



Hampshire Association of Local Councils

President: Professor John Denham FRSA

Chief Executive: Dawn Hamblet MSc, FICPD

Summary of changes proposed in the new Articles of Association (“**New Articles**”) of Hampshire Association of Local Councils Limited (the “**Company**”)

Overview

Hampshire ALC is a member owned not for profit limited company and exists to provide support, guidance and a collective voice for Parish and Town Councils and Parish meetings. Although we are a not for profit organisation, we are still a registered limited company and so covered by the Companies Act. We are therefore required to have Articles of Association. These are the governing document of our Limited Company (in a similar way to the standing orders within a parish council) and they must reflect the requirements of the companies Act.

The articles currently in use at Hampshire ALC are the same ones that were adopted when the Limited Company was set up 13 years ago. These do not fully reflect recent changes in legislation or in the way organisations now operate in terms of electronic payments etc. and therefore need to be updated. In order to do this, we commissioned a specialist in company law solicitor to draft recommended amendments that will bring practices up to date and futureproof any more changes.

These have been fully debated by the Chairmen of the District Associations (DAs) in their capacity as Directors of the Limited Company. However, they do need to be voted on by the membership at the AGM being held on 20th October 2022. We have outlined below a summary of the key changes, so that member councils can be familiar with them prior to the AGM.

Explanations are noted in italics

Key Changes

1. Membership

Membership is now divided into Four classes:

- Full Members (*pay Hampshire fees and chose to also pay NALC affiliation fees*)
- Hampshire Members (*pay Hampshire affiliation fees only*)
- Non-Hampshire Members (*located outside of Hampshire and pay Hampshire affiliation fees only*)
- Associate Members (*typically individuals, such as Internal Auditors, or Interim Clerks*)

All Members, with the exception Associate Members, can attend and vote at general meetings. Associate Members have the right to attend general meetings, but cannot vote on shareholder resolutions.

The Company proposes to update its byelaws to impose further restrictions on which members can vote on specific matters. At this stage, the following restrictions are proposed:

- Both Full and Hampshire Members can each propose the appointment of a non-executive director to the board to represent the district that their Council operates within. For the avoidance of doubt, Non-Hampshire Members and Associate Members cannot individually propose non-executive directors in this manner.
- If a resolution relates to an issue geographically centred on Hampshire then only the Full Members and Hampshire Members shall be entitled to vote on that resolution.

Under the existing Articles, membership would automatically terminate if a member did not pay their annual membership fee. This has been amended in the New Articles so that members who have not paid their fees by 31 July each year are not automatically removed as members but instead cannot vote on shareholder resolutions, or access any Hampshire ALC services until their membership fees are paid in full.

The power of the directors to remove members, where it is determined to be in the best interests of the Company remains, however this now requires a simple majority (>50%) to vote in favour, rather than a two-thirds majority under the existing Articles.

2. Directorship

The New Articles reduce the minimum number of directors from seven to three. The maximum number of directors has been increased from nine to ten. *Whilst it is always the intention of Hampshire ALC to have a director from each DA, Hampshire ALC were advised that the current articles were too restrictive and were a risk to the operation of the company going forward.*

Non-executive directors serve for a term of four years. They may be reappointed by the other directors for a further term of four years. A non-executive director can serve for more than eight consecutive years only if it would be in the best interests of the Company. The absolute maximum total term for which a non-executive director can serve is twelve years.

The byelaws will state that a non-executive director appointed following a proposal from a Full or a Hampshire Member can be removed by that Member council by giving the Company notice, or upon the Company determining that the director is no longer an employee or officer of the Member council who proposed their appointment. *This is to ensure the DA retain influence over the director appointed to represent them.*

Quorum

The quorum for general meetings of the Company has been reduced from 20% to 10% of the total membership that are eligible to vote. *This has been changed to be in line with other similar organisations and also to ensure the AGMs remain viable as it has often been challenging to achieve 20% attendance. This futureproofs allowance of hybrid meetings, requiring the quorum to be physically present in the room, those over and above may attend remotely.*

The quorum for board meetings has been changed from one-third of the total board to three eligible directors. This compliments the minimum number of directors being reduced from seven to three.

3. Virtual and hybrid general meetings

The New Articles include wording which will allow virtual general meetings as well as 'hybrid' virtual meetings (where there is a physical meeting, but people can also connect digitally).

The solicitors have therefore recommended the wording so if the law is changed to allow fully virtual meetings in the future the wording of the New Articles would allow the Company to transition to virtual meetings without needing to make further amendments to the Articles.

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

OF

HAMPSHIRE ASSOCIATION OF LOCAL COUNCILS LIMITED

Company number 06879309



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THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE
ARTICLES OF ASSOCIATION
OF
HAMPSHIRE ASSOCIATION OF LOCAL COUNCILS LIMITED (the "Company")
(Adopted by special resolution passed on [DATE])

INTERPRETATION, OBJECTS AND LIMITATION OF LIABILITY

1 INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

- 1.1.1 **Act:** means the Companies Act 2006;
- 1.1.2 **Articles:** means the Company's articles of association for the time being in force;
- 1.1.3 **Associate Member:** means a Member of the Company which is not a Full Member or Hampshire Member or Non-Hampshire Member and who has been appointed in accordance with Article 31.4 and the terms "**Associate Members**" and "**Associate Membership**" shall be construed accordingly;
- 1.1.4 **bankruptcy:** includes insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
- 1.1.5 **Business Day:** means any day (other than a Saturday, Sunday or public holiday in England) when banks in London are open for business;
- 1.1.6 **Clear Days:** in relation to the period of a notice, means the period excluding the day when the notice is given or deemed to be given, and the day for which it is given or on which it is to take effect;
- 1.1.7 **Conflict:** means a situation in which a director has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Company;
- 1.1.8 **Hampshire Member:** means a person admitted to Membership in accordance with Article 31.4 and the terms "**Hampshire Members**" and "**Hampshire Membership**" shall be construed accordingly;
- 1.1.9 **director:** means a director of the Company and includes any person occupying the position of director, by whatever name called;
- 1.1.10 **document:** includes, unless otherwise specified, any document sent or supplied in electronic form;
- 1.1.11 **electronic form:** has the meaning given in section 1168 of the Act;
- 1.1.12 **Eligible Director:** means a director who would be entitled to vote on the matter at a meeting of directors (but excluding in relation to the authorisation of a Conflict pursuant to Article 18, any director whose vote is not to be counted in respect of the particular matter);
- 1.1.13 **Full Member:** means a person admitted to Membership in accordance with Article 31.4 and the terms "**Full Members**" and "**Full Membership**" shall be construed accordingly;

- 1.1.14 **Honorary Officer:** has the meaning given in Article 29.1;
- 1.1.15 **Interested Director:** has the meaning given in Article 18.1;
- 1.1.16 **Member:** means a person whose name is entered in the Register of Members of the Company and “**Membership**” shall be construed accordingly;
- 1.1.17 **Non-Hampshire Member:** means a person admitted to Membership in accordance with Article 31.4 and the terms “**Non-Hampshire Members**” and “**Non-Hampshire Membership**” shall be construed accordingly;
- 1.1.18 **ordinary resolution:** has the meaning given in section 282 of the Act;
- 1.1.19 **participate:** in relation to a director's meeting, has the meaning given in Article 14.1;
- 1.1.20 **President:** means the Honorary Officer with the title of President, as appointed from time to time in accordance with Article 29;
- 1.1.21 **proxy notice:** has the meaning given in Article 47.1;
- 1.1.22 **secretary:** means the secretary of the Company and any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;
- 1.1.23 **special resolution:** has the meaning given in section 283 of the Act;
- 1.1.24 **subsidiary:** has the meaning given in section 1159 of the Act; and
- 1.1.25 **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 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1.3 A reference in these Articles to an “**Article**” is a reference to the relevant article of these Articles unless expressly provided otherwise.

1.4 Unless expressly provided otherwise, a reference to a statute or statutory provision shall include any subordinate legislation from time to time made under that statute or statutory provision.

1.5 Any word following the terms “**including**”, “**include**”, “**in particular**”, “**for example**” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2 OBJECT

2.1 The object for which the Company is established is to promote and take all steps as may be necessary or desirable in the interest of parish, town and other democratically elected local councils, including grouped parishes and parish meetings who are Members of the Company including but not limited to:

- 2.1.1 protecting and promoting the interests, rights, functions, and privileges of Members;
- 2.1.2 assisting Members in the performance of their duties and to promoting and developing the social economic and environmental quality of life of their communities;
- 2.1.3 promoting a wide spread and well informed interest in local government;
- 2.1.4 promoting effective local government;

- 2.1.5 encouraging principal authorities to develop effective partnership arrangements, and to devolve appropriate services to local councils; and/or
- 2.1.6 such other purposes beneficial to Members consistent with the objects above as the directors shall in their absolute discretion determine.

3 POWERS

3.1 In pursuance of the object set out in Article 2, the Company has the power to:

- 3.1.1 buy, lease or otherwise acquire and deal with any property real or personal and any rights or privileges of any kind over or in respect of any property real or personal and to improve, manage, develop, construct, repair, sell, lease, mortgage, charge, surrender or dispose of or otherwise deal with all or any part of such property and any and all rights of the Company;
- 3.1.2 borrow and raise money in such manner as the directors shall think fit and secure the repayment of any money borrowed, raised or owing by mortgage, charge, lien or other security on the Company's property and assets;
- 3.1.3 invest and deal with the funds of the Company not immediately required for its operations in or upon such investments, securities or property as may be thought fit;
- 3.1.4 subscribe for, take, buy or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority in any part of the world;
- 3.1.5 lend and advance money or give credit on such terms as may seem expedient and with or without security to customers and others, to enter into guarantees, contracts of indemnity and suretyships of all kinds to receive money on deposit or loan upon such terms as the Company may approve and to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person including any holding company or subsidiary;
- 3.1.6 lobby, advertise, publish, educate, examine, research and survey in respect of all matters of law, regulation, economics, accounting, governance, politics and/or other issues and to hold meetings, events and other procedures and co-operate with or assist any other body or organisation (including without limitation public authorities which are national, local or otherwise) in each case in such way or by such means as may, in the opinion of the directors, affect or advance the principal object in any way;
- 3.1.7 establish and support groupings of parish and town councils and parish meetings within a particular district council boundary in the County of Hampshire;
- 3.1.8 pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company and to contract with any person, firm or company to pay the same;
- 3.1.9 enter into contracts to provide services to or on behalf of other bodies;
- 3.1.10 provide and assist in the provision of money, materials or other help;.
- 3.1.11 open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments;
- 3.1.12 incorporate subsidiary companies to carry on any trade; and

3.1.13 do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of any of the object set out in Article 2.

4 INCOME

4.1 The income and property of the Company from wherever derived shall be applied solely in promoting the Company's objects.

4.2 No distribution shall be paid or capital otherwise returned to the Members in cash or otherwise. Nothing in these Articles shall prevent any payment in good faith by the Company of:

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

4.2.2 any interest on money lent by any Member or any director at a reasonable and proper rate;

4.2.3 reasonable and proper rent for premises demised or let by any Member or director; or

4.2.4 reasonable out-of-pocket expenses properly incurred by any director or Honorary Officer.

5 WINDING UP

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

6 GUARANTEE

6.1 The liability of each Member is limited to £1, being the amount that each Member undertakes to contribute to the assets of the Company in the event of its being wound up while they are a Member or within one year after they cease to be a Member, for

6.1.1 payment of the Company's debts and liabilities contracted before they cease to be a Member,

6.1.2 payment of the costs, charges and expenses of the winding up, and

6.1.3 adjustment of the rights of the contributories among themselves.

DIRECTORS

7 GENERAL AUTHORITY

Subject to any contrary provision elsewhere in the Articles, the directors are responsible for the management of the Company's business in accordance with its objects, for which purpose they may exercise all the powers of the Company.

8 MEMBERS' RESERVE POWER

8.1 The Members may, by special resolution, direct the directors to take, or refrain from taking, specified action.

8.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

9 DELEGATION

- 9.1 Subject to any contrary provision elsewhere in the Articles, the directors may delegate any of the powers which are conferred on them under the Articles:
- 9.1.1 to such person or committee;
 - 9.1.2 by such means (including by power of attorney);
 - 9.1.3 to such an extent;
 - 9.1.4 in relation to such matters or territories; and
 - 9.1.5 on such terms and conditions;
- as they think fit.
- 9.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 9.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

10 COMMITTEES

- 10.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by directors.
- 10.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

11 DIRECTORS TO TAKE DECISIONS COLLECTIVELY

- 11.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with Article 12.
- 11.2 If:
- 11.2.1 the Company only has one director for the time being, and
 - 11.2.2 no provision of the Articles requires it to have more than one director,
- the general rule does not apply, and the director may (for so long as they remain the sole director) take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.

12 UNANIMOUS DECISIONS

- 12.1 A decision of the directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 12.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 12.3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at such a meeting.

13 CALLING A DIRECTORS' MEETING

- 13.1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the secretary (if any) to give such notice.
- 13.2 Notice of any directors' meeting must indicate:

- 13.2.1 its proposed date and time;
 - 13.2.2 where it is to take place; and
 - 13.2.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 13.3 Notice of a directors' meeting must be given to each director in writing.
- 13.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 13.5 A director who is absent from the UK and who has no registered address in the UK shall not be entitled to notice of the directors' meeting.

14 PARTICIPATION IN DIRECTORS' MEETINGS

- 14.1 Subject to any contrary provision elsewhere in the Articles, directors “**participate**” in a directors' meeting, or part of a directors' meeting, when:
- 14.1.1 the meeting has been called and takes place in accordance with the Articles; and
 - 14.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 14.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 14.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

15 QUORUM FOR DIRECTORS' MEETINGS

- 15.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 15.2 Subject to Article 15.3, the quorum for the transaction of business at a meeting of directors is any three Eligible Directors.
- 15.3 For the purposes of any meeting (or part of a meeting) held pursuant to Article 18 to authorise a Conflict, if there is only one Eligible Director in office other than the Interested Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 15.4 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
- 15.4.1 to appoint further directors; or
 - 15.4.2 to call a general meeting so as to enable the Members to appoint further directors.

16 CHAIRING OF DIRECTORS' MEETINGS

- 16.1 The directors may appoint a director to chair their meetings. The person so appointed for the time being is known as the chairperson.
- 16.2 The directors may terminate the chairperson's appointment at any time.
- 16.3 If the chairperson is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

17 **CASTING VOTE**

If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairperson or other director chairing the meeting shall not have a casting vote.

18 **DIRECTORS' CONFLICTS OF INTEREST**

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

18.2 Any authorisation under this Article 18 shall be effective only if:

18.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;

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

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

18.3 Any authorisation of a Conflict under this Article 18 may (whether at the time of giving the authorisation or subsequently):

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

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

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

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

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

18.3.6 permit the Interested Director to absent themselves from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

18.4 Where the directors authorise a Conflict, the Interested Director shall be obliged to conduct themselves in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

18.5 The directors may revoke or vary such authorisation at any time, but this shall not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.

- 18.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which they derive from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 18.7 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act, and provided they have declared the nature and extent of their interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 18.7.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
 - 18.7.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which they are interested;
 - 18.7.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which they are interested;
 - 18.7.4 may act by themselves or their firm in a professional capacity for the Company (otherwise than as auditor) and they or their firm shall be entitled to remuneration for professional services as if they were not a director;
 - 18.7.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
 - 18.7.6 shall not, save as they may otherwise agree, be accountable to the Company for any benefit which they (or a person connected with them (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of their duty under section 176 of the Act.
- 18.8 For the purposes of this Article 18, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- 18.9 Subject to Article 18.10, 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 chairperson whose ruling in relation to any director other than the chairperson is to be final and conclusive.
- 18.10 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairperson, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairperson is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

19 RECORDS OF DECISIONS TO BE KEPT

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

19.2 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.

20 DIRECTORS' DISCRETION TO MAKE FURTHER RULES

Subject to any contrary provision elsewhere in 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.

21 METHODS OF APPOINTING DIRECTORS

21.1 Any individual who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:

21.1.1 by ordinary resolution, or

21.1.2 by a decision of the directors,

provided that the number of directors appointed may not exceed the limits set out in Article 26.

22 TERMINATION OF DIRECTORS' APPOINTMENT

22.1 A person ceases to be a director as soon as:

22.1.1 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;

22.1.2 a bankruptcy order is made against that person;

22.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;

22.1.4 they are absent from all board meetings held within a period of six consecutive months and the board resolves that their office be vacated;

22.1.5 they receive written notice signed by all the other directors stating that the recipient should cease to be a director;

22.1.6 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;

22.1.7 notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

22.2 Without detracting from any other provision relating to the removal and retirement of directors in these Articles or under the Act; a non-executive director who is appointed on the condition that they remain an employee or officer of a Member shall cease to be a director immediately upon the Company receiving notice in writing from the relevant Member stating, or the Company otherwise determining, that the director has ceased to be an employee or officer of the Member.

23 TERM AND RETIREMENT OF NON-EXECUTIVE DIRECTORS

The usual term of office for a non-executive director shall be four years and each non-executive director may serve up to three terms of four years each. At the end of the first and second terms, the non-executive director shall retire at the end of the next general meeting of the Company unless reappointed by an ordinary resolution or a resolution of the directors. At the end of a non-executive director's third term, that director shall retire at end of the next general meeting of the Company but shall not be eligible for reappointment.

24 DIRECTORS' REMUNERATION

- 24.1 Directors may undertake any services for the Company that the directors decide.
- 24.2 Directors are entitled to such remuneration as the directors determine:
- 24.2.1 subject to any limit on the maximum number of executive directors in Article 25, for their services to the Company as directors, and
 - 24.2.2 for any other service which they undertake for the Company.
- 24.3 Subject to any contrary provision elsewhere in the Articles, a director's remuneration may:
- 24.3.1 take any form, and
 - 24.3.2 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.
- 24.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 24.5 Unless the directors decide otherwise, directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

25 EXPENSES

- 25.1 The Company may pay any reasonable expenses which the directors (including the Company secretary) or any Honorary Offer properly incur in connection with their attendance at:
- 25.1.1 meetings of directors or committees of directors;
 - 25.1.2 general meetings; or
 - 25.1.3 separate meetings 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.

26 NUMBER OF DIRECTORS

- 26.1 Unless otherwise determined by ordinary resolution:
- 26.1.1 the total number of directors shall not be less than three and shall not be more than ten; and
 - 26.1.2 no more than two of the directors at any given time may be executive directors.

27 DEATH OR BANKRUPTCY OF SOLE MEMBER DIRECTOR

In any case where, a Member dies or becomes bankrupt and the Company has no Members and no directors, the person(s) who is entitled to that Membership under Article 33.2 has the right, by notice in writing, to appoint a natural person (including the appointor themselves), who is willing to act and permitted to do so, to be a director of the Company.

28 SECRETARY

The directors may appoint as Company secretary any suitably qualified and experienced willing person in line with the Company's recruitment procedures.

29 HONORARY OFFICERS

- 29.1 The directors shall have the power, at their sole discretion, to appoint honorary officers including but not limited to a President and a Vice President (the "**Honorary Officers**" and each an "**Honorary Officer**").

- 29.2 The directors shall be entitled to appoint Honorary Officers in such numbers and for such term of appointment as the Board in its entire discretion may decide.
- 29.3 Honorary Officers shall not be remunerated by the Company for the performance of their duties but may be paid their reasonable expenses in accordance with Article 25.1.
- 29.4 Honorary Officers shall not be entitled to attend meetings of the directors in their capacity as an Honorary Officer, but may attend if invited by the directors, and shall be entitled to attend general meetings of the Company but not to vote at the same or count towards the quorum.

30 CHANGE OF COMPANY NAME

- 30.1 The name of the Company may be changed by:
- 30.1.1 a decision of the directors; or
- 30.1.2 a special resolution of the Members,
or otherwise in accordance with the Act.

MEMBERS: BECOMING AND CEASING TO BE A MEMBER

31 MEMBERSHIP

- 31.1 The directors may establish classes of Membership with different rights and obligations and shall record the rights and obligations in the register of Members.
- 31.2 The directors may not directly or indirectly alter the rights or obligations attached to a class of Membership. The rights attached to a class of Membership may only be varied if:
- 31.2.1 three-quarters of the Members of that class consent in writing to the variation; or
- 31.2.2 a special resolution is passed at a separate general meeting of the Members of that class agreeing to the variation.
- 31.3 The provisions in these Articles about general meetings shall apply to any meeting relating to the variation of the rights of any class of Members.
- 31.4 Membership is open to persons who possess the characteristics of (as applicable) a Full Member, a Hampshire Member, a Non-Hampshire Member or an Associate Member as set out in Articles 32.1, 32.2, 32.3 and 32.4 (respectively) and who:
- 31.4.1 apply to the Company in the form required by the directors; and
- 31.4.2 are approved by the directors.
- 31.5 Every Member shall either sign a written consent to become a Member or shall sign the register of Members on becoming a Member.
- 31.6 The directors may only refuse an application for Membership if:
- 31.6.1 in their reasonable opinion, the applicant does not possess the applicable characteristics for Membership as referred to in Article 31.4; or
- 31.6.2 acting reasonably and properly, they consider it to be in the best interests of the Company to refuse the application.
- 31.7 If the directors refuse an application for membership then they must inform the applicant in writing of the reasons for the refusal within twenty-one days of the decision.

- 31.8 The directors must consider any written representations made by the applicant regarding the directors' decision to refuse their membership application. The directors' decision following any written representations must be notified to the applicant in writing but shall be final.

32 CLASSES OF MEMBERSHIP

- 32.1 Full Membership shall:

- 32.1.1 only be available to a group of parish and town councils, or other bodies with similar aims and whose status as such has been accepted by the Company; and
- 32.1.2 entitle each Full Member to exercise one vote in relation to Members' resolutions subject to any restrictions set out in the byelaws.

- 32.2 Hampshire Membership shall:

- 32.2.1 only be available to a Parish or Town council, or a body with similar aims, located in Hampshire, and whose status as such is accepted by the Company; and
- 32.2.2 entitle each Hampshire Member to exercise one vote in relation to Members' resolutions subject to any restrictions set out in the byelaws.

- 32.3 Non-Hampshire Membership shall:

- 32.3.1 only be available to a Parish or Town council, or a body with similar aims, located outside of Hampshire, and whose status as such is accepted by the Company; and
- 32.3.2 entitle each Non-Hampshire Member to exercise one vote in relation to Members' resolutions subject to any restrictions set out in the byelaws.

- 32.4 Associate Membership shall:

- 32.4.1 be available to such persons as are permitted under the rules of the Company, as determined from time to time in accordance with Article 52;
- 32.4.2 shall entitle each Associate Member the right to attend at and speak at general meetings of the Company; and
- 32.4.3 shall not entitle the Associate Member the right to vote on any Members' resolutions.

33 TRANSFER OF MEMBERSHIP

- 33.1 Membership is not transferable.

- 33.2 Membership shall automatically terminate when a Member:

- 33.2.1 being an individual, dies or becomes bankrupt or goes into receivership, administrative receivership, administration, liquidation; or
- 33.2.2 being a company, applies to court for or obtains a moratorium under Part A1 of the Insolvency Act 1986, or takes any other step or action in connection with its entering administration, provisional liquidation or any composition or arrangement with its creditors (other than in relation to a solvent restructuring), being wound up (whether voluntarily or by order of the court, unless for the purpose of a solvent restructuring), having a receiver appointed to any of its assets; or
- 33.2.3 being a local authority entity (including parish and town councils) or other public body, is dissolved or merged with another entity.

34 WITHDRAWAL OF MEMBERSHIP

- 34.1 A Member may withdraw from Membership of the Company by giving 7 days' notice to the Company in writing and any person ceasing to be a Member shall be removed from the Register of Members.
- 34.2 A Member whose Membership is terminated under this Article 34 shall not be entitled to a refund of any subscription or Membership fee and shall remain liable to pay to the Company any subscription or other sum owed by them.

35 EXPULSION OF MEMBERS

- 35.1 The directors may resolve by simply majority vote to terminate the Membership of any Member without the Member's consent by giving the Member written notice if, in the reasonable opinion of the directors, the Member:
- 35.1.1 is guilty of conduct which has or is likely to have a serious adverse effect on the Company or bring the Company or any or all of the Members and directors into disrepute; or
 - 35.1.2 has acted or has threatened to act in a manner which is contrary to the interests of the Company as a whole;
 - 35.1.3 has failed to observe the terms of these Articles and the Rules (including without limitation in relation to the payment of any membership fees or subscriptions); or
 - 35.1.4 continuing to be a Member of the Company is otherwise not in the Company's best interests,
- and following such termination, the Member shall be removed from the Register of Members.
- 35.2 The notice to the Member must give the Member the opportunity to be heard in writing or in person as to why their membership should not be terminated. The directors must consider any representations made by the Member and inform the Member of their decision following such consideration. There shall be no right to appeal from a decision of the directors to terminate the Membership of a Member.
- 35.3 A Member whose Membership is terminated under this Article 35 shall not be entitled to a refund of any subscription or Membership fee and shall remain liable to pay to the Company any subscription or other sum owed by them.

ORGANISATION OF GENERAL MEETINGS

36 NOTICE OF GENERAL MEETINGS

- 36.1 The minimum periods of notice required to hold a general meeting of the Company are:
- 36.1.1 fourteen Clear Days' notice for an annual general meeting or a general meeting called for the passing of a special resolution; and
 - 36.1.2 fourteen Clear Days for all other general meetings.
- 36.2 A general meeting may be called by shorter notice if it is so agreed by a majority in number of the Members having a right to attend and vote at the meeting, being a majority who together hold not less than 90 per cent of the total voting rights.
- 36.3 The notice must specify the date, time and place of the meeting and the general nature of the business to be transacted. If the meeting is to be an annual general meeting, the notice must say

so. The notice must also contain a statement setting out the right of Members to appoint a proxy under Section 324 of the Act and Article 47.

36.4 The notice must be given to all the Members and to the directors and auditors.

36.5 The proceedings at a meeting shall not be invalidated because a person who was entitled to receive notice of the meeting did not receive it because of an accidental omission by the Company.

37 CHAIRING GENERAL MEETINGS

37.1 The person chairing a meeting in accordance with this Article is referred to as the “**chairperson of the meeting**”.

37.2 The President shall be the chairperson of the meeting if present and willing to do so.

37.3 If:

37.3.1 the directors have not appointed a President, or if the President is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start then the chairperson of the board of Directors shall be the chairperson of the meeting; and

37.3.2 the directors have not appointed a chairperson, or if the chairperson is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:

37.3.2.1 the directors present, or

37.3.2.2 (if no directors are present), the meeting,

must appoint a director or Member to act as the chairperson of the meeting, and the appointment of the chairperson of the meeting must be the first business of the meeting.

38 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

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

38.2 The directors shall determine in relation to each general meeting the means of attendance at and participation in the meeting, including whether the persons entitled to attend and participate in the meeting shall be enabled to do so:

38.2.1 by means of electronic facility or facilities; and/or

38.2.2 by simultaneous attendance and participation at a satellite meeting place or places, pursuant to Article 40.

38.3 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.

38.4 A person is able to exercise the right to vote at a general meeting when:

38.4.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

38.4.2 that person’s vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

- 38.5 In determining attendance at a general meeting, it is immaterial whether any two or more Members attending it are in the same place as each other.
- 38.6 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.
- 38.7 Unless otherwise specified in the notice of meeting or determined by the chairperson of the meeting, a general meeting is deemed to take place at the place where the chairperson of the meeting is located at the time of the meeting.
- 38.8 If, at any general meeting at which Members are entitled to participate by means of electronic facility or facilities determined by the board pursuant to Article 40, any document is required to be on display or to be available for inspection at the meeting (whether prior to or for the duration of the meeting or both), the Company shall ensure that it is available in electronic form to persons entitled to inspect it for at least the required period of time, and this will be deemed to satisfy any such requirement.

39 QUORUM FOR GENERAL MEETINGS

- 39.1 No business other than the appointment of the chairperson of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
- 39.2 The quorum for a general meeting shall be the greater of:
- 39.2.1 10% of the number of Members eligible to vote at that meeting (each an “**Eligible Member**”). If such amount is not a whole number then it shall be rounded down to the nearest whole number; and
 - 39.2.2 two Eligible Members represented by at least two individuals in attendance.

40 ATTENDANCE AND PARTICIPATION BY ELECTRONIC FACILITIES

- 40.1 The directors may resolve to enable persons entitled to attend and participate in a general meeting to do so partly or wholly by simultaneous attendance and participation by means of electronic facility or facilities, and may determine the means, or all different means, of attendance and participation used in relation to the general meeting. The Members present in person or by proxy by means of an electronic facility or facilities (as so determined by the directors) shall be counted in the quorum for, and be entitled to participate in, the general meeting in question. That meeting shall be duly constituted and its proceedings valid if the chairperson of the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that members attending the meeting by all means (including the means of an electronic facility or facilities) are able to:
- 40.1.1 participate in the business for which the meeting has been convened;
 - 40.1.2 hear all persons who speak at the meeting; and
 - 40.1.3 be heard by all other persons attending and participating in the meeting.
- 40.2 If the directors determine that a general meeting shall be held wholly or partly by means of electronic facility or facilities then the notice to the Members of that general meeting shall:
- 40.2.1 include a statement to that effect; and
 - 40.2.2 specify the means, or all different means, of attendance and participation thereat, and any access, identification and security arrangements which apply.
- 40.3 The directors may resolve to enable persons entitled to attend and participate in a general meeting to do so by simultaneous attendance and participation at a satellite meeting place or places anywhere in the world. The Members present in person or by proxy at satellite meeting places

shall be counted in the quorum for, and entitled to participate in, the general meeting in question, and the meeting shall be duly constituted and its proceedings valid if the chairperson of the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that Members attending at all the meeting places are able to:

- 40.3.1 participate in the business for which the meeting has been convened;
- 40.3.2 hear all persons who speak (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) in the principal meeting place and any satellite meeting place; and
- 40.3.3 be heard by all other persons so present in the same way,

and the meeting shall be deemed to take place at the place where the chairperson of the meeting presides (the principal meeting place, with any other location where that meeting takes place being referred in these Articles as a satellite meeting). The chairperson of the meeting shall be present at, and the meeting shall be deemed to take place at, the principal meeting place and the powers of said chairperson shall apply equally to each satellite meeting place, including their power to adjourn the meeting as referred to in Article 41.

40.4 If a general meeting is held partly by partly or wholly by means of an electronic facility or facilities then the directors and the chairperson of the meeting may make any arrangement and impose any requirement or restriction that is:

- 40.4.1 necessary to ensure the identification of those taking part by means of such electronic facility or facilities and the security of the electronic communication; and
- 40.4.2 in the directors' or the chairperson of the meeting's view, proportionate to those objectives.

40.5 In this respect, the directors may authorise any voting application, system or facility for attendance and participation as they see fit.

40.6 The directors shall be entitled in their absolute discretion to authorise one or more persons (including the directors, the Company secretary or the chairperson of the meeting) to refuse electronic entry to, or electronically eject from, any meeting any person who fails to provide such evidence of identity or to otherwise comply with such security arrangements or restrictions as are required pursuant to this Article, or who causes the meeting to become disorderly.

40.7 All persons seeking to attend and participate in a general meeting by way of electronic facility or facilities shall be responsible for maintaining adequate facilities to enable them to do so. Subject only to the requirement for a general meeting to be adjourned in accordance with Article 41, any inability of a person or persons to attend or participate in a general meeting by way of electronic facility or facilities shall not invalidate the proceedings of that meeting.

41 ADJOURNMENT

41.1 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 chairperson of the meeting must adjourn it.

41.2 The chairperson of the meeting may adjourn a general meeting at which a quorum is present if:

- 41.2.1 the meeting consents to an adjournment, or
- 41.2.2 it appears to the chairperson 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.

- 41.3 The chairperson of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 41.4 When adjourning a general meeting, the chairperson of the meeting must:
- 41.4.1 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 (which may include participation by electronic facility or facilities), and
 - 41.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting (which may determine participation by electronic facility or facilities).
- 41.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 Clear Days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
- 41.5.1 to the same persons to whom notice of the Company's general meetings is required to be given, and
 - 41.5.2 containing the same information which such notice is required to contain.
- 41.6 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.

DECISION MAKING BY MEMBERS

42 MEMBERS' WRITTEN RESOLUTIONS

- 42.1 A resolution in writing agreed by simple majority (or in the case of a special resolution by a majority of not less than 75%) of the Members who would have been entitled to vote upon it had it been proposed at a general meeting shall be effective, provided that:
- 42.1.1 a copy of the proposed resolution has been sent to every eligible Member;
 - 42.1.2 a simple majority (or in the case of a special resolution a majority of not less than 75%) of Members has signified its agreement to the resolution; and
 - 42.1.3 it is contained in an authenticated document which has been received at the registered office of the company (or such other place specified on the written resolution) within the period of forty-two days beginning with the circulation date.
- 42.2 A resolution in writing may comprise several copies to which one or more Members have signified their agreement.
- 42.3 In the case of a Member that is not a natural person, its authorised representative (or, if it is a corporate entity, any of its statutorily recognised officers, acting in that capacity) may signify its agreement.
- 42.4 If the Members do not agree to a resolution in writing within forty-two days of its circulation date then it shall lapse.

43 VOTES OF MEMBERS

- 43.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles or the meeting is conducted partly or wholly by means of electronic facility or facilities.
- 43.2 Subject to the Act and Article 43.3 below, at any general meeting:

- 43.2.1 Every Full Member, Hampshire Member and Non-Hampshire Member who is present in person (including by their appointed representative or by proxy) shall on a show of hands have one vote; and
- 43.2.2 every Full Member, Hampshire Member and Non-Hmapshre Member shall on a poll have one vote.
- 43.3 If a Member has not paid their Membership fees in full by 31 July in a given year, that Member shall not be entitled to:
 - 43.3.1 vote on any Members' resolutions; or
 - 43.3.2 benefit from the Company's membership services,until such time as their Membership fees are paid in full.

44 ERRORS AND DISPUTES

- 44.1 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.
- 44.2 Any such objection must be referred to the chairperson of the meeting whose decision is final.

45 POLL VOTES

- 45.1 A poll on a resolution may be demanded:
 - 45.1.1 in advance of the general meeting where it is to be put to the vote, or
 - 45.1.2 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.
- 45.2 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318(3) of the Act) present and entitled to vote at the meeting.
- 45.3 A demand for a poll may be withdrawn if:
 - 45.3.1 the poll has not yet been taken; and
 - 45.3.2 the chairperson of the meeting consents to the withdrawal,and a demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.
- 45.4 A demanded poll must be taken immediately and in such manner as the chairperson of the meeting directs.
- 45.5 A poll at a meeting held partly or wholly by electronic facility or facilities shall be taken by such electronic means as the directors, in their absolute discretion, deem appropriate for the purposes of the meeting.

46 AMENDMENTS TO RESOLUTIONS

- 46.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
 - 46.1.1 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 chairperson of the meeting may determine), and

- 46.1.2 the proposed amendment does not, in the reasonable opinion of the chairperson of the meeting, materially alter the scope of the resolution.
- 46.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
 - 46.2.1 the chairperson of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - 46.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 46.3 If the chairperson of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairperson's error does not invalidate the vote on that resolution.

47 CONTENT OF PROXY NOTICES

- 47.1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:
 - 47.1.1 states the name and address of the member appointing the proxy;
 - 47.1.2 identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
 - 47.1.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - 47.1.4 is delivered to the Company in accordance with the Articles not less than 72 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate,and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting.
- 47.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 47.3 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.
- 47.4 Unless a proxy notice indicates otherwise, it must be treated as:
 - 47.4.1 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
 - 47.4.2 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.

48 DELIVERY OF PROXY NOTICES

- 48.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 48.2 An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 48.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

- 48.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

ADMINISTRATIVE ARRANGEMENTS

49 MEANS OF COMMUNICATION TO BE USED

- 49.1 Subject to any contrary provision elsewhere in the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- 49.2 Subject to any contrary provision elsewhere in 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.
- 49.3 A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.
- 49.4 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 49.4.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
 - 49.4.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - 49.4.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
 - 49.4.4 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,
- provided that, for the purposes of this Article, no account shall be taken of any part of a day that is not a Business Day.
- 49.5 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

50 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.

51 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.

52 RULES

The directors may establish rules governing matters relating to Company administration that are required from time to time for the effective operation of the Company (for example, the provisions relating to classes of Members, Membership fees and subscriptions and the admission criteria for Members). If there is a conflict between the terms of these Articles and any rules established under this Article, the terms of these Articles shall prevail.

53 INDEMNITY AND INSURANCE

53.1 Subject to Article 53.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

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

53.1.1.1 in the actual or purported execution and/or discharge of their duties, or in relation to them; and

53.1.1.2 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 the Act),

including (in each case) any liability incurred by them in defending any civil or criminal proceedings, in which judgment is given in their favour or in which they are acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on their part or in connection with any application in which the court grants them, in their 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

53.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by them in connection with any proceedings or application referred to in Article 53.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

53.2 This Article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Act or by any other provision of law and any such indemnity is limited accordingly.

53.3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

53.4 In this Article:

53.4.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

53.4.2 a “**relevant loss**” means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and

53.4.3 a “**relevant officer**” means any director or other officer or former director or other officer 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 the Act).