

ExtraCare Retail Limited

Private Company limited by shares

Company Number 2898050

## Articles of Association

of

## ExtraCare Retail Limited

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### 1. Interpretation

1.1 The model Articles of association for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 shall not apply to the Company.

1.2 In these Articles:

**“address”** in relation to electronic form shall be taken to include any number of addresses used for the purpose of communications in such form;

**“Articles”** means the Articles of association of the Company for the time being in force;

**“Charity”** means The ExtraCare Charitable Trust a company limited by guarantee registered with charity number 327816 and company number 2205136 whose registered office is 7 Harry Weston Road, Binley Business Park, Coventry, CV3 2SN;

**“Companies Acts”** has the meaning given to it in section 2 of the Companies Act 2006;

**“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;

**“Director”** means a Director of the Company and includes any person occupying the position of Director, by whatever name called and “Directors” shall be construed accordingly;

**“electronic form”** has the meaning given to it in section 1168 of the Companies Act 2006;

**“Eligible Director”** means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of a particular matter);

**“Executive Director”** means an Executive Director employed by the Charity and appointed to the Company Board by the Charity Board;

**“Independent Director”** means a Director who is neither a Trustee Director nor an employee of the Charity and is appointed to the company as a non- executive Director.

**“Interested Director”** means a Director who has an actual or potential conflict of interest which may impair or influence their judgement.

**“Member”** in relation to shares means the person or body corporate whose name is entered in the register of members of the Company as the holder of the shares.

**“Managing Director”** means a Director employed by the Charity and appointed to the position of Managing Director to the Company Board by the Charity Board;

**“Trustee Director”** means a Charity Trustee appointed to the Company Board by the Charity Board.

1.3 Unless the context otherwise requires, words or expressions in the Articles bear the same meanings as the Companies Acts but excluding any statutory modification not in force on the date the Articles were adopted by the Company.

1.4 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1.5 A reference in these Articles to a numbered Article is a reference to the relevant Article of these Articles unless expressly provided otherwise.

1.6 Unless expressly provided otherwise in these Articles, a reference to a statute or statutory instrument is a reference to it as it is in force from time to time, taking account of:

- (a) Any subordinate legislation made under it, whether before or after the date of adoption of these Articles; and
- (b) Any amendment or re-enactment, whether before or after the date of adoption of these Articles and includes any statute, statutory provision, or subordinate legislation which it amends or re-enacts.

1.7 Words importing the singular number shall include the plural and vice versa unless a contrary intention appears.

1.8 Unless the context requires otherwise, words or expressions contained in these Articles shall include bodies corporate and associations if not inconsistent with the context.

## **2. Objects**

2.1 The objects of the company for which the Company is established are:

- (a) To carry on business as a commercial company providing retail services and associated activities;
- (b) To obtain, acquire, and purchase all necessary permits, licences, or trademarks for the purpose of enabling the Company to carry on its said business upon such terms and conditions as it may think fit;
- (c) To purchase or otherwise acquire the property of any person, firm, or company for the purpose of enabling the Company to carry on its said business upon such terms and conditions as they see fit;
- (d) To make donations for social or charitable purposes either in cash or assets to support the company known as The ExtraCare Charitable Trust (Registered Company No: 2205136);
- (e) To do all such lawful things in connection with or ancillary to any of the general business of the Company or are calculated directly to benefit the company or enhance the value or render profitable any of the Company's property or rights or are required by any customers or persons dealing with the Company;
- (f) To receive money on deposit upon such terms as the Company may approve and to guarantee the obligations and contracts of customers and others;
- (g) To enter into any contract or memorandum of understanding with the company known as The ExtraCare Charitable Trust (Registered Company No: 2205136) which is considered beneficial to the Company, provided that any such contract (other than one entered into in the ordinary course of the Company's business) shall be committed to in writing.

### **3. Sole Member**

- 3.1 The Charity shall be the sole member of the Company.
- 3.2 The sole member of the Company undertakes to contribute to the assets of the Company in the event of the same being wound up, while it is a member or within one year after it ceases to be a member, limited to the amount, if any, unpaid on the share held by it.

### **4. Shares**

- 4.1 Subject to the provisions of the Companies Act and Article 3.1 any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine.
- 4.2 The Directors shall not exercise any power of the Company to allot shares or other securities in, or to grant rights to subscribe for, or convert into shares or other securities of, the Company without the prior written consent of the Charity. Without limitation the powers of the Directors under section 550 of the Companies Acts are limited accordingly.

- 4.3 No shares shall be transferred except with the prior written consent of the Charity who may in its absolute discretion and without giving any reason require the Directors to decline to register any transfer of any share.
- 4.4 Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the Directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including without limitation, shares, or securities in any company). For the purposes of paying a non-cash- distribution, the Directors may make whatever arrangements they think fit, where any difficulty arises regarding the distribution:
- (a) fixing the value of any assets;
  - (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of the recipients; and
  - (c) vesting any assets in Trustees.

## **5. Company Secretary and Charity's Authorised Representative**

- 5.1 Such person as from time to time notified to the Company by the Charity in writing shall be appointed as Company Secretary for such term as the Charity sees fit. Unless the Charity agrees otherwise the Company Secretary of the Trust or their nominee shall be appointed as the Company Secretary.
- 5.2 Such person as from time to time notified to the Company in writing by the Charity shall be the duly authorised representative of the Charity ("**Charity's Authorised Representative**").

## **6. Meetings and Company Resolutions**

- 6.1 Decisions of the member can be made:
- (a) By the Charity's Authorised Representative notifying a decision the Charity has made to the Company in writing in accordance with terms of reference agreed between the Company and the Charity from time to time.
  - (b) By passing a written resolution in accordance with the provisions of the Companies Act 2006 which is signed by the Charity's Authorised Representative as sole member; or
  - (c) By passing a resolution at a member's meeting convened and held in accordance with the provisions of the Companies Act 2006. The member may attend a meeting convened under this article by remote means if its Authorised Representative can understand, comment and vote on the proceedings through telephone, video conferencing or other communications

## **7. Directors' Powers**

- 7.1 Subject to article 7.2 and the Company's Act, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.
- 7.2 All the powers of the directors (or any of them) shall be restricted in such respects, to such extent and for such duration as the Charity may prescribe from time to time in writing to the company.
- 7.3 No alteration of the Articles and no direction made under article 7.2 shall invalidate anything which the Directors have done prior to the alteration of such direction.

## **8. Delegation of Directors' Powers**

- 8.1 The Directors may delegate any of the powers conferred to them under the Articles:

- (a) To any person;
- (b) To any Committee that includes two or more Directors;
- (c) To any Managing Director or any Trustee Director holding executive office;

By such means (including by power of attorney), to such extent, in relation to such matters and on such terms and conditions as they think fit.

- 8.2 The Directors may revoke any delegation made under article 8.1 in whole or part or alter its terms and conditions.
- 8.3 Committees to which the Directors delegate any of their powers under article 8.1(b) 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.

## **9. Number of Directors**

- 9.1 Unless in exceptional circumstances or otherwise determined by ordinary resolution the number of directors shall be at least five but shall not be more than 12.
- 9.2 Where exceptional circumstances exist the minimum number of Directors shall not fall below three and shall comprise at least one Independent Director.
- 9.3 The minimum number of Directors shall comprise:
- (a) One Trustee Director;
  - (b) Two Independent Directors;
  - (c) One Executive Director; and
  - (d) The Managing Director.

## **10. Appointment and Removal of Directors**

- 10.1 The Charity may at any time and from time to time by notice in writing to the Company, signed by the Charity's Authorised Representative, appoint one or more persons to be a director or authorised directors of the Company and to remove any Director or Directors from office (whether or not appointed pursuant to this article (10.1)).
- 10.2 Candidates for appointment as Directors shall be recommended to the Charity by the Board of Directors of the Company. No candidate shall be appointed as a Director unless their appointment is approved in writing by the Board of Trustees of the Charity.
- 10.3 All Independent Directors shall be appointed for a term of office of up to three years (the "Fixed Term") from appointment. Independent Directors may be reappointed for a maximum of three continuous Fixed Terms.
- 10.4 Any retiring Independent Director, having completed three continuous Fixed Terms shall not be eligible for re-election in accordance with Article 10.3, EXCEPT WHERE the resulting vacancy would result in the number of Independent Directors falling below the number necessary under Article 9.2.
- 10.5 A person ceases to be a Director as soon as:
- (a) That person ceases to be a Director by virtue of any of the provisions of the Companies Acts or is prohibited from being a Director by law; or
  - (b) A bankruptcy order is made against that person; or
  - (c) A composition is made with that person's creditors generally in satisfaction of that person's debts; or
  - (d) 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; or
  - (e) That person is an Independent Director and has come to the end of their term of office pursuant to articles 10.3 and 10.4 or has been removed from office pursuant to article 10.1; or
  - (f) That person is the Trustee Director and has resigned from office or come to the end of term of office with the Charity Board or has been removed from office pursuant to article 10.1; or
  - (g) That person is an Executive Director or the Managing Director and has ceased to be an employee of the Charity; or
  - (h) That person has failed to attend more than four consecutive Board Meetings held no more frequently than once per month and the Charity Board resolves by a 75% majority of the Directors present and voting, that they should cease to be a Director on the recommendation of the Company Board.

- (i) 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; or
- (j) Notification of the Director's removal is received by the Company from the Charity pursuant to article 10.1.

## **11. Directors' Expenses**

- 11.1 The Company may pay reasonable travel, accommodation, and other expenses which the Directors properly incur in connection with their attendance at meetings of Directors or committees of Directors, general meetings or otherwise in connection with the exercise of their powers and discharge of their responsibilities in relation to the Company.

## **12. Directors' Proceedings**

- 12.1 Subject to these Articles, the Directors are responsible for the management of the Company's business, for which purpose they may regulate their proceedings as they think fit.

## **13. Chair and Vice Chair**

- 13.1 The Company must have a Chair and may have a Vice-Chair. The Chair and the Vice Chair (if any) are to be elected by the Board. The Board must decide the period during which they are to hold office and the precise point at which their term of office end. Both the Chair and Vice-Chair (if any) may be re-elected.
- 13.2 The Chair and Vice-Chair (if any) may resign from their positions at any time (without necessarily resigning as Directors at the same time).
- 13.3 Where there is no Chair the first item of business of a Board Meeting must be to elect a Chair.
- 13.4 The Chair and the Vice-Chair (if any) may be removed only at a Board Meeting called for the purpose at which a resolution with a majority in favour is passed. The Chair or the Vice-Chair (as the case may be) must be given an opportunity to say why they should not be removed.
- 13.5 The Chair is to chair all Board Meetings at which they are present unless they do not wish, or are not able, to do so.
- 13.6 If the Chair is not present within 15 minutes after the starting time of a Board Meeting or if the Chair is unwilling or unable to chair a Board Meeting, then the Vice-Chair (if any) must chair that Board Meeting unless they are unwilling or unable to do so, until such time as the Chair arrives.
- 13.7 The functions of the Chair are: -
  - (a) To act as an ambassador for the Company and to represent the views of the Board to the general public and other organisations;
  - (b) To establish and maintain a constructive working relationship with the Charity;

- (c) To ensure that Board Meetings and General Meetings are conducted efficiently;
- (d) To give all Directors an opportunity to express their views;
- (e) To ensure that the Board monitors the use of delegated powers; and
- (f) To encourage the Board to take professional advice when it is needed.

13.8 The role of the Vice-Chair (if any) is to deputise for the Chair during any period of their absence and, for that period, their functions shall be the same as those for the Chair.

13.9 Except to the extent that the Articles provide otherwise neither the Chair nor the Vice-Chair (if any) has any authority beyond that of any other Director.

#### **14. Directors' meetings**

14.1 Any Director or the Secretary may call a Directors' meeting by giving a minimum of 7 days' notice (unless all of the Directors agree in writing to a shorter notice period) of the meeting to the Directors.

- (a) Notice of any Directors meeting must indicate:
  - (i) Its proposed date and time;
  - (ii) Where it is to take place; and
  - (iii) 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.
- (b) Notice of a Directors' meeting must be given to each Director but need not be in writing.
- (c) It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom.

14.2 The quorum for a Directors' meeting may be fixed from time to time by a decision of the Charity but unless so fixed at any other number shall be three Directors, at least one of whom must be an Independent Director.

14.3 A Director may attend a Board meeting and be part of the quorum if he can understand, comment and vote on the proceedings through telephone, video conferencing or other communications equipment.

14.4 The continuing Directors may act despite vacancies in their number but if the number of Directors is less than the quorum required the continuing Directors may only act for the purpose of requesting the Charity to appoint further Directors.



- 14.5 If the Chair is not participating in a Directors' meeting is not participating in a Directors' meeting within ten minutes of the time at which it was due to start, or is unwilling to Chair the meeting, the Directors present may appoint one of their number to be Chair of the meeting.
- 14.6 Questions arising at a Directors' meeting shall be decided by a majority decision. In the case of an equality of votes the Chair shall have a second or casting vote, but this does not apply if, in accordance with the Articles, the Chair is not to be counted as participating in the decision-making process for quorum or voting purposes.
- 14.7 A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Directors or a committee of the Directors shall be as valid and as effectual as if it had been passed at a meeting of the Directors or (as the case may be) a Committee of its Directors duly convened and held and may consist of several documents in the like form each one signed by one or more Directors or to which a Director has otherwise indicated agreement including electronic form. The date of a written resolution of the Directors shall be the date on which the last Director, signs it/ or approves it in electronic form.
- 14.8 All acts done by a Directors' meeting or of a committee of the Directors or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office or have vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.
- 14.9 The Directors may hold meetings by telephone or video conference or such other suitable means as they think fit provided all participants may communicate to the others any information or opinions they have on any particular item of business in the meeting. In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other. 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. Transactions or other arrangements with the Company**

- 15.1 Subject to Article 15.2 if a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is in any way, directly or indirectly, interested, that Director is not to be counted as participating in the decision making process for quorum, voting or agreement purposes.
- 15.2 A Director who is in any way, directly or indirectly, interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in the decision-making process and is entitled to vote on or agree to a proposal relating to it if they have declared the nature and extent of their interest in accordance with the requirements of the Companies Act and either:
- (a) The Company by ordinary resolution resolves that Article 15.1 shall not apply;
  - (b) The Director's interest cannot reasonably be regarded as likely to give rise to a conflict; or
  - (c) The Director's conflict arises solely from him being a Charity Trustee of or employed by or otherwise involved with the Charity;

And in such case subject, where applicable to any terms and conditions as may be imposed by the Directors, the Director:

- (d) Maybe a party to, or otherwise interested in, the transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- (e) Shall not be accountable to the Company for any benefit which they, or a person connected with them (as defined by section 252 of the Companies Act 2006) derives from any transaction or arrangement; and
- (f) 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 Companies Act 2006.

## **16. Directors' Conflicts of Interest**

- 16.1 The Directors may, in accordance with the requirements set out in this Article 16, authorise any Conflict proposed to them by any Director, which would, if not authorised, involve an Interested Director breaching their duties under section 175 of the Companies Act 2006 to avoid conflicts of interest.
- 16.2 Any authorisation under this Article 16 will be effective only if:
  - (a) To the extent permitted by the Companies Act, the matter in question shall have been proposed to the Directors under the provision of these Articles or in such manner as the Directors may determine;
  - (b) Any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
  - (c) The matter was agreed to without the Interested Director voting.
- 16.3 Any authorisation under this Article 16 may (whether at the time of giving authorisation or subsequently) impose on the interested Director such conditions or limitations, or be granted to such terms, as the Directors may think fit for the purposes of dealing with the conflict and the Interested Director will be obliged to conduct themselves in accordance with any such terms and conditions.
- 16.4 The Directors may revoke or vary such authorisation under this Article 16 at any time, but this will not affect anything done by the Interested Director, before such revocation or variation, in accordance with the terms of such authorisation.
- 16.5 Notwithstanding any other provision of these Articles, for the purposes of sections 175 and 180(4) of the Companies Act 2006 and for all other purposes, a Director shall not be or become subject to a Conflict as a result of their also being or having been an employee and/or trustee of the Charity.

- 16.6 A Director who is also a Charity Trustee shall not be remunerated or receive other benefits in respect of their office as Company Director unless permitted in accordance with the Charity's constitution or the Charities Act 2011.
- 16.7 Directors who are entitled to be remunerated shall receive such remuneration and on such terms and conditions as may be approved from time to time by the Charity.
- 16.8 If a Director receives or has received any information otherwise than by virtue of their position as a Director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to:
- (a) Disclose any such information to the Company, the Directors or any other Director or employee of the Company; or
  - (b) Use or apply any such information in connection with the performance of their duties as a Director;

provided that to the extent such duty of confidentiality arises out of a situation or relationship which would or might otherwise constitute or give rise to a breach by the Director of the duty to avoid conflicts of interest under Article 16.1.

## **17. Minutes**

- 17.1 Subject to these Articles the Directors shall cause minutes to be made in writing of:
- (a) All appointments of officers made by the Directors and appointments of Directors made by the Charity;
  - (b) All proceedings at meetings of the Company and of the Directors and of any committees of Directors including the names of the Directors present at each such meeting;
  - (c) All written resolutions of the member and of the Directors.
- 17.2 Where decisions are taken by electronic means, such decisions shall be recorded by the Directors in a form that enables the Directors to retain a copy of such decisions.

## **18. Accounts**

- 18.1 Accounts shall be prepared in accordance with the companies Acts.

## **19. Communications**

- 19.1 Subject to these Articles, anything sent or supplied by or to the Company under these Articles may be sent or supplied in any way in which the Companies Acts provide 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.

19.2 Subject to these 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.

19.3 A Director may agree with the Company that notices or documents sent to that Director in a particular way are deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

## **20. Winding up**

20.1 In the event of winding up or dissolution the assets of the Company shall be first used to satisfy its debts and liabilities. Any balance of assets remaining shall be transferred to the company known as The ExtraCare Charitable Trust (Registered Company No: 2205136) or, if for any reason this should prove impossible, to such other non-profit organisations having objects similar to or compatible with those of the aforementioned charity as may be determined at or before the time of winding up or dissolution.

## **21. Indemnity**

21.1 For the purposes of this Article 21 a "Liability" is any costs, charges, losses, expenses and/or liabilities incurred by a Director in connection with any negligence, default, breach of duty, or breach of trust by him or her in relation to the Company or otherwise in connection with their duties, powers or office.

21.2 Subject to the Companies Acts and without prejudice to any protection from liability which may otherwise apply:

- (a) The Directors shall have the power to purchase and maintain insurance, at the expense of the Company, against any Liability;
- (b) Each Director shall be indemnified out of the Company's assets against any Liability incurred by them in defending any civil or criminal proceedings, or regulatory investigation or action, in which judgement 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 any connection in which the courts grant them, in their capacity as a Director, relief from any liability; and
- (c) The Company may provide any Director with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings, investigation, action or application referred to in Article 21.2(b) and otherwise may take any action to enable any such Director to avoid incurring such expenditure.

21.3 This Article 21 does not authorise any indemnity which would be prohibited or rendered void by any provision of the companies Acts or by any other provision of law.