool City Region in a common effort to advance and create and provide facilities for employment;
- 1.2. to support the LEP so as to enable it to assist, promote and encourage existing and new industry and commerce to develop in the Liverpool City Region and to encourage and promote the creation of employment opportunities within the Liverpool City Region for the benefit of the area and its inhabitants;
- 1.3. to support the LEP so as to enable it to investigate the needs of industry and commerce and to advertise and promote the benefits of the Liverpool City Region as a location for the expansion and creation of industry and commerce;
- 1.4. to support the LEP so as to enable it to promote the interests of commerce and industry in the Liverpool City Region in all circles of local and central government and administration in the United Kingdom, the European Economic Community and elsewhere in all quasi-governmental bodies and agencies in such places;
- 1.5. to support the LEP so as to enable it to enter into partnership or into any arrangement for joint, shared or mutual promotion, investment or development, union of interest, reciprocal concession or co-operation with any person, partnership or corporate body carrying on, engaged in, or about to carry on or engage in any business or transaction capable of being conducted so as directly or indirectly to further the objects of the Company or any of them and to take or otherwise acquire and hold shares or stock in or securities of, and to make grants to or otherwise assist any person, partnership or corporate body and to sell, hold, re-issue, with or without guarantee, or otherwise deal with such shares, stock or securities;
- 1.6. to support the LEP so as to enable it to provide or procure expert advice and consultancy services to enable or assist any individual, corporate body, firm, undertaking, partnership, co-operative or other group to establish a new business or enterprise or to expand an existing business or enterprise within the Liverpool City Region and to make such available on a commercial, gratuitous or subsidised basis as maybe considered appropriate;

- 1.7. to support the LEP so as to enable it to direct prospective businesses and enterprises to existing resources within the Liverpool City Region for the provision of buildings, land, materials, plant and finance and for that purpose:
 - 1.1.1. to interest executives and advisers of national and international corporations in the business opportunities available in the Liverpool City Region; project the professional, commercial and industrial facilities, and the social, recreational and cultural amenities of the area; and generally promote the Liverpool City Region in a manner conducive to attracting long term capital investment, so as to enhance the economic and employment prospects of the area;
 - 1.1.2. to provide and disseminate both nationally and internationally information relating to business opportunities in the Liverpool City Region by the distribution on a non-profit making basis of literature, videos and other promotional material and by the holding of seminars and generally to publicise the benefits of starting or expanding a business in the Liverpool City Region and to publish guidance on matters of general application on the establishment and operation of business enterprises in the Liverpool City Region with a view to informing and educating the public generally on the establishment and operation of businesses in the Liverpool City Region;
- 1.8. to support the LEP so as to enable it to promote, encourage, sponsor, make grants or loans to, organise or assist any individual, corporate body, firm, undertaking, partnership, co-operative or other group to examine the feasibility of or to undertake on an experimental basis any enterprise or project which, if successful, seems likely to provide employment opportunities for the inhabitants of the Liverpool City Region;
- 1.9. to support the LEP so as to enable it to promote, maintain and advance the visitor economy and the leisure industries in the Liverpool City Region;
- 1.10. to support the LEP so as to enable it to develop, provide, organise or manage facilities for tourist, trade or other visitors to the Liverpool City Region, and to make known and advertise the facilities and advantages of the Liverpool City Region;
- 1.11. to support the LEP so as to enable it to promote or encourage industrial and commercial activity or enterprise in the Liverpool City Region having as an objective the provision of goods or services or the creation of employment opportunity and in particular to encourage the formation and development of

small businesses engaged in or connected with the visitor economy or the leisure industries;

- 1.12. to support the LEP so as to enable it to sponsor, arrange, organise, manage and support conferences, exhibitions and fairs and cultural, sporting and leisure events and activities of all kinds;
- 1.13. to support the LEP so as to enable it to operate as a Local Enterprise Partnership recognised as such by HM Government;
- 1.14. to support the LEP so as to enable it to work with educational establishments to ensure that they are aware of the skills required by businesses in the Liverpool City Region;
- 1.15. to support the LEP so as to enable it to work to encourage the development of entrepreneurial skills in the Liverpool City Region;
- 1.16. to support the LEP so as to enable it to review and comment on integrated action plans for housing and transport, and to work with statutory agencies and others to revise and implement them;
- 1.17. to support the LEP so as to enable it to co-operate with other Local Enterprise Partnerships, local authorities and organisations which share common interests, including those outside the Liverpool City Region;
- 1.18. to support the LEP so as to enable it to maintain offices for answering inquiries and disseminating information and to print, publish, sell, circulate and distribute gratuitously or otherwise handbooks, leaflets, guide books and publications of all sorts calculated to be useful to visitors to the Liverpool City Region or to promote directly or indirectly any of the Company's objects;
- 1.19. to advertise the Company's objects and activities in any manner that may seem expedient;
- 1.20.** to support the LEP so as to enable it to manufacture or purchase and to deal in and sell or otherwise dispose of (whether gratuitously or otherwise) souvenirs, articles and goods of all descriptions;
- 1.21. to employ, sponsor, contract with or otherwise engage such persons and upon such terms as may seem expedient and to carry on business as an employment agency;
- 1.22.** to support the LEP so as to enable it to sponsor research on the economic, social and business needs of the Liverpool City Region and the best methods of meeting those needs;

- 1.23. to support the LEP so as to enable it to sponsor on a non-profit making basis trade stands and trade missions for the purpose of publicising the Liverpool City Region on a national and worldwide basis;
- 1.24.** to support the LEP so as to enable it to solicit, raise, obtain, collect, accept or receive monies funds and property by way of contributions, donations, subscriptions, legacies, grants or any other lawful method and in particular (but without prejudice to the generality of the foregoing) power to solicit, raise, obtain, collect or receive such money and funds by promoting or organising the voluntary deduction of sums of money from the wages or salaries of individuals and the covenanting of the sums so deducted to the Company;
- 1.25. to support the LEP so as to enable it to promote, support, encourage or organise co-operation in the achievement of the above objects and to that end to bring together both individuals and representatives or organisations (whether corporate or unincorporate) engaged in such objects;
- 1.26.** to procure to be written and to print, publish, issue and circulate gratuitously or otherwise any reports, periodicals, books, pamphlets, leaflets or other documents and otherwise to procure and provide information in such manner and for such purposes as the Company may think desirable for the attainment of its objects;
- 1.27. to promote, encourage or undertake experimental work or research;
- 1.28.** to promote, support, encourage or assist in the establishment of or acquire or undertake all or any part of the assets, liabilities and engagements of any charitable body or bodies;
- 1.29. to support the LEP so as to enable it to become affiliated to and to participate in the activities of any charitable body or bodies;
- 1.30.** to purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property which may be deemed convenient for any purpose of the Company;
- 1.31. to construct, maintain, alter, endow, furnish or fit out with any necessary furniture, fitting and equipment and otherwise manage such houses, buildings and other premises as may from time to time be necessary and convenient for the purposes of the Company;
- 1.32.** to borrow and raise money for any of the above objects or for the purpose of exercising any of the above powers in such manner as the Company shall think fit;

- 1.33. to sell and dispose of, lease and accept surrenders of leases and manage any estate in land (whether freehold or leasehold) and any type of personal property held on behalf of the Company and not required to be used or occupied for the purposes of the Company;
- 1.34.** to invest the monies of the Company not immediately required for its purposes in or upon such investments, securities or property as may be thought fit;
- 1.35. to lend money, to give grants, to guarantee or otherwise render financial assistance by any means whatsoever (including the acquisition of shares and/or debentures, to any business or prospective business or charitable body with or without taking security or remuneration for any monies so lent or assistance rendered;
- 1.36.** to accept or receive monies or property from any charitable body or bodies (upon such terms as are thought fit with regard to the expenses of the Company) for investment by the Company on behalf of such body or bodies and for that purpose to mix such money or property with that of the Company;
- 1.37. to accept or receive money or property (whether subject to any special trust or not) for any one or more of the objects of the Company and in connection with the investment of the same to mix such money or property with that of the Company;
- 1.38. to act as agent in the distribution to any charitable body or bodies of money and property;
- 1.39.** to amalgamate with any companies, institutions, societies or associations having objects altogether or in part similar to those of the Company;
- 1.40. to transfer all or any part of the property, assets, liabilities and engagements of the Company to any one or more of the bodies with which the Company is authorised to amalgamate;
- 1.41.** to apply for promote and obtain any statute order regulation or other authorisation or enactment which may seem calculated directly or indirectly to benefit the company and to oppose any bills proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests;
- 1.42. to pay or provide superannuation or other welfare benefits for any servant of the Company, their families and other dependants and for that purpose to establish or participate in any fund scheme or arrangement providing such benefits;

- 1.43. to give such indemnities as may be required for the carrying out of the objects of the Company;
- 1.44. to purchase and maintain for any member of the governing body, auditor, secretary or other officer of the Company insurance against any such liability as is referred to in section 532 of CA 2006;
- 1.45. to do all such things as are conducive or incidental to the attainment of the above objects or any of them;

Provided that:

- (i) in case the Company shall take or hold property subject to any trusts, the Company shall only deal with or invest the same in such manner as allowed by law having regard to such trusts;
- (ii) the Company shall not support with its funds any object nor endeavour to impose on nor procure to be observed by its members any regulation restrictions or conditions which if any object of the Company would make it a trade union;
- (iii) the objects of the Company shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers;
- (iv) in case the Company shall take or hold any property subject to the jurisdiction of the Charity Commissioners for England and Wales or the Secretary of State for Business, Innovation & Skills (or in each case any successor body), the Company shall not sell, mortgage, charge or lease the same without such authority, approval or consent as may be required by law, and as regards any such property the governing body of the Company shall be chargeable for any such property that may come into their hands and shall be answerable and account for their own acts, receipts, neglects and defaults, and for the due administration of such property in the same manner and to the same extent as they as such governing body would have been if no incorporation had been effected, and the incorporation of the Company shall not diminish or impair any control or authority exercisable by the Chancery Division, the Charity Commissioners (or in each case any successor body) over such governing body but they shall as regards any such property be subject jointly and severally to such control or authority as if the Company were not incorporated.

PART 2

MEMBERSHIP

4. GENERAL

- 1.1. All such individual members, members of partnership firms and bodies corporate as are at the date when these Articles becoming binding on the Company on the Register of Members of the Company, and also all such individual members, members of partnership firms and bodies corporate as shall thereafter be accepted as members pursuant to the provisions of these Articles, shall be members of the Company.
- 1.2. Subject to the provisions of these Articles the members of the Company shall be Class "A" Members, Class "C" Members, Class "D" Members and Class "E" Members.
- 1.3. The Company shall, pursuant to section 113 of CA 2006, keep a Register of members (**Register**), entering therein the members' respective names and addresses and the Register shall be divided into sections one for each class of membership.
- 1.4. No person shall be admitted as a member of the Company before signing and delivering to the Company an application for membership in such form as the Board may from time to time prescribe, containing an agreement by the applicant to be bound by the provisions of these Articles and such other requirements as the Board may from time to time determine, provided always that the Board shall have full and absolute power and authority to refuse any application for membership without being bound to give any reason for such refusal.

5. CORPORATE MEMBERS

- 1.1. Any company may be admitted as a member of the Company and the provisions laid down by the Board or these Articles relating to persons being candidates for membership and to persons being members of the Company, shall, where not excluded by the context, apply to companies mutatis mutandis subject nevertheless to the following conditions, and to any conditions which may from time to time hereafter be imposed by the Board:
 - 1.1.1. each company which is a candidate for membership of the Company shall send to the Secretary, with the application provided for by Article 4 of these Articles, a written statement of the names and addresses of two of its directors or other officials;

- 1.1.2. the Secretary shall enter the names and addresses of the directors or other officials of each company, which shall be so sent to the Secretary as aforesaid, in a Register of Representatives of Companies and Firms (**Register of Firms**) to be kept for that purpose; and
 - 1.1.3. if any company which is a member of the Company shall at any time desire to withdraw the name of any director or other of its officials from the time being on the Register of Firms and to substitute instead thereof the name of any other of its directors or officials, it shall send notice thereof and of the name and address of the person so to be substituted, to the Secretary, and thereupon the Register of Firms shall be altered in accordance with such notice, and it shall not be necessary to give any notice of the alteration of the Register of Firms to the person whose name is in consequence of such alteration removed therefrom.
- 1.2. Whenever two or more members shall be bona fide carrying on business or a profession in partnership they shall be entitled to have their own names, the name and address of their firm and also of any of their partners who is not a member entered in the Register of Firms and such name and address shall remain entered on such register so long as two or more partners shall be members of the Company. The members who shall be in partnership as aforesaid shall, as soon as possible after any change has taken place in the firm name or firm address or in the constitution of such partnership (whether by the addition thereto or the death or retirement therefrom of any partner whose name has been entered as aforesaid), send a written statement showing the particulars of such change. Such statement shall be sent to the Secretary, who shall thereupon make such alterations in the Register of Firms as may be necessary by addition or removal of names and addresses of partners in such partnership and it shall not be necessary to give notice of any such alteration of the Register of Firms to any person whose name is in accordance with this sub-clause removed from such Register.
- 1.3. Each person whose name appears in the Register of Firms shall be entitled to receive notice of and to attend the meetings of the Company, but he shall not be entitled to a vote at a General Meeting on behalf of the company or firm he represents unless so instructed and authorised by that company or firm and in accordance with these Articles.

6. SUBSCRIPTION RATES

- 1.1. The rates of subscription payable by members as at 16 March 2012 shall be those in force immediately before the adoption of these Articles. The Board

shall have power at any time and from time to time to vary both the classes of members and the rates of subscription, to create new classes, to extinguish classes and generally to regulate subscriptions as seems expedient to the Board and conducive to the attainment of the Company's objects.

- 1.2. Each member who pays the subscription relevant to its class shall become bound to pay the subscription appropriate to that class of which that person is a member but so that (without prejudice to the enforceability of any separate agreement between the Company and any such member) a Class "C", Class "D" or Class "E" Member who has not paid the subscription appropriate to that class but has paid a subscription appropriate to Class "C", "D" or "E" as the case may be, shall be transferred to the class appropriate to the subscription paid.

7. TERMINATION OF MEMBERSHIP

- 1.1. Any member of the Company shall cease to be a member upon the happening of any of the following events, viz:
 - 1.1.1. if the member shall resign in writing and such membership shall cease on the date of receipt by the Secretary of such resignation;
 - 1.1.2. if the member shall commit any breach of any agreement with the Company upon the terms of which such member was or is admitted to membership and the Board shall resolve that the member be excluded from membership as at the date of such resolution;
 - 1.1.3. if the member shall have become insolvent for the purposes of the Insolvency Act 1986 or, being an individual, shall compound with his creditors generally or be found lunatic or become of unsound mind and such membership shall cease on the date of the necessary declaration by the Board;
 - 1.1.4. if the Board shall resolve that the member should cease to be a member and such membership shall cease on the date of such resolution;
 - 1.1.5. if the member shall fail to renew the applicable annual subscription within two months of the next succeeding payment date the relevant membership shall cease on that date but so that this shall not prevent the Board from agreeing with any member that, if appropriate, such member shall cease to be a member of one class and become a member of another class (in accordance with Article 6 above)

provided always that as regards paragraphs 7.1.2 and 7.1.3 of this Article not less than seven clear days' notice in writing shall be given to the member concerned of the intention to propose the resolution for exclusion from membership.

- 1.2. Membership shall not be transferable and (in the case of a member who is an individual) shall cease on death.

PART 3

DECISION-MAKING BY MEMBERS

ORGANISATION OF GENERAL MEETINGS

8. GENERAL MEETINGS

- 1.1. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Board shall appoint.
- 1.2. All general meetings other than annual general meetings shall be called general meetings.
- 1.3. The Board may, whenever it thinks fit, convene a general meeting, and general meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by Section 303 of CA 2006.

9. NOTICE OF GENERAL MEETINGS

- 1.1. An annual general meeting and a meeting called for the passing of a special resolution shall be called by 21 days' notice in writing at least, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by 14 days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and at the day for which it is given, and shall specify the place, the day and the hour of the meeting and the general nature of the business to be transacted and shall be given in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company.
- 1.2. A meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in Article 9.1 be deemed to have been duly called if it is so agreed:
 - 1.1.1. in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and

1.1.2. in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representing not less than 90 per cent of the total voting rights at that meeting of all the members.

1.3. The accidental omission to give notice of a meeting to, or the non-receipt of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

10. ATTENDANCE AND SPEAKING AT MEETINGS

1.1. Each member shall have the right to attend a general meeting of the Company or being a corporate body to appoint a representative to attend such meeting (in accordance with Article 5).

1.2. 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.

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

11. QUORUM FOR GENERAL MEETINGS

1.1. No business shall be transacted at any meeting unless a quorum is present. 12 members present in person or by a proxy and entitled to vote upon the business to be transacted shall be a quorum.

1.2. 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.

12. CHAIRING GENERAL MEETINGS

1.1. If the Board has appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

1.2. If the Board has 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:

1.1.1. the directors present, or

1.1.2. (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.

- 1.3. The person chairing a meeting in accordance with this Article is referred to as **the chairman of the meeting**.

13. ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-MEMBERS

- 1.1. Directors may attend and speak at general meetings, whether or not they are members of the Company.
- 1.2. The chairman of the meeting may permit other persons who are not:
 - 1.1.1. members of the Company, or
 - 1.1.2. otherwise entitled to exercise the rights of members in relation to general meetings,to attend and speak at a general meeting.

14. ADJOURNMENT

- 1.1. 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. If, at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved.
- 1.2. The chairman of the meeting may adjourn a general meeting at which a quorum is present if:
 - 1.1.1. the meeting consents to an adjournment, or
 - 1.1.2. 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.
- 1.3. The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 1.4. When adjourning a general meeting, the chairman of the meeting must:
 - 1.1.1. 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

- 1.1.2. have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 1.5. 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 seven Clear Days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
 - 1.1.1. to the same persons to whom notice of the Company's general meetings is required to be given, and
 - 1.1.2. containing the same information which such notice is required to contain.
- 1.6. 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

15. VOTING: GENERAL

- 1.1. Each member shall have the right to cast the number of votes at general meetings referred to in Articles 15.3 and 15.4 at a general meeting of the Company or being a corporate body to appoint a representative to vote at such a meeting.
- 1.2. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded (before or on the declaration of the result of the show of hands) and in accordance with Article 16.
- 1.3. On a show of hands, every individual being present at a general meeting of the Company and being entitled to vote at such a meeting, with the exception of proxies, shall have one vote. Proxies shall not, as such, be entitled to vote on a show of hands.
- 1.4. On a poll, every member shall have one vote for each complete subscription unit paid or payable by that member in the financial year which is current at the date of the meeting.
- 1.5. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall have a second or casting vote.

16. POLL VOTES

- 1.1. A poll on a resolution may be demanded:

- 1.1.1. in advance of the general meeting where it is to be put to the vote, or
 - 1.1.2. 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.
- 1.2. A poll may be demanded by:
- 1.1.1. the chairman of the meeting;
 - 1.1.2. the Board; or
 - 1.1.3. two or more persons having the right to vote on the resolution.
- 1.3. A demand for a poll may be withdrawn if:
- 1.1.1. the poll has not yet been taken, and
 - 1.1.2. the chairman of the meeting consents to the withdrawal.
- A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.
- 1.4. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs, being not more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

17. ERRORS AND DISPUTES

- 1.1. 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.
- 1.2. Any such objection must be referred to the chairman of the meeting, whose decision is final.

18. CONTENT OF PROXY NOTICES

- 1.1. Proxies may only validly be appointed by a notice in writing (a **proxy notice**) which:
 - 1.1.1. states the name and address of the member appointing the proxy;
 - 1.1.2. identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
 - 1.1.3. is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - 1.1.4. is delivered to the Company in accordance with these Articles and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate and received by the Company:
 - 1.1.1.1. subject to Articles 18.1.4.2 and 18.1.4.3 in the case of a general meeting or adjourned meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the right to vote is to be exercised;
 - 1.1.1.2. in the case of a poll taken more than 48 hours after it is demanded, after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
 - 1.1.1.3. where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, at the time at which the poll was demanded or 24 hours before the time appointed for the taking of the poll, whichever is the later,and a proxy notice which is not delivered and received in such manner shall be invalid.
- 1.2. The directors may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 1.3. 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.
- 1.4. Unless a proxy notice indicates otherwise, it must be treated as:

- 1.1.1. 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
- 1.1.2. 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.
- 1.5. The Company is under no obligation to check whether proxies (or corporate representatives) are voting in accordance with their instructions and a vote is not invalidated should such instructions not be followed.

19. DELIVERY OF PROXY NOTICES

- 1.1. Any notice of a general meeting must specify the address or addresses (**proxy notification address**) at which the Company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.
- 1.2. A person who is entitled to attend, speak or vote 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 to a proxy notification address.
- 1.3. 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.
- 1.4. A notice revoking a proxy appointment only takes effect if it is received by the Company:
 - 1.1.1. subject to Articles 19.4.2 and 19.4.3 in the case of a general or adjourned meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the right to vote is to be exercised;
 - 1.1.2. in the case of a poll taken more than 48 hours after it was demanded, not less than 24 hours before the time appointed for the taking of the poll; or
 - 1.1.3. in the case of a poll not taken forthwith but not more than 48 hours after it was demanded, at the time at which it was demanded or 24 hours before the time appointed for the taking of the poll, whichever is later,

and a notice which is not delivered and received in such manner shall be invalid.

- 1.5. In calculating the periods referred to in Article 18 (Content of proxy notices) and this Article 19, no account shall be taken of any part of a day that is not a working day.
- 1.6. 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 such evidence having been approved by the directors.

20. AMENDMENTS TO RESOLUTIONS

- 1.1. An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
 - 1.1.1. 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
 - 1.1.2. the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 1.2. A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
 - 1.1.1. the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - 1.1.2. the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 1.3. 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.

21. VARIATION OF RIGHTS

- 1.1. The rights attached to any class of membership of the Company may, whether or not the Company is being wound up, be varied with the consent in writing of at least three-quarters of the members of the class or with the sanction of

a special resolution passed at a separate general meeting of the members of the class.

1.2. To every such separate general meeting the provisions of these Articles relating to general meetings shall apply, but so that the necessary quorum shall be:

1.1.1. for a meeting other than an adjourned meeting, two members of the class present (in person or by proxy) who together represent at least one-third of the voting rights of the class; or

1.1.2. for an adjourned meeting, one member of the class present (in person or by proxy)

and any member present (in person or by proxy) may demand a poll.

PART 4

BOARD

22. THE BOARD

- 1.1. The Board shall be responsible for the day to day management of the Company. The date of the first meeting shall be the date of adoption of these Articles and thereafter the date shall be set at the preceding meeting.
- 1.2. The Board shall consist of persons falling within the following two classes, namely **ex-officio members** and **co-opted members**, and shall be composed as follows:
 - 1.1.1. a majority of the Leaders of each of Liverpool City Council, Wirral Metropolitan Borough Council, Sefton Metropolitan Borough Council, St Helens Metropolitan Borough Council, Knowsley Metropolitan Borough Council and Halton Borough Council shall be entitled between them to appoint one ex-officio member of the Board; and
 - 1.1.2. the following shall be co-opted members of the Board, namely not less than four and not more than five individuals who need not be members of the Company but are members of the LEP Board and shall be appointed by resolution of the LEP Board and ratified by the Company in general meeting..
- 1.3. Any member of the Board may request the Secretary to summon a meeting of the Board.
- 1.4. The Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings at its discretion.
- 1.5. Any decision of the Board must be either a majority decision at a meeting or in the form of a directors' written resolution.
- 1.6. If the numbers of votes for and against a proposal at a meeting of the Board are equal there is no casting vote.
- 1.7. Article 22.6 does not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, a director chairing the meeting is a conflicted director for the purposes of that meeting (or that part of that meeting at which the proposal is voted upon).

- 1.8. At every annual general meeting, any co-opted members of the Board who:
 - 1.1.1. have been appointed by the Board since the last annual general meeting; or
 - 1.1.2. were not appointed or re-appointed at one of the preceding two annual general meetingsmust retire from office and may offer themselves for re-appointment by the members.
- 1.9. Subject and in addition to any other provisions of these Articles as to vacation of office by a member of the Board, the office of a member of the Board shall be vacated on such date as the Board shall resolve if he:
 - 1.1.1. (not being the Chief Executive) holds any office of profit under the Company (except as permitted under these Articles);
 - 1.1.2. ceases to be a member of the Board by virtue of any provision of CA 2006 or he becomes prohibited by law from being a member of the Board;
 - 1.1.3. is directly or indirectly interested in any contract with the Company and fails to declare the nature of his interest as required by CA 2006;
 - 1.1.4. shall for more than six consecutive months have been absent without permission of the Board from meetings of the Board held during that period and the Board resolves that his office be vacated;
or
 - 1.1.5. being a co-opted member of the Board is removed by special resolution.
- 1.10. The quorum necessary for the transaction of the business of the Board shall be three members of the Board.
- 1.11. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- 1.12. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed,

drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Board shall from time to time by resolution determine.

- 1.13. The chairman (from time to time) and vice-chairman (from time to time) of the LEP shall be provided with notice of all meetings of the Board and each shall be permitted to attend meetings of the Board in an observer capacity although, for the avoidance of doubt, they shall not in any circumstances be permitted to vote on a proposal made at any such meeting of the Board.

23. COMMITTEES

- 1.1. The Board may delegate any of their functions or powers to committees consisting of such members of their body and such other persons (not exceeding the number of members of the Board serving on the relevant committee) as they think fit. Any committee so formed shall in the exercise of the functions of powers so delegated conform to any regulations that may be imposed upon it by the Board provided always that the Board may permit any such committee to admit to their meetings any person whether a member of the Board or not, and with or without power to vote at such meetings.
- 1.2. A committee shall, with the approval of the Board, elect a chairman and a deputy chairman of its meetings. If no such chairman has been elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the deputy chairman shall be chairman of the meeting, but if no deputy chairman has been elected or if he is not present within five minutes after the time appointed for the holding of such meeting, then the committee members present may choose one of their number to be chairman of the meeting.
- 1.3. A committee may meet and adjourn as it thinks proper. Questions arising at any committee meeting shall be determined by a majority of votes of the committee members present and entitled to vote and in the case of an equality of votes the chairman shall have a second or casting vote.
- 1.4. Minutes of all meetings of each committee of the Board shall be laid upon the table at the next ensuing meeting of the Board, but they shall be taken as read unless a majority of those present at such meeting desire the contrary. No resolution of any committee shall have force until confirmed by the Board.

24. VALIDITY OF APPOINTMENTS

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

PART 5

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

25. DIRECTORS' GENERAL AUTHORITY

Subject to the Articles and to the applicable provisions for the time being of the Companies Acts, the Board are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

26. MEMBERS' RESERVE POWER

- 1.1. The members may, by special resolution, direct the Board to take, or refrain from taking, specified action.
- 1.2. No such special resolution invalidates anything which the Board have done before the passing of the resolution.

27. DIRECTORS' CONFLICTS OF INTERESTS

- 1.1. For the purposes of this Article 27, a **conflict of interest** includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.
- 1.2. The Board may, in accordance with the requirements set out in this Article 27, authorise any matter proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of CA 2006 to avoid conflicts of interest (such matter being hereinafter referred to as a **Conflict**).
- 1.3. Any authorisation under this Article 27 will be effective only if:
 - 1.1.1. the matter in question shall have been proposed by any director for consideration at a meeting of the Board in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
 - 1.1.2. any requirement as to the quorum at the meeting of the Board at which the matter is considered is met without counting the director in question and any other conflicted director(s); and

1.1.3. the matter was agreed to without the director and any other conflicted director(s) voting or would have been agreed to if their votes had not been counted.

1.4. Any authorisation of a Conflict under this Article 27 may (whether at the time of giving the authorisation or subsequently):

1.1.1. extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict so authorised;

1.1.2. be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine; or

1.1.3. be terminated or varied by the directors at any time.

This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation.

1.5. In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person the director is under no obligation to:

1.1.1. disclose such information to the directors or to any director or other officer or employee of the Company; or

1.1.2. use or apply any such information in performing his duties as a director,

where to do so would amount to a breach of that confidence.

1.6. Where the directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that the director:

1.1.1. is excluded from discussions (whether at meetings of the Board or otherwise) related to the Conflict;

1.1.2. is not given any documents or other information relating to the Conflict;

1.1.3. may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.

- 1.7. Where the directors authorise a Conflict:
- 1.1.1. the director will be obliged to conduct himself in accordance with any terms, limits and/or conditions imposed by the directors in relation to the Conflict;
 - 1.1.2. the director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of CA 2006 provided he acts in accordance with such terms, limits and/or conditions (if any) as the directors impose in respect of its authorisation.
- 1.8. A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of CA 2006.

28. TRANSACTIONS OR ARRANGEMENTS WITH THE COMPANY

- 1.1. Subject to the applicable provisions for the time being of the Companies Acts and to any terms, limits and/or conditions imposed by the directors in accordance with Article 27 (Directors' conflicts of interests), and provided that he has disclosed to the directors the nature and extent of any interest of his in accordance with the Companies Acts, a director notwithstanding his office:
- 1.1.1. may be a party to, or otherwise interested in, any contract, transaction or arrangement with the Company or in which the Company is otherwise interested;
 - 1.1.2. shall be counted as participating for voting and quorum purposes in any decision in connection with any proposed or existing transaction or arrangement with the Company in which he is in any way directly or indirectly interested;
 - 1.1.3. may be a director or other officer of, or employed by, or a party to any contract, transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
 - 1.1.4. shall not, by reason of his office, be accountable to the Company for any benefit which he (or anyone connected with him (as defined

in section 252 of CA 2006) derives from any such office or employment or from any such contract, transaction or arrangement or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit, nor shall the receipt of any such remuneration or benefit constitute a breach of his duty under section 176 of CA 2006.

- 1.2. For the purposes of this Article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- 1.3. Subject to Article 28.4, 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.
- 1.4. 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.

29. RECORDS OF DECISIONS TO BE KEPT

- 1.1. The directors must ensure that the Company keeps a record, in writing, for at least ten years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.
- 1.2. Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

30. DIRECTORS' DISCRETION TO MAKE FURTHER RULES

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.

31. DIRECTORS' REMUNERATION

- 1.1. Directors may undertake any services for the Company that the directors decide.

- 1.2. Directors are entitled to such remuneration as a committee appointed for the purpose by the Board (**Remuneration Committee**) may determine:
 - 1.1.1. for their services to the Company as directors, and
 - 1.1.2. for any other service which they undertake for the Company.
- 1.3. Subject to the Articles, a director's remuneration may:
 - 1.1.1. take any form, and
 - 1.1.2. 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.
- 1.4. Unless the Remuneration Committee decides otherwise, directors' remuneration accrues from day to day.
- 1.5. Unless the Remuneration Committee decides 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.

32. DIRECTORS' EXPENSES

- 1.1. The Company may pay any reasonable expenses which the directors and the secretary (if any) properly incur in connection with their attendance at:
 - 1.1.1. meetings of directors or committees of directors,
 - 1.1.2. general meetings, or
 - 1.1.3. separate meetings of any class of members or of the holders of debentures of the Company,

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

- 33.** No director shall have the right to appoint an alternate.

34. CHIEF EXECUTIVE

- 1.1. Subject to the provisions of CA 2006, the Board may appoint as Chief Executive any individual, who need not be a member of the Company, and the Company may enter into an agreement or arrangement with such person for his employment by the Company or to the provision by him of any services.

- 1.2. Any such appointment, agreement or arrangement may be made upon such terms as the Board determines.

35. SECRETARY

1.1. APPOINTMENT AND REMOVAL OF SECRETARY

The directors may appoint any person who is willing to act as the secretary of 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.

PART 6

ADMINISTRATIVE ARRANGEMENTS

36. MEANS OF COMMUNICATION TO BE USED

- 1.1. 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 of CA 2006 provides for documents or information which are authorised or required by any provision of CA 2006 to be sent or supplied by or to the Company.
- 1.2. Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
 - 1.1.1. 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 days after posting either to an address outside the United Kingdom or from outside the United Kingdom to any 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 days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
 - 1.1.2. if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - 1.1.3. if properly addressed and send or supplied by electronic means one hour after the document or information was sent or supplied; and
 - 1.1.4. if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

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

- 1.3. 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 of CA 2006.
- 1.4. 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.

- 1.5. 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.

37. COMPANY SEALS

- 1.1. Any common seal may only be used by the authority of the directors.
- 1.2. The directors may decide by what means and in what form any common seal is to be used.
- 1.3. For the purposes of this Article, an authorised person is:
 - 1.1.1. any director of the Company;
 - 1.1.2. the Secretary (if any); or
 - 1.1.3. any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

38. NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS

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.

39. PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS

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

40. INDEMNITY

- 1.1. Subject to Article 41.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
 - 1.1.1. each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

1.1.1.1. in the actual or purported execution and/or discharge of his duties, or in relation to them; and

1.1.1.2. in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of CA 2006),

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

1.1.2. the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 41.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

1.2. 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.

1.3. In this Article:

1.1.1. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

1.1.2. a **relevant officer** means any director or other officer or former director or other officer or member of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of CA 2006) but excluding in each case any person engaged by the Company (or any associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

41. INSURANCE

- 1.1. The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- 1.2. In this Article:
 - 1.1.1. a **relevant officer** means any director or other officer or former director or other officer or member of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of CA 2006)) but excluding in each case any person engaged by the Company (or any associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);
 - 1.1.2. a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
 - 1.1.3. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

PART 7

GENERAL PROVISIONS

42. NON-PROFIT BY MEMBERS

The income and property of the Company, whencesoever derived, shall be applied solely towards the promotion of its objects as set forth in these Articles, and no portion thereof shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to the members of the Company PROVIDED THAT nothing herein shall prevent the payment, in good faith:

- 1.1. of reasonable and proper remuneration to any member of the governing body, officer or servant of the Company or to any member of the Company, in return for any services actually rendered to the Company and in accordance with these Articles;
- 1.2. of out-of-pocket expenses incurred by a relevant officer;
- 1.3. of any premium in respect of any indemnity insurance to cover the liability of a relevant officer and in accordance with Article 42.

43. LIABILITY TO EXTENT OF GUARANTEE

Every member of the Company undertakes to contribute to the assets of the Company, in the event of the same being wound up while he is a member, or within one year after he ceased to be a member, for payment of the debts and liabilities of the Company contracted before he ceased to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding £1.

44. SURPLUS ASSETS NOT TO BE DISTRIBUTED AMONG MEMBERS

If upon the winding up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the Company, but shall be given or transferred to some other institution or institutions, having objects similar to the objects of the Company, and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Company under or by virtue of Article 44, such institution or institutions to be determined by the members of the Company at or before the time of dissolution, and if and so far as effect cannot be given to such provision then to some charitable object.

