

COMPANIES ACT 2006

SPECIAL RESOLUTION

SCARBOROUGH COLLEGE LIMITED

COMPANY NUMBER: 50404

On 29 September 2018 the following Special Resolution was agreed and passed by the Members:

IT WAS RESOLVED that the Amended Articles be approved, shall replace the College's existing Articles of Association and shall be submitted to both Companies House and the Commission for filing.

A copy of the Amended Articles is attached to this Resolution.

Signed:


.....
Authorised Officer of the Company

THURSDAY



A12 *A7HRRJZU* #248
01/11/2018
COMPANIES HOUSE

ARTICLES OF ASSOCIATION
OF
SCARBOROUGH COLLEGE LIMITED

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Company Number: 50404

PRIVATE COMPANY LIMITED BY SHARES

**ARTICLES OF ASSOCIATION
OF
SCARBOROUGH COLLEGE LIMITED**

Preliminary

- 1 Subject as hereinafter provided the Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 and the Companies Act 1985 (Electronic Communications) Order 2000 (such Table being hereinafter called "**Table A**") shall apply to the Company.
- 2 In these Articles the expression "**the Act**" means the Companies Act 1985 but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

Share Capital

- 3 The authorised share capital at the date of adoption of these Articles is £8,000 divided into 8,000 ordinary shares of £1.00 each. The issued share capital is 5,507 ordinary shares of £1.00 each.
- 4 All shares which the Directors propose to issue shall first be offered to the members in proportion as nearly as may be to the number of the existing shares held by them respectively unless the Company shall by Special Resolution otherwise direct. The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than fourteen days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like terms in

the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by any such Special Resolution as aforesaid shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the Members.

The foregoing provisions of this Article 4 shall have effect subject to Sections 80, 80A and 379A of the Act.

- 5 In Regulation 2 of Table A there shall be substituted for the words following "issued with" the words "or have attached to it such rights or restrictions as the Company may by special resolution determine".
- 6 In accordance with Section 91(1) of the Act, Sections 89(1) and 90(1) to (6)(inclusive) of the Act shall not apply to the Company.

Lien

- 7 The lien offered by Regulation 8 of Table A shall attach to all shares whether fully paid or not and to all shares standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders. Regulation 8 of Table A shall be modified accordingly.

Transfer of Shares

- 8 The Directors may, in their absolute discretion and without assigning any reason therefore, decline to register any transfer of any share, whether or not it is a fully paid share, and the first sentence of Regulation 24 of Table A shall not apply to the Company.

Transmission of Shares

- 9 Regulation 31 of Table A shall not apply to the Company.

- 10 A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as a holder of the share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company unless the Company is without directors for whatever reason, in which case he shall be entitled to vote on any resolution to appoint a new director or directors as if he were already registered as a member.

Alteration of Capital

- 11 Regulation 34 of Table A shall take effect subject to the Memorandum of Association of the Company.

General Meetings And Resolutions

- 12 Regulations 40 and 41 of Table A shall not apply to the Company.
- 13 No business shall be transacted at any General Meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation shall be a quorum, unless the Company has less than two members in which case the single member present in person or by proxy shall be a quorum.
- 14 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 therefor such adjourned General Meeting shall be dissolved.
- 15 In addition to the requirements of Regulation 100 of Table A, the directors shall also insert in the minute book of the Company:

- 15.1 a memorandum of all decisions taken by a sole member when the Company has only one member which may have been taken by the Company in General Meeting and which have effect as if agreed in General Meeting; and
- 15.2 all written resolutions passed by the Company.

Appointment of Directors

- 16 Regulation 64 of Table A shall not apply to the Company.
- 17 The maximum number and minimum number respectively of the Directors may be determined from time to time by Ordinary Resolution of the Company. Subject to and in default of any such determination there shall be no maximum number of Directors and the minimum number of Directors shall be ten. Whensoever the minimum number of the Directors shall be one, a sole Director shall have authority to exercise all the powers and discretions by Table A and by these Articles expressed to be vested in the Directors generally, and Regulation 89 of Table A shall be modified accordingly.
- 18 One Director shall be appointed as Chairman of the board of Directors. Unless he is unwilling to do so, the Chairman shall preside at all meetings of the Directors at which he is present and shall have a casting vote in the case of equality at all meetings of the Directors. One Director shall be appointed as Deputy Chairman and shall preside at all meetings of the Directors at which the Chairman is not present or is unwilling to preside and shall have a casting vote at each such meeting. Regulation 91 shall be deleted.
- 19 So far as possible, the board of Directors shall comprise among its members the following:
 - 19.1 At least two former pupils of Scarborough College or Lisvane Junior School;
 - 19.2 At least one parent of a current Lisvane Junior School pupil;
 - 19.3 At least two parents of current Scarborough College pupils.
- 20 Regulations 73 to 77 (inclusive) and Regulation 80 of Table A shall not apply to the Company. In Regulation 78 the words "and may also determine the rotation in which any additional directors are to retire" shall be deleted. In Regulation 79 the words "A Director

so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the directors who are to retire by rotation at the meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof." shall be deleted.

- 21 Each Director shall retire from office at the beginning of the first properly convened meeting of Directors which occurs four years after the date of appointment of that Director. If the Company, at the meeting at which the Director retires, does not fill the vacancy, the retiring Director shall, if willing, be deemed to have been re-appointed for another period of four years ending at the beginning of the last properly convened meeting of Directors which occurs before the expiry of a period of four years after the date of reappointment of that Director, unless at the meeting it is resolved not to fill the vacancy or unless the resolution for the reappointment of the Director is put to the meeting and lost. At each meeting at which the appointment or reappointment of the Chairman is to be decided upon, the Deputy Chairman shall preside. In the event that both the Chairman and the Deputy Chairman are to be appointed or re-appointed at any meeting the position of the Chairman shall be decided upon first.
- 22 Directors shall retire immediately on reaching 70 years of age but may be reappointed.
- 23 A Director may be expelled by the other Directors if, at a properly convened meeting of the Directors, it is resolved that the Director in question has behaved in a manner which the other Directors believe to be detrimental to the reputation or operation of Scarborough College or the Company. The Director(s), the subject of such meeting, shall have the right to attend the meeting at which the other Directors consider such expulsion and shall have the right to make submissions but shall not be entitled to vote at that meeting.
- 24 The provisions of Clause 3(B) of the Memorandum of Association of the Company relating to directors shall apply and shall be observed as if they were repeated; and (without prejudice to the generality of the foregoing) no remuneration shall be paid the Directors.
- 25 The Directors may be paid all travelling, hotel and other out-of-pocket expenses properly incurred by them in attending and returning from meetings of the Directors or in connection with the business of the Company.

Borrowing Powers

- 26 The Directors may exercise all the powers of the Company to borrow money of unlimited amount and upon such terms and in such manner as they think fit and subject (in the cases of any security convertible into shares) to Section 80, 80A and 379A of the Act to grant any mortgage, charge or security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

Alternate directors

- 27 An alternate Director shall not be entitled to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the monies in accordance with Regulation 25, as would be otherwise payable to his appointer, as such appointer may by notice in writing to the Company from time to time direct, and the first sentence of Regulation 66 of Table A shall be modified accordingly.

Disqualification of Directors

- 28 A Director shall be required to vacate his office if he becomes incapable by reason of illness or injury of managing and administering his property and affairs and Regulation 81 of Table A shall be modified accordingly.

Proceedings of Directors

- 29 Any director or member of a committee of the Directors may participate in a meeting of the Directors or such committee by means of conference telephone or other means of telephone radio or televisual communication whereby all the persons participating in the meeting can hear each other and any Director or member of a committee participating in such a meeting will be deemed to be present in person at such meeting and shall be entitled to vote or be counted in the quorum accordingly. Such meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group, where the Chairman of the meeting then is, and the word 'meeting' shall be construed accordingly.

- 30 The Directors shall meet at least four times in each year. The dates and times for each such meeting shall be decided for the next twelve months by the Chairman, such decision to have been made by 30 July in each year.
- 31 In Regulation 89 the word "two" shall be replaced by the word "ten".
- 32 Notices convening a meeting of the Directors shall be given at least five days before the relevant meeting.

Indemnity

- 33 Regulation 118 of Table A shall take effect subject to proviso (i) to Clause 3A of the Memorandum of Association of the Company as amended by the Written Resolution passed on even date to the adoption of these Articles of Association.

Share Certificates

- 34 In the second sentence of Regulation 6 of Table A the words 'shall be sealed with the seal and' shall be deleted. Each share certificate shall only be issued by authority of the directors, or of a committee of the directors authorised by the directors, and shall bear the signature of one director and the company secretary or a second director.

Company Seal

- 35 Regulation 101 of Table A shall not apply to the Company. The Company shall not be required to, but may, at the discretion of the Directors, keep a common seal. If such a seal is kept, it shall only be used on the authority of the Directors, or of a committee of the Directors authorised by the Directors, and the Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and the secretary or a second director.

Dividends

- 36 No dividends shall be declared or paid by the Company.

Winding Up

- 37 If upon the winding up or dissolution of the Company there remains, after satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid or distributed among the members of the Company, but shall be given or transferred to any one or more charitable associations or charitable institutions (to be determined by the members of the Company at or before the time of dissolution) having objects similar to the objects of the Company and if so far as effect cannot be given to this provision then to some other charitable object or objects PROVIDED that no such property shall be given or transferred to any association or institution which shall be capable of distributing its income and property among its members to any greater extent than (in the case of the Company) is permitted by Clause 3(B) of the Memorandum of Association of the Company.

Drag Along

- 38 If members holding in excess of 90% of the equity share capital of the Company in order to better achieve the objects of the Company (the "**Majority**") want to transfer all their shares (the "**Relevant Shares**") on arms length terms and in good faith to a third party transferee (the "**Transferee**") they shall have the option (the "**Drag Option**") to require the other members (the "**Dragged Shareholders**") to transfer all their shares (the "**Dragged Shares**") to the Transferee with full title guarantee in accordance with this Article 38.
- 39 To exercise the Drag Option the Majority shall give an irrevocable notice in writing (the "**Drag Notice**") to the Dragged Shareholders. The Drag Notice shall specify:
- 39.1 that the Dragged Shareholders are required to transfer their Dragged Shares to the Transferee;
- 39.2 the consideration (if any) receivable by the Majority for the Relevant Shares;
- 39.3 the reason why the Majority consider that the transfer will better achieve the object of the Company;
- 39.4 the consideration (if any) the Dragged Shareholders will receive for each Dragged Share (the "**Drag Consideration**");

- 39.5 the name of the Transferee; and
- 39.6 the proposed date for completion of the transfer of the Relevant Shares and the Dragged Shares.
- 40 The Drag Consideration shall be equal to the consideration per Relevant Share receivable by the Majority. Any dispute about the calculation of the Drag Consideration shall immediately be referred to an expert, being a firm of chartered accountants acting as an expert and not as a arbitrator nominated by the parties concerned or, in the event of disagreement, by the President of the Institute of Chartered Accountants in England and Wales (whose decision shall, in the absence of manifest error, be final and binding).
- 41 Unless the Majority and the Dragged Shareholders agree otherwise, the transfer of the Relevant Shares and the Dragged Shares (including payment of any consideration) shall take place on the same day.
- 42 The Company is unconditionally and irrevocably authorised to appoint any person as agent of each Dragged Shareholder to execute the required stock transfer forms for the Dragged Shares in the name and on behalf of that Dragged Shareholder and to do such other things as are necessary to transfer the Dragged Shares pursuant to Articles 38 to 41 (inclusive).
- 43 The provisions of Articles 38 to 42 (inclusive) shall prevail over any contrary provisions of these articles.

Application of income and benefits and payments to Directors and connected persons

- 44 The income must be applied solely towards the objects so that:
- 44.1 No income shall be paid directly or indirectly to the members;
- 44.2 A member (who is not a Director) of the Company can be paid reasonable and proper remuneration for services rendered to the Company;
- 44.3 A Director or connected person (as defined in section 188 Charities Act 2011, as amended or replaced from time to time) may enter into a contract for the supply of

services, or of goods that are supplied in connection with the provision of services, to the Company where that is permitted in accordance with, and subject to the conditions in, sections 185 and 186 of the Charities Act 2011;

- 44.4 A Director or connected person may receive interest on money lent to the Company at a reasonable and proper rate which must be not more than the Bank of England bank rate (also known as the base rate);
- 44.5 Rent could be paid for premises demised or let by any member to the Company;
- 44.6 A Director or connected person may receive rent for premises let by the Director or connected person to the Company. The amount of the rent and the other terms of the lease must be reasonable and proper. The Director concerned must withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion.
- 44.7 No Director or connected person or member of the governing body shall be appointed to a salaried office from the Company unless the prior written consent of the Charity Commission has been obtained;
- 44.8 No remuneration or other benefit in money or money's worth shall be given to any Director or member of governing body except expenses and interest on money lent or rent on property let or demised to the Company (or in respect of any benefits from a Company in which such person holds less than 1/100th of the capital).

Conflicts of interests and conflicts of loyalties

- 45 If a conflict of interests arises for a Director because of a duty of loyalty owed to another organisation or person and the conflict is not authorised by virtue of any other provision in the articles, the un-conflicted Directors may authorise such a conflict of interests where the following conditions apply:
 - 45.1 the conflicted Director is absent from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person;
 - 45.2 the conflicted Director does not vote on any such matter and is not to be counted when considering whether a quorum of Directors is present at the meeting; and

45.3 the un-conflicted Directors consider it is in the interests of the Company to authorise the conflict of interests in the circumstances applying.

46 In this article a conflict of interests arising because of a duty of loyalty owed to another organisation or person only refers to such a conflict which does not involve a direct or indirect benefit of any nature to a Director or to a connected person.