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**THE COMPANIES ACT 2006 (as amended)**

**COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL**

**ARTICLES OF ASSOCIATION**

**OF**

**BLACKPOOL FYLDE & WYRE ECONOMIC DEVELOPMENT COMPANY LIMITED  
("the Company")**

THURSDAY



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**1. PRELIMINARY**

The regulations contained in the model articles of association for private companies limited by guarantee contained in Schedule 2 to The Companies (Model Articles) Regulations 2008) in force at the time of adoption of these Articles shall not apply to the Company and these Articles alone shall constitute the regulations of the Company.

**2. OPERATIVE CLAUSES**

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

**"Area"** the administrative areas of Blackpool, Fylde and Wyre;

**"these Articles"** the Articles of Association of the Company adopted from time to time;

**"Blackpool"** Blackpool Borough Council as constituted on the date of incorporation of the Company or any other successor body, authority or corporation responsible for the provision of services to the administrative Borough of Blackpool;

**"Board"** the board of directors of the Company from time to time;

**"Board Chair"** the chairperson of the Board from time to time, as such person is appointed pursuant to these Articles;

<b>"Companies Act 2006"</b>	the Companies Act 2006 (as amended from time to time);
<b>"clear days"</b>	in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
<b>"company"</b>	the word <b>"company"</b> , except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere;
<b>"the directors"</b>	the directors from time to time of the Company or (as the context shall require) any of them acting as the Board of the Company;
<b>"Electronic Address"</b>	any address or number used for the purposes of sending or receiving documents or information by electronic means;
<b>"Electronic Form" and "Electronic Means"</b>	have the meaning given in Section 1168 of the Companies Act 2006;
<b>"executed"</b>	includes any mode of execution,
<b>"Fylde"</b>	Fylde Borough Council as constituted on the date of incorporation of the Company or any other successor body, authority or corporation responsible for the provision of services to the administrative Borough of Fylde,
<b>"Hard Copy Form"</b>	has the meaning given in Section 1168 Companies Act 2006,
<b>"HCA"</b>	the Homes and Communities Agency (such expression to include any statutory successor(s));
<b>"HCA Director"</b>	a director or observer appointed by HCA in accordance with <b>Article 10.3</b> ;
<b>"Lancashire"</b>	Lancashire County Council as constituted on the date of incorporation of the Company or

	any other successor body, authority or corporation responsible for the provision of services to the administrative county of Lancashire;
<b>"Local Authority Director"</b>	a director appointed by a member in accordance with <b>Article 10.2</b> and reference to <b>"Local Authority Directors"</b> shall be to any of them;
<b>"members"</b>	each of Lancashire, Blackpool, Wyre and Fylde and any members subsequently admitted in accordance with <b>Article 4.1</b> (or any of them as the context may require);
<b>"Memorandum of Association"</b>	the memorandum of association of the Company;
<b>"Multi Area Agreement"</b>	the Fylde Coast Multi-Area dated 15 October 2009
<b>"NWDA"</b>	the North West Regional Development Agency (such expression to include any statutory successor(s));
<b>"NWDA Director"</b>	a director or observer appointed by NWDA in accordance with <b>Article 10.3</b> ;
<b>"Objects"</b>	the objects of the Company set out in <b>Article 3.1</b> ;
<b>"office"</b>	the registered office of the Company;
<b>"Ordinary Directors"</b>	directors other than Local Authority Directors and the NWDA Director and the HCA Director as such director(s) may be appointed from time to time in accordance with <b>Article 10.4</b> and reference to an <b>"Ordinary Director"</b> shall be to any of them;
<b>"Relevant Agreement"</b>	any agreement entered into by the members from time to time regulating their involvement in the Company in addition to these Articles;
<b>"seal"</b>	the common seal of the Company (if any);

<b>"secretary"</b>	the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;
<b>"Statutes"</b>	the Companies Acts as defined in section 2 of the Companies Act 2006 and every other statute, order, regulation, instrument or other subordinate legislation for the time being in force relating to companies and affecting the Company;
<b>"the United Kingdom"</b>	Great Britain and Northern Ireland; and
<b>"Wyre"</b>	Wyre Borough Council as constituted on the date of incorporation of the Company or any other successor body, authority or corporation responsible for the provision of services to the administrative Borough of Wyre.

2.2 Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Statutes but excluding any statutory modification thereof not in force when these Articles become binding on the Company.

2.3 The word "address" where it appears in these Articles includes postal address and electronic address and "registered address" shall be construed accordingly.

2.4 The expressions "holding company" and "subsidiary" shall have the meanings given to them respectively by section 1159 of the Companies Act 2006.

### 3. **OBJECTS**

3.1 The Company has been established to:

3.1.1 deliver and promote the delivery of the economic development and regeneration aims, objectives and outputs of the Multi Area Agreement for the benefit of the Area as the members shall from time to time agree; and

3.1.2 undertake such other economic development and regeneration activities for the benefit for the Area as the members shall from time to time agree.

3.2 None of the Objects shall be restrictively construed but the widest interpretation shall be given to each such Object, and none of such Objects shall, except where the context expressly so requires, be in any way limited or restricted by

reference to or inference from any other Object or Objects or by reference to or inference from the name of the Company.

#### **4. MEMBERS**

- 4.1 The subscribers to the Memorandum of Association and such other persons as are admitted to membership in accordance with these Articles shall be members of the Company. No person shall be admitted as a member of the Company unless by the unanimous approval of the other members save that where a member shall cease to exist its statutory successor shall (on providing its confirmation to the Company that it wishes to do so) automatically become a member of the Company. Every person who wishes to become a member shall deliver to the Company an application for membership in such form as the directors require to be executed by him agreeing to be bound by these Articles and any Relevant Agreement and upon being so admitted his name shall be entered in the register of members of the Company.
- 4.2 Subject to the terms of any Relevant Agreement, a member of the Company shall cease to be a member in the event of such member's resignation, by the giving of written notice to the Company.
- 4.3 Subject to the terms of any Relevant Agreement, any matter to be determined by the members shall be determined in accordance with the Statutes.

#### **5. GENERAL MEETINGS**

- 5.1 The Company may 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. An annual general meeting shall be held at such time and place as the members shall determine.
- 5.2 The directors and/or not less than two members may require the secretary to convene a general meeting and, at such time, shall confirm to the secretary the nature of the business to be considered at such general meeting.
- 5.3 If there are not sufficient directors capable of activity to form a quorum in order to call a general meeting, any director or any member of the Company may call a general meeting.

#### **6. NOTICE OF GENERAL MEETINGS**

- 6.1 Subject to the provisions of the Companies Act 2006 all general meetings shall be called by at least fourteen clear days' notice in writing but may also be called by shorter notice if it is so agreed in accordance with section 307(4) of the

Companies Act 2006. The notice shall specify the time and place of the meeting and the general nature of the business to be transacted.

6.2 Notwithstanding that the Company does not have a share capital every notice convening a general meeting shall comply with the provisions of section 325(1) of the Companies Act 2006 as to giving information to members in regard to their rights to appoint proxies and in regard to notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the directors and to the auditors for the time being of the Company. Notice shall be given in accordance with the Companies Act 2006 that is, in Hard Copy Form, Electronic Form or by means of a website.

6.3 The Company may send a notice of meeting by making it available on a website or by sending it in Electronic Form and if notice is sent in either way it will be valid provided it complies with the relevant provisions of the Companies Act 2006.

## **7. PROCEEDINGS AT GENERAL MEETINGS**

7.1 Subject to **Article 7.3** no business shall be transacted at any general meeting unless a quorum is present. A quorum shall be three members present in person or by duly authorised representative (where appointed).

7.2 Each member shall give written notice from time to time to the secretary of the identity of such member's duly authorised representative(s) for the purpose of general meetings. Each member shall procure that where a duly authorised representative of such member is present at a general meeting such duly authorised representative has the requisite authority to attend, vote and speak at such general meeting on all matters before such general meeting. For the avoidance of doubt, although each member shall be entitled to appoint more than one duly authorised representative from time to time, only one duly authorised representative shall be entitled to attend any general meeting on behalf of such member.

7.3 If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed the member or members present in person or by duly authorised representative (where appropriate) entitled to vote upon the business to be transacted shall constitute a quorum and shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place.

- 7.4 The members may appoint any duly appointed representative of a member as the chair and may remove him from that office. Unless he is unwilling to do so, the chair shall preside at every meeting of the members.
- 7.5 If the chair is not present at any general meeting and no other representative of a member is willing to act in such capacity, the members present shall choose one of the directors present to be chair of the meeting.
- 7.6 A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting.
- 7.7 The chair may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting had the adjournment not taken place.
- 7.8 Subject to the Statutes at any general meeting, a resolution put to the vote of the meeting shall (save where expressly stated otherwise in these Articles and/or any Relevant Agreement) be carried only on a majority vote in favour and shall be decided on a show of hands unless before, or on the declaration of the result of the show of hands, a poll is duly demanded. Subject to the provisions of the Companies Act 2006, a poll may be demanded:
- 7.8.1 by the chair;
  - 7 8.2 by at least 2 members having the right to vote at the meeting represented by their duly authorised representative(s), proxy or present in person; or
  - 7 8.3 by a member or members representing not less than one tenth of the total voting rights of all the members having the right to vote at the meeting,
- and a demand by a person as a duly authorised representative for a member shall be the same as a demand by the member.
- 7.9 Unless a poll is duly demanded a declaration by the chair that a resolution has been carried or not carried by a majority (or otherwise as the case may be) and an entry to that effect in the minutes of the meeting of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 7.10 In the case of an equality of votes, whether on a show of hands or on a poll, the chair shall not be entitled to a casting vote.

- 7.11 A resolution in writing, executed by the requisite number of members required to pass a resolution by simple majority or unanimously (as the case may be and as required by the Statutes, these Articles and/or any Relevant Agreement) shall be valid and take effect as if it had been passed at a meeting duly convened and held. Any such resolution shall be circulated in writing or by Electronic Form by the secretary to all members and shall be accompanied by a statement informing members how to signify agreement to such resolution. A resolution in writing may consist of several instruments in the like form each executed by or on behalf of one or more members. In the event that the requisite number of signatures required for the resolution to be passed are not returned within 28 days from the date that the resolution was sent to all members (and in the event that the written resolution was sent to members on different days, the last of those days), the resolution shall be deemed not to have been passed by the members.
- 7.12 Wherever in these Articles any notice, resolution or other document is required to be signed by any person, the reproduction of the signature of such person by means of telex, printout, or facsimile copy shall be fully sufficient, provided that such notice, resolution or document shall within 14 days be confirmed to the recipient by writing signed in manuscript by such person.

## **8. VOTES OF MEMBERS**

On a show of hands every member (being an individual) present in person or present by a duly authorised representative shall have one vote and on a poll every member present in person or by a duly authorised representative (as the case may be) shall have one vote.

## **9 NUMBER OF DIRECTORS**

Unless and until otherwise unanimously agreed by the Board the number of directors shall be not less than 4 and not more than 15

## **10. APPOINTMENT OF DIRECTORS**

- 10.1 Each of the members shall be entitled from time to time by notice in writing to appoint one person to be a Local Authority Director. Each such director appointed shall hold office as a director and may at any time be removed from office by notice in writing by the member which appointed that director.
- 10.2 For so long as they each continue to provide funding (directly or indirectly) to the Company, NWDA and HCA shall each be entitled from time to time by notice in writing to appoint one person to be a director or, as an alternative to a director, an observer. Each such director appointed shall hold office as a director and may at any time be removed from office by notice in writing by NWDA or



HCA (as the case may be). Any such observer may be removed as an observer by notice in writing by NWDA or HCA (as the case may be).

10.3 The members may acting unanimously appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director including the appointment of a director for a fixed term (to be determined by other members acting unanimously from time to time) provided that the appointment does not cause the number of directors to exceed any number fixed by the Articles as the maximum number of directors.

10.4 Subject always to the members' right to require the removal of an Ordinary Director as set out in **Article 14.1.5**, each Ordinary Director shall retire from office as a director at the expiry of the fixed term of his/her appointment as a director of the Company as determined pursuant to **Article 10.3** or on the fourth anniversary of his/her appointment (whichever is the sooner) unless the members unanimously decide to extend such director's term of appointment provided that any such extension shall be for such period as the members deem appropriate. For the avoidance of doubt, there shall be no limit on the number of times the members shall be entitled to extend any such appointment.

10.5 **Article 10.4** shall not apply to the Local Authority Directors, the NWDA Director or the HCA Director.

10.6 The members acting unanimously may appoint any director to be the Board Chair and may remove him from that office from time to time. Unless he is unwilling to do so, the Board Chair so appointed shall preside at every meeting of the directors at which he is present.

10.7 Subject always to the members' right to appoint and remove the Board Chair from time to time in accordance with **Article 10.6**, the Board Chair shall retire from office on the third anniversary of his/her appointment as Board Chair unless the members extend the Board Chair's term of appointment provided that:

10.7.1 any such extension shall be for such period as the members deem appropriate. For the avoidance of doubt there shall be no limit on the number of times the members shall be entitled to extend such appointment; and

10.7.2 any such extension shall be determined by the members unanimously.

## 11. **ALTERNATE DIRECTORS**

11.1 Any Local Authority Director, the NWDA Director and the HCA Director may appoint any person willing to act, to be an alternate director and may remove from office any alternate director at any time.

- 11.2 Ordinary Directors shall not be entitled to appoint alternate directors.
- 11.3 An alternate director appointed pursuant to **Article 11.1** shall be entitled to receive notices of all meetings of directors and of all meetings of committees of directors of which his/her appointer is a member, to attend and vote at any such meeting at which his/her appointer is not present, and generally to perform all the functions of his/her appointer as a director in his/her absence but shall not be entitled to receive any remuneration from the Company for his/her services as an alternate director.
- 11.4 Any appointment or removal of an alternate director shall be by notice to the Company signed by the Local Authority Director, the NWDA Director or the HCA Director (as the case may be) making or revoking the appointment or in any other manner approved by the directors.

## 12. **POWERS OF DIRECTORS**

- 12.1 Subject to the provisions of the Statutes, any Relevant Agreement, these Articles and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all the powers of the Company. No alteration of these Articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this **Article 12.1** shall not be limited by any special power given to the directors by these Articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- 12.2 Subject always to committees or sub-committees conforming to any terms of reference and/or regulations imposed on it by the members and unless the members determine otherwise the Board may delegate any of its powers to committees or sub-committees consisting of such director or directors as the Board thinks fit provided always that each Local Authority Director or his nominee shall be entitled to sit on any such committee or sub-committee.
- 12.3 Each director sitting on a committee constituted under **Article 12.2** shall be entitled to one vote.
- 12.4 Any decision by a committee constituted under **Article 12.2** shall only be taken where a simple majority of the directors sitting on that committee have voted in favour of such decision.
- 12.5 Subject to this **Article 12**, the meetings and proceedings of such committee or sub-committee shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Board so far as applicable and so far as the same shall not be superseded by any regulations made by the members. Insofar as such power is so delegated, any reference in these Articles

to the exercise by the directors of such power shall be read and construed as if it were a reference to such committee or sub-committee.

### **13. PROCEEDINGS OF THE DIRECTORS**

13.1 The Board may meet together for the despatch of business, adjourn and, regulate their meetings as they think fit providing always that the Board shall meet no less than six times in each financial year of the Company (save where otherwise agreed by a resolution of the Board). The Board Chair or not less than three directors may require the secretary to convene a Board meeting and, at such time, shall confirm to the secretary the nature of the business to be considered at such Board meeting. Save where otherwise required by these Articles and/or by any Relevant Agreement, questions arising at any meeting shall be decided by a simple majority of votes and each director shall have one vote. In case of an equality of votes, the Board Chair shall not have a second or casting vote and the resolution in question shall be referred to the members for determination in writing in accordance with **Article 7.11** or at the next general meeting of the Company.

#### **13.2 Subject to Articles 13.5 and 13.6:**

13.2.1 no business shall be transacted at any Board meeting unless a quorum is present; and

13.2.2 a quorum shall be half of the directors appointed in accordance with **Article 10**, including at least three Local Authority Directors present in person or by alternate director.

13.3 Continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, they may act only for the purpose of calling a general meeting.

13.4 Meetings of the Board and any committee or sub-committee thereof shall be summoned by not less than seven days' notice served on the directors and in the case of any committee or sub-committee meetings, on the members of such committee or sub-committee (save where a majority of the Local Authority Directors on the relevant Board committee or sub-committee confirm to the secretary their agreement to the calling of a meeting on shorter notice). Any such notice must include an agenda circulated by the secretary of the matters to be discussed at any such meeting. A director who is absent from the United Kingdom shall not be entitled to notice of a meeting.

13.5 If a quorum is not present within half an hour from the time appointed for a meeting of the Board, the meeting of the Board shall stand adjourned to the

same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine.

13.6 Any director (including an alternate director) may participate in a meeting of the directors or a committee of the directors of which he is a member by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Statutes, he shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Board Chair of the meeting then is

13.7 Subject to the provisions of the Statutes, and provided that he has disclosed to the directors the nature and extent of any interest of his, a director notwithstanding his office:

13.7.1 may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is in any way interested;

13.7.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;

13.7.3 may or any firm or company of which he is a member or director may act in a professional capacity for the Company or any body corporate in which the Company is in any way interested; and

13.7.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

13.8 For the purposes of **Article 13.7**

13.8.1 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;

- 13.8.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
  - 13.8.3 an interest of a person who is for any purpose of the Statutes (excluding any statutory modification not in force when the Company was incorporated) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.
- 13.9 Whenever a director has an interest in a matter to be discussed at a meeting of the directors (or a committee of the directors) the director concerned shall subject to any rules or policies of the Company or the terms of any authorisation given by the directors under **Article 13.10**:
- 13.9.1 unless the directors resolve otherwise, the director shall not be:
    - 13.9.1.1 entitled to remain present at the meeting for that item;
    - 13.9.1.2 counted in the quorum for that part of the meeting;
    - 13.9.1.3 entitled to vote on the matter;
- and for the avoidance of doubt where the director is a Local Authority Director, the NWDA Director or the HCA Director and his interest is in a matter relating to his appointor, he shall automatically be entitled to the rights at **Articles 13.9.1.1 to 13.9.1.3** (inclusive) notwithstanding a resolution of the Board to the contrary.
- 13.10 The directors may, at any time authorise a director to be involved in a situation in which the director has or may have a direct or indirect interest which conflicts or may conflict with the interests of the Company ("a conflict of interest") provided that:
- 13.10.1 in the case of a proposed appointment of a person as a director, the directors will authorise the conflict of interest before or at the time the director is appointed to office;
  - 13.10.2 in the case of any director the directors authorise the conflict of interest at the time the conflict is declared to them;
  - 13.10.3 the director subject to the conflict of interest or any other interested director shall not vote and shall not be counted in the quorum in respect of the authorisation given under this **Article 13.10** and if he or any other interested director does vote, those votes shall not be counted;

- 13 10.4 the directors may in their absolute discretion impose such terms or conditions on the grant of the authorisation as they think fit and in doing so the directors will act in good faith in such a way that they consider will be most likely to promote the success of the Company;
- 13.10.5 a director will not be in breach of his duty under sections 172, 174 and 175 of the Companies Act 2006 or the authorisation given by this **Article 13.10** by reason only that he received confidential information from a third party relating to the conflict of interest which has been authorised by this **Article 13.10** and either fails to disclose it to the directors or fails to use it in relation to the Company's affairs and neither will be in breach of his duty under the said section 175 for anything done or omitted to be done by him in accordance with the provisions of **Articles 13.8** and **13.9**; and
- 13.10.6 where approval to a transaction which falls within Chapter 4 of Part 10 of the Companies Act 2006 is given by members in accordance with that Chapter further authorisation for that transaction by the directors under this **Article 13.10** is not necessary.
- 13.10.7 for the purposes of **Article 13.10**, "conflict of interest" includes a conflict of interest and a conflict of duty and a conflict of duties.
- 13 10 8 for the avoidance of doubt where a conflict of interest of a Local Authority Director, the NWDA Director or the HCA Director (as the case may be) relates to:
- 13.10.8.1 any matter relating to his appointor;
- 13.10.8.2 a contract or arrangement with any member or NWDA or HCA or any authority body or undertaking in the County of Lancashire merely by reason that he or his spouse is a member, officer or employee of any member or NWDA or HCA or is a resident or charge payer in the County of Lancashire;
- 13 10.9 any such conflict of interest shall be approved by the directors, or by a resolution of his member appointor. Any refusal or delay by the Board to authorise such a conflict of interest will not in any way affect the validity of the resolution of the relevant member appointor to authorise such conflict of interest
- 13 11 The Company shall maintain a register of conflicts declared in accordance with this **Article 13**.
- 13.12 A resolution in writing, signed by:

13.12.1 a simple majority of the Board, such majority to include no less than three Local Authority Directors; or

13.12.2 a simple majority of a committee constituted pursuant to **Article 12**; (as the case may be)

shall be as valid and effectual as if it had been passed at a meeting of the directors or (as the case may be) such a committee duly convened and held and may consist of several documents in the like form each signed by one or more directors or members of the committee (as the case may be).

13.13 Where the Board considers such attendance worthwhile or necessary to the matters to be transacted at the relevant meeting of the Board, it shall be entitled to invite relevant third parties to attend any meeting of the Board as observers providing that the secretary has received reasonable prior notification of such attendance and that such third parties agree to be bound by obligations of confidentiality reasonably acceptable to the Company and such observer shall subject to the agreement of the Board be entitled to speak at that meeting of the Board.

13.14 For the avoidance of doubt, no observer shall count in the quorum or be entitled to vote at any meeting of the Board.

13.15 The NWDA Director and the HCA Director will be entitled whilst they hold that office to make full disclosure to their appointing organisation of any information relating to the Company which may come into their possession as directors of the Company. NWDA and HCA shall only use such information in connection with their interest in the Company and shall not (unless they are under a legal or regulatory obligation and then only to the extent required) use that information in any way which is or may be detrimental to the Company or the members.

13.16 Any third party observer who attends a board meeting in accordance with Article 13.13 will be entitled to make full disclosure to their appointing organisation of any information relating to the Company which may come into their possession whilst observing at a meeting of the Board. Such appointing organisation shall only use such information in connection with their interest in the Company and shall not (unless they are under a legal or regulatory obligation and then only to the extent required) use that information in any way which is or may be detrimental to the Company or the members.

13.17 Save as set out in Articles 13.14 and 13.15 any observer appointed by NWDA or HCA pursuant to Article 13.1, or other third party observer who attends a board meeting in accordance with Article 13.13, shall keep any information relating to the Company which may come into their possession as observers confidential and shall not (unless they are under a legal or regulatory obligation and then

only to the extent required) use that information in any way which is or may be detrimental to the Company or the members.

#### **14. DISQUALIFICATION AND REMOVAL OF DIRECTORS**

14.1 The office of a director shall be vacated if:

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

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

14.1.3 he is, or may be, suffering from mental disorder and either:

14.1.3.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or

14.1.3.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or

14 1.4 such director resigns his office by notice to the Company; or

14.1.5 in the case of an Ordinary Director, the members determine acting unanimously that such Ordinary Director shall be removed from office; or

14.1.6 such director is a Local Authority Director or the NWDA Director or the HCA Director and is removed from office by his member appointor in accordance with **Articles 10.2 or 10.3**,

14.1.7 in the case of a director appointed for a fixed term, that fixed term expires (save where extended pursuant to Article **10.5**); or

14.1.8 such director ceases to be a member, officer or employee of the member appointing him/her (as appropriate) or the entity nominating him/her (as appropriate) as a director.

#### **15. CHIEF EXECUTIVE**

The members shall be entitled to appoint and remove a chief executive of the Company by unanimous resolution.



16. **SECRETARY**

Subject to the provisions of the Statutes, the secretary shall be appointed by the members for such term, such remuneration and upon such conditions as they think fit, and any secretary so appointed may be removed by the members, provided always that no director may hold office as secretary where such office is remunerated.

17. **REMUNERATION AND EXPENSES**

17.1 The Company may, in accordance with any scheme adopted by the members, reimburse any director for reasonable and proper out of pocket expenses incurred by any such director in connection with the performance of his or her duties as a director of the Company, save that the Company shall not reimburse expenses which may be recoverable from a member by a Local Authority Director, or in the case of the NWDA Director or the HCA Director from NWDA or HCA (as the case may be).

17.2 The Company shall pay such remuneration to the chief executive of the Company from time to time and to the Board Chair as is determined and approved by the members.

18. **THE SEAL**

If the Company has a seal it shall be used only with the authority of the directors or of a committee of the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined, every instrument to which the seal is affixed shall be signed by one director whose signature shall be attested in the presence of a witness or by one director and the secretary or another director.

19. **MINUTES**

19.1 The directors shall cause minutes to be made and kept for the purposes of:

19.1.1 recording the names and addresses of all the members;

19.1.2 all appointments of officers made by the directors; and

19.1 3 all proceedings at meetings of the Company and of the directors and of committees constituted pursuant to **Article 12.2** including the names of directors and members present at each such meeting.

## **20. NOTICES**

- 20.1 Any notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.
- 20.2 The Company may give notice to a member either personally or by sending it by first class post in a pre paid envelope addressed to the member at his registered address or by leaving it at that address or (if he has no registered address in the United Kingdom) to or at that address, if any, within the United Kingdom supplied by him to the Company for the giving of notices to him or by giving it in electronic form to an address for the time being notified to the Company by the member, but otherwise no such member shall be entitled to receive any notice from the Company.
- 20.3 Where a notice is sent by first class post, proof of the notice having been posted in a properly addressed, prepaid envelope shall be conclusive evidence that the notice was given and shall be deemed to have been given at the expiration of 24 hours after the envelope containing the same is posted. Where a notice is sent in Electronic Form, the notice shall be deemed to have been given at the expiration of 24 hours after the time of transmission.
- 20.4 Where a notice is sent by making it available on a website, the notice shall be deemed to have been given either when it was first made available on the website or when the member received or was deemed to have received notice of the fact that the notice was available on the website
- 20.5 Where the Statutes permit the Company to send documents or notices to its members and directors in Electronic Form or by means of a website such documents and notices will be validly sent provided the Company complies with the requirements of the Statutes. Subject to any requirements of the Statutes, documents and notices may be sent to the Company in Electronic Form to the address specified by the Company for that purpose and such documents or notices sent to the Company are sufficiently authenticated if the identity of the sender is confirmed in the way the Company has specified.

## **21. WINDING UP**

- 21.1 Every member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up while such party is a member or within one year after such party ceases to be a member, for payment of the Company's debts and liabilities contracted before such party ceases 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.

21.2 If at the conclusion of the winding up or dissolution of the Company there remains after the satisfaction of all its debts and liabilities any property or operating surplus whatsoever, the same shall:

21.2.1 be given or transferred to some body or other institution or a charitable 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 to an extent at least as great as is imposed on the Company under or by virtue of **Article 23.3**, such institution or institutions to be determined by the members of the Company then entitled to attend and vote at general meetings at or before the time of dissolution; or

21.2.2 be paid as the members of the Company then entitled to attend and vote at general meetings at or before the time of dissolution shall otherwise unanimously determine in writing

## 22. **INDEMNITY**

22.1 Subject to the provisions of, and so far as may be permitted by, the Statutes but without prejudice to any indemnity to which the person concerned may be otherwise entitled, the Company may indemnify every director, alternate director, secretary or other officer of the Company out of the assets of the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur in or about the lawful execution of the duties, powers or office or otherwise in relation thereto, including any liability which may attach to him or be incurred by him in respect of any negligence, default, breach of duty or breach of trust in relation to anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director, alternate director, secretary or other officer of the Company.

22.2 The directors shall have power to purchase and maintain insurance for any director, alternate director, secretary, auditor or other officer of the Company or any associated company (as defined in section 256 of the Companies Act 2006) against any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust by him in relation to the Company (or such associated company) including anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director, alternate director, auditor, secretary or other officers of the Company (or associated company).

22.3 Subject to the provisions of, and so far as may be permitted by the Statutes, the Company shall be entitled to fund the expenditure of every director, or other officer of the Company incurred or to be incurred:

22.3.1 in defending any criminal or civil proceedings; or

22.3.2 in connection with any application under sections 661(3), 661(4) or 1157 of the Companies Act 2006.

## 23 **ADDITIONAL PROVISIONS AND LIABILITY OF MEMBERS**

23.1 The Company's registered office is to be situated in England and Wales.

23.2 The liability of the members is limited.

23.3 Subject to the provisions of **Article 23.4 and 21.2** the income and property of the Company shall be applied solely towards the promotion of the Objects of the Company. No portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit to members of the Company.

23.4 Nothing in these Articles shall prevent any payment in good faith by the Company:

23.4.1 of reasonable and proper remuneration to any member, officer or servant of the Company for any services rendered to the Company;

23.4.2 of interest or capital in respect of money lent by any member of the Company or director of the Company,

23.4.3 of reasonable and proper rent or licence fee for any premises demised, let or licensed by any member of the Company or director of the Company;

23.4.4 of fees remuneration or other benefit in money or monies worth to a company of which a member of the Company or a director may be a member; or

23 4 5 to any director of reasonable out of pocket expenses properly incurred in connection with the business or undertaking of the Company.