

COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE
WRITTEN RECORD OF RESOLUTIONS OF
THE RETREAT YORK
(THE "COMPANY")

COMPANY NUMBER 4325622

At an Annual General Meeting of the members of the Company, duly convened and held at THE RETREAT YORK

on the 24 day of JUNE .. 2010 at 2:00 . ~~pm~~ [pm]
the following were duly passed as special resolutions

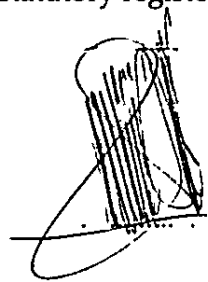
- 1 THAT the attached form of Articles of Association be and is approved and adopted as the new Articles of Association of the Company ("New Articles") in full replacement of the existing Articles of Association of the Company
- 2 THAT, a printed copy of the New Articles be filed with the Registrar of Companies at Companies House, Cardiff (and a copy kept with the Company's statutory and non-statutory registers, books and records)

Signed

Signature

Name of Signatory

Position


Rob GRIFFITHS

Chairman

FRIDAY



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30/07/2010
COMPANIES HOUSE

COMPANIES ACT 2006 —

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

of

THE RETREAT YORK

(Adopted by special resolution passed at the general meeting of the Company held on the 24 day of JUNE..... .. 2010)

1 INTERPRETATION

In these Articles:

1.1 the following words will have the following meanings:-

"Act" means the Companies Act 2006.

"Clerk" means the person appointed as the clerk (that is also deemed to be appointed chairman of the Members).

"Deputy Clerk" means the person appointed as the deputy clerk that is also deemed to be appointed deputy chairman of the Members.

"Deputy Directors' Chairman" means the deputy chairman of the Directors

"Directors" means the trustees of the Company

"Directors' Chairman" means the chairman of the Directors.

"Friends" means members of the Religious Society of Friends commonly called Quakers

"Members" means the members of the Company appointed from time to time in accordance with the Articles

"**Secretary**" means any person appointed to perform the duties of the Secretary of the Company

"**United Kingdom**" means Great Britain and Northern Ireland.

1.2 Unless the context otherwise requires, words or expressions contained in these Articles will bear the same meaning as in the Act or any statutory modification re-enactment or replacement of it in force from time to time

1.3 Any reference to any legislation includes its sub-ordinate legislation It also includes that legislation (and its sub-ordinate legislation) as modified, re-enacted or replaced

2 COMPANY NAME

The name of the Company is "The Retreat York".

3 REGISTERED OFFICE

The registered office of the Company will be situated in England

4 OBJECTS

The objects ("**Objects**") for which the Company is established are:

The relief of persons suffering from mental illness (including, but without limitation, persons who are members of the Religious Society of Friends) by such charitable means as the Directors from time to time determine including the provision of a hospital, of mental health services and by undertaking related activities provided that such facilities, services and activities will be conducted in accordance with the principles of the Religious Society of Friends

5 POWERS

In furtherance of the Objects but not further or otherwise the Company will have the following powers (provided that in case the Company will take or hold any

property subject to the jurisdiction of the Charity Commissioners for England and Wales, the Company will not sell, mortgage, charge or lease the same without such authority, approval or consent as may be required by law):

- 5.1 To acquire the premises (described in the schedule to a conveyance to be executed between Friends Trusts Limited of the first part and the Company of the other part) and the undertakings and other assets of the unincorporated charitable association known as The Retreat, York and to carry on and conduct that hospital.
- 5.2 To purchase, take on lease, or in exchange, hire or otherwise acquire or hold any real or personal property, and any rights or privileges for the promotion of its Objects or any of them
- 5.3 Subject as provided by Article 6, to establish and support or aid in the establishment and support of charitable associations or institutions connected with the purposes of the Company or to further its Objects.
- 5.4 To undertake and execute any charitable trusts which may lawfully be undertaken by the Company in furtherance of its Objects
- 5.5 To invest the money of the Company not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject to the provisions of the Articles.
- 5.6 Subject to section 38 of the Charities Act 1993, to mortgage or charge all or any of the property of the Company for the purpose of securing, or further securing, any mortgage debt or debts now or in the future charged upon any property of the Company, with a view to the furtherance of its Objects.
- 5.7 Subject to section 36 of the Charities Act 1993, to sell, improve, manage, develop, lease, dispose of, turn to account, or otherwise deal with all or any part of the property and rights of the Company with a view to the promotion of its Objects

- 5 8 To borrow or raise money for the purpose of the Company upon such terms and upon such security as may be deemed expedient
- 5 9 Subject to Article 6 below to employ such staff, who will not be trustees of the Company, as are necessary for the proper pursuit of the Objects and to make all reasonable and necessary provision for the payment of pensions and superannuation to staff and their dependants
- 5 10 To provide indemnity insurance to cover the liability of the Directors:
- 5 10 1 which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust, or breach of duty of which they may be guilty in relation to the Company;
- 5 10 2 to make contributions to the assets of the Company in accordance with the provisions of section 214 of the Insolvency Act 1986
- 5 11 Any such insurance in the case of Article 5 10 shall not extend to
- 5.11 1 any liability resulting from conduct which the Directors knew, or must be assumed to have known, was not in the best interests of the Company, or which the Directors did not care whether it was in the best interest of the Company or not,
- 5.11 2 any liability to pay the costs of unsuccessfully defending criminal prosecutions for offences arising out of the fraud or dishonesty of wilful or reckless misconduct of the Directors, and
- 5 11 3 any liability to pay a fine.
- 5 12 Any insurance in the case of Article 5 10.2 shall not extend to any liability to make such a contribution where the basis of the Director's liability is his knowledge prior to the insolvent liquidation of that company (or reckless failure to acquire that knowledge) that there was no reasonable prospect that the company would avoid going into insolvent liquidation.

5 13 To do all such other things as are incidental or conducive to the attainment of the Objects

6 COMPANY'S INCOME AND PROPERTY

The income and property of the Company will be applied solely towards the promotion of the Objects as set out in this Memorandum and in accordance with the Articles of Association. No portion of that income and property will be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit, to Members of the Company. No Director will be appointed to any office of the Company paid by salary or fees, or receive any remuneration or other benefit in money or money's worth from the Company, save that the Company will not be prevented from making payment in good faith

6 1 of the usual professional charges for business done by any Director who is a solicitor, accountant or other person engaged in a profession, or by any partner of his or hers, when instructed by the Company to act in a professional capacity on its behalf, save that at no time will a majority of the Directors benefit under this provision and that a Director will withdraw from any meeting at which his or her appointment or remuneration, or that of his or her partner, is under discussion,

6 2 of reasonable and proper remuneration to any Member, officer or servant of the Company who is not a Director for any services rendered to the Company,

6 3 of interest at a rate not exceeding 2 per cent less than the published base lending rate of a clearing bank to be selected by the Directors on money lent or reasonable and proper rent for premises demised or let by any Member or Director of the Company,

6 4 to any Director or Member for reasonable out of pocket expenses, and

- 6.5 of fees, remuneration or other benefit in money or money's worth to a company of which a Director holds not more than a 1/100th part of the issued share capital of such company; and
- 6.6 of any premium in respect of any indemnity insurance to cover the liability of the Directors which, by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Company: Provided that any such insurance shall not extend to any claim arising from liability resulting from conduct which the Directors knew, or must be assumed to have known, was not in the best interests of the Company, or which the Directors did not care whether it was in the best interest of the Company or not and provided also that any such insurance shall not extend to any claim arising from liability for the costs of unsuccessfully defending criminal prosecutions for offences arising out of the fraud or dishonesty or wilful or reckless misconduct of the Directors.

7 MEMBER'S LIABILITY AND CONTRIBUTION

- 7.1 The liability of the Members is limited.
- 7.2 Every Member undertakes to contribute to the assets of the Company, in the event of it being wound up during the time that he/she is a Member, or within one year afterwards, for payment of the debts and liabilities of the Company contracted before the time at which he/she ceases to be a Member, and of the costs, charges and expenses of winding-up the same, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding £1

8 ACCOUNTS

- 8.1 The Directors will cause proper books of accounts to be kept with respect to.

- 8.1.1 all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place,
 - 8 1 2 all sales and purchases of goods by the Company, and
 - 8 1 3 the assets and liabilities of the Company
- 8 2 Proper books of accounts will not be deemed to be kept if there are not kept such books of accounts as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.
- 8 3 The books of accounts will be kept at the registered office of the Company or, subject to the provisions of the Act, at such other place or places as the Directors think fit, and will always be open to the inspection of the Directors
- 8 4 The Directors will from time to time in accordance with the Act cause to be prepared and to be laid before the Company in Annual General Meeting of the Company such profit and loss accounts, balance sheets and reports as are referred to in the Act
- 8 5 A copy of every balance sheet (including every document required by law to be annexed to it) which is to be laid before the Company in general meeting of the Company, together with a copy of the auditors' report, will not less than twenty one days before the date of the general meeting of the Company be sent to every Member
- 8 6 With prejudice to Articles 8 1 to 8.5
 - 8 6 1 true accounts will be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place, and of the property, credits and liabilities of the Company,

8 6 2 subject to any reasonable restrictions as to the time and manner of inspecting the accounts that may be imposed in accordance with the regulations of the Company for the time being, the accounts will be open to the inspection of the Members, and

8 6 3 once at least in every year the accounts of the Company will be examined and the correctness of the balance sheet ascertained by the auditors

9 DISSOLUTIONS

If upon the winding-up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members, but will be given or transferred to Meeting for Sufferings of the Religious Society of Friends for such charitable object or objects as Meeting for Sufferings shall decide.

10 MEMBERS AND CLERK

10 1 Only members of the Religious Society of Friends will be eligible to be appointed as Members

10 2 The number of Members will be twenty four. The membership of the Members will consist of

10 2.1 seventeen Members appointed by Britain Yearly Meeting of the Religious Society of Friends, through Meeting for Sufferings, and

10 2 2 seven Members appointed as follows

Lincolnshire, Nottinghamshire and Derbyshire Area Meetings	1
General Meeting for Scotland	1
Quakers together in North Lancashire and South	1

10 3 In order to preserve continuity and at the same time to make provision for new Members to be appointed from time to time the Members referred to in 10 2 1 and 10 2 3 above will be appointed for a period of three years and will be eligible for re-appointment for a further three years. No Member who has served for a continuous period of six years (other than the Clerk) will be eligible for re-appointment until at least one year has elapsed. The Clerk will be entitled to serve for a maximum continuous period of nine years but will not then be eligible for re-appointment until at least one year has elapsed.

10 4 The Members may act notwithstanding any vacancy in their body Any casual vacancy occurring from time to time among appointed Members may be filled by the body responsible for the original appointment pursuant to Article 10.2.1 or Article 10.2.2 save that the person so appointed or elected will hold office during such time only as the Member in whose place he/she is appointed or elected would have held office if no vacancy had occurred.

10 5 The appointment of a person as a Member will cease automatically if

10 5 1 the Member becomes bankrupt or makes any arrangement or composition with his/her creditors generally;

10 5 2 the Member becomes a patient under the Mental Health Act 1983;

10 5.3 the Member resigns his/her position as Member by notice in writing to the Company,

10 5 4 a resolution to remove the Member is passed for good and sufficient reason at a general meeting of the Company, or

10.5.5 the body responsible for appointing the Member notifies the Company of its intention to remove that Member and appoint an alternative Member in his/her place.

11 GENERAL MEETINGS OF THE COMPANY

11.1 The Company will in each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year, and will specify the meeting as such in the notices calling it. Not more than fifteen months will elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting of the Company will be held at such time and place as the Directors will appoint.

11.2 All general meetings other than Annual General Meetings of the Company will be called Extraordinary General Meetings of the Company. The Directors may, whenever they think fit, convene an Extraordinary General Meeting of the Company. Under section 304 of the Act, Extraordinary General Meetings of the Company must be convened by the Directors on the requisition of Members made under section 303 of the Act, or, in default, may be convened by the Members themselves under section 305 of the Act.

12 NOTICE OF GENERAL MEETINGS OF THE COMPANY

12.1 An Annual General Meeting of the Company and/or a general meeting of the Company called for the passing of a special resolution will be called by at least twenty-eight days' notice in writing. The notice shall be given to all Members and to the Directors and auditors.

12.2 A meeting of the Company other than an Annual General Meeting or a meeting for the passing of an ordinary resolution will be called by at least fourteen days' notice in writing.

12.3 The notice under Article 12.1 or Article 12.2 will be exclusive of the day on which it is served, and of the day for which it is given, and will specify the place, the day and the hour of the meeting and, in case of special business, the general nature of that business

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

13 PROCEEDINGS AT GENERAL MEETINGS

13.1 The Members will annually elect from their number a Clerk and a Deputy Clerk. All business will be deemed special that is transacted at an Extraordinary General Meeting of the Company, and also all that is transacted at an Annual General Meeting of the Company, with the exception of

13.1.1 the consideration of the accounts, balance sheets and the reports of the Directors and auditors, and

13.1.2 the ratification of appointment of Directors in the place of those retiring

13.2 No business will be transacted at any general meeting of the Company unless a quorum of Members is present at the time when the meeting proceeds to business. Save as is otherwise provided by these Articles, six Members present in person will be a quorum.

13.3 If within half an hour from the time appointed for the general meeting of the Company a quorum is not present, the general meeting

13.3.1 if convened upon the requisition of the Members, will be dissolved; and

13.3.2 in any other case will 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 Members present may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present will be a quorum

13 4 If at any meeting the Clerk is not present within five minutes after the time appointed for holding the meeting the Deputy Clerk will be Clerk for the meeting. If neither the Clerk nor the Deputy Clerk are present within five minutes of the time appointed for the holding of the meeting the Members present will elect one of their number to be Clerk for that meeting.

13 5 The Clerk may, with the consent of any meeting at which a quorum is present (and will if so directed by the meeting) adjourn the meeting from time to time and from place to place but no business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place When a meeting is adjourned for thirty days or more, notice of the adjourned meeting will be given as in the case of an original meeting Save as set out in this Article 13 5 it will not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting

13 6 At any general meeting of the Company a resolution submitted to the meeting will be put to the meeting by the Clerk and his/her decision as to the wishes or the sense of the meeting will be conclusive unless on his/her giving his/her decision it shall be challenged by not less than three of the Members present at the meeting In normal circumstances the meeting will observe the current practice of the Religious Society of Friends whereby a minute is drawn up in the presence of the meeting once the sense of the meeting is clear. Every resolution submitted to a meeting on which the decision of the Clerk as to the wishes or sense of the meeting shall be challenged as set out above shall be put to the vote of the meeting or shall

be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded

13.6 1 by the Clerk; or

13.6 2 by at least three Members present, or

13.6 3 by a Member or Members present in person and representing one tenth of the total voting rights of all the Members having the right to vote at the meeting

13.7 Unless a poll is demanded, a declaration by the Clerk that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of proceedings of the Company will be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against each resolution. The demand for a poll may be withdrawn

13.8 Except as provided in Article 13.10, if a poll is demanded it will be taken in such manner as the Clerk directs, and the result of the poll will be deemed to be the resolution of the meeting at which the poll was demanded.

13.9 Every Member will have one vote

13.10 In the case of an equality of votes, whether on a show of hands or on a poll, the Clerk of the meeting at which the show of hands takes place or at which the poll is demanded, will be entitled to a second or casting vote

13.11 A poll demanded on the election of a Clerk, or on a question of adjournment, will be taken immediately. A poll demanded on any other question will be taken at such time as the Clerk of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

13.12 The following applies in respect of written resolutions of Members:

13.12.1 subject to Article 13.12.2, a written resolution of Members passed in accordance with Part 13 of the Act is as valid and effectual as a resolution passed at a general meeting of the Company,

13.12.2 the following may not be passed as a written resolution and may only be passed at general meetings:

- a resolution under section 168 of the Act for the removal of a Director before the expiration of his period of office; and
- a resolution under section 510 of the Act for the removal of an auditor before the expiration of his period of office,

13.12.3 subject to Article 13.1, on a written resolution, each Member has one vote.

14 NOMINATIONS COMMITTEE

14.1 The Members will appoint three of their number to serve on the Nominations Committee.

14.2 The Directors will appoint three of their number to serve on the Nominations Committee

14.3 The function of the Nominations Committee will be to:

14.3.1 provide to the Members for their ratification (at Annual General Meetings) recommendations of individuals who the Nominations Committee considers to be suitable to serve as Directors;

14.3.2 provide the recommendations for individuals who the Nominations Committee considers suitable for other roles as requested by Directors and/or Members.

14.4 Each Member of the Nominations Committee has one vote

15 DIRECTORS

15.1 Subject to the provisions of the Articles, Members will be entitled to be appointed as Directors of the Company

15.2 As far as possible, all Directors should reside within easy travelling distance of the Company's head office

15.3 The Members will be responsible for appointing Directors and they will be entitled to appoint Friends and non-Friends as Directors. The maximum number of Directors will be eleven and the minimum number of Directors will be three, save that there must always be more Friends Directors than non-Friends Directors (and one of the Directors must be the Clerk). Directors' appointments will be made at general meetings of the Company or under article 15.4.

15.4 Any casual vacancy occurring from time to time among appointed Directors may be filled by the Nominations Committee appointing a Director subject to the terms of these Articles, save that

15.4.1 any appointment made according to this Article 15.4 must be ratified by the Members at the next Annual General Meeting, and

15.4.2 in any case the person so appointed will hold office during such time only as the Director in whose place he/she is appointed or elected would have held office if no vacancy had occurred

15.5 Subject to the provisions of Article 15.6 the following applies in respect of appointment and re-appointment of any person as a Director:

15.5.1 no Director (other than the Directors' Chairman or Clerk), whether appointed before or after the adoption of these Articles, who has served for a continuous period of eight years will be eligible for re-appointment until at least one year has elapsed,

- 15 5 2 any Director will (subject to Article 15 5 1) be appointed for a period of four years and will be eligible for re-appointment for a further four years;
- 15 5 3 no Directors' Chairman, whether appointed before or after the adoption of these Articles, who has served for a continuous period of twelve years will be eligible for re-appointment until at least one year has elapsed,
- 15 5 4 any Directors' Chairman will (subject to Article 15 5.3) be appointed for a period of four years, will be eligible for re-appointment for a further four years and will then be eligible for re-appointment for a further four years;
- 15 5 5 no Clerk, whether appointed before or after the adoption of these Articles, who has served for a continuous period of nine years will be eligible for re-appointment until at least one year has elapsed;
- 15 5 6 any Clerk will (subject to Article 15 5 5) be appointed for a period of four years, will be eligible for re-appointment for a further four years and will then be eligible for re-appointment for a further one year
- 15 6 The appointment of a person as a Director will cease automatically if:
- 15 6 1 the Director becomes bankrupt or makes any arrangement or composition with his/her creditors generally;
- 15 6 2 the Director becomes a patient under the Mental Health Act 1983,
- 15 6 3 the Director resigns his/her position as Director by notice in writing to the Company;
- 15 6.4 a resolution to remove the Director is passed for good and sufficient reason at a general meeting of the Company;

15.6.5 any appointment made under Article 15.4 is not ratified under Article 15.4.1,

15.6.6 an expiry of the time period referred to in Article 15.4.2 ; or

15.6.7 any Director who is also the Clerk ceases to be the Clerk for any reason

16 POWERS OF DIRECTORS

16.1 The general control, direction and conduct of the Company's business will be vested in the Directors who, in addition to the powers and authorities by these Articles expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company which are not by these Articles or by statute expressly directed or required to be exercised or done in general meeting of the Company.

16.2 Without prejudice to the general powers conferred by Article 16.1 the Directors will additionally have the following powers

16.2.1 To purchase, take on lease, or otherwise acquire and to sell, mortgage, lease or otherwise dispose of or deal with any land, real estate, or other property, rights, or privileges which the Company is authorised to acquire, dispose of, or deal with, at such price and generally on such terms and conditions as they may think fit,

16.2.2 At their discretion to pay for any such land, real estate or other property or rights acquired by or services rendered to the Company, either wholly or partially in cash, or in bonds, debentures, or other securities of the Company;

16.2.3 To borrow money, and to mortgage or charge the undertaking and property of the Company, 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 other charitable body,

- 16.2.4 To appoint and, at their discretion, remove or suspend as they may from time to time think fit, and invest with such powers as they may think expedient and determine the duties and fix the salaries or emoluments of the Chief Executive Officer and, other senior members of staff,
- 16.2.5 To appoint committees the composition of which will consist of at least one Director and the chairmanship of which will always vest in a Director, and to entrust to them the management or control of particular aspects or departments of the Company's business, or such other matters as the Directors think fit, save that any committee so appointed will report back to the Directors on its activities as soon as reasonably practicable;
- 16.2.6 To appoint any person or company to accept and hold on trust for the Company any property belonging to the Company or in which it is interested, and to execute and do all such deeds and things as are from time to time required to vest such property in such person or company,
- 16.2.7 To institute, conduct, defend, compound or abandon any legal proceedings by and against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any claims or demands by or against the Company to arbitration, and observe and perform the awards,
- 16.2.8 To give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company,

and to act on behalf of the Company in all matters relating to bankrupts and insolvents,

16 2.9 Subject as provided by these Articles, to invest any of the money of the Company not immediately required for expenditure upon such securities and in such manner as they may think fit, and from time to time to vary or realise such investments,

16 2.10 To make such arrangements as they will think fit with the trustees or managers of any other funds which are devoted to objects wholly or broadly similar to those of the Company for the taking over, managing or otherwise dealing with such funds,

16 2 11 From time to time to make, vary and repeal by-laws for the regulation of the business of the Company, its officers and servants, provided always that no such by-law will amount to such an alteration of or addition to the Articles as may only validly be effected by special resolution; and

16 2 12 To enter into all such negotiations and contracts, and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters set out in these Articles or otherwise for the purposes of the Company

16 3 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company will be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors will from time to time by resolution determine

16.4 The Directors will cause minutes to be made in books provided for the purpose

16 4 1 of all appointments of officers made by the Directors;

16 4 2 of the names of the Directors present at each meeting of the Directors and of any committee of the Directors, and

16 4 3 of all resolutions and proceedings at all meetings of the Company, and of the Directors, and of committees of Directors and every Director present at any meeting of Directors or committee of Directors will sign his/her name in a book to be kept for that purpose

16.5 Under section 177 of the Act

16 5.1 unless the exceptions under sections 177(5) or (6) of the Act apply, if a Director is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company, he or she must declare the nature and extent of his interest to the other Directors;

16 5 2 if the declaration of interest proves to be, or becomes, inaccurate or incomplete, a further declaration must be made under section 177 of the Act, and

16 5 3 any such declaration must be made before the Company enters into the transaction or arrangement

16.6 Under section 182 of the Act

16 6 1 unless to exceptions under section 182(5) or (6) of the Act apply, if a director is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company, he or she must declare the nature and extent of the interest to the other Directors as soon as reasonably practicable, and

16 6 2 if any such declaration proves to be, or becomes inaccurate or incomplete, a further declaration must be made as soon as reasonably practicable.

16.7 Any Director that has declared an interest under Article 16.4 or Article 16.5 in a manner required by the Act, will not take part at any meeting of the Directors at which such contract is to be discussed or considered for ratification or rejection.

17 PROCEEDINGS OF DIRECTORS AND DIRECTORS' CHAIRMAN

17.1 The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit, save that the Directors will meet at least four times each year.

17.2 Questions arising at any meeting will be put to the meeting by the Directors' Chairman and his/her decision as to the wishes or the sense of the meeting will be conclusive unless on his/her giving his/her decision it shall be challenged by not less than three of the Directors present at the meeting. Every question submitted to a meeting on which the decision of the Directors' Chairman as to the wishes or sense of the meeting has been challenged will be determined by the majority of votes of the Directors present. In the case of equality of votes the Directors' Chairman will have a casting vote whether he/she has or has not voted previously on the same question but no Director will in any other circumstances give more than one vote.

17.3 A majority of Directors may, and the Secretary on the requisition of a majority of the Directors, will, at any time summon a meeting of the Directors.

17.4 It will not be necessary to give notice of a meeting of Directors to any Director for the time being absent from the United Kingdom.

17.5 Unless otherwise determined by the Directors, three Directors will be a quorum.

- 17.6 The Directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of summoning a general meeting of the Company but for no other purpose
- 17.7 The Directors will annually elect from their Friends number a Directors' Chairman and Deputy Directors' Chairman. If at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting the Deputy Directors' Chairman will be the Chairman for that meeting. If neither the Directors' Chairman nor the Deputy Directors' Chairman are present within five minutes of the time appointed for the holding of the meeting, the Directors present may choose one of their number to be Directors' Chairman of the meeting who need not be, but may be, a Friend
- 17.8 Without prejudice to their powers under Article 16.2.5 the Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. A committee formed pursuant to this Article or to Article 16.2.5 will in the exercise of its powers, conform to any regulations that may be imposed on it by the Directors. Such committee will elect a chairman of its meetings; but if at any meeting such chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting
- 17.9 A committee may meet and adjourn as it thinks proper. Questions arising at any meeting will be determined in accordance with the provisions of Article 17.1
- 17.10 All acts done at any meeting of the Directors or of a committee of Directors, or by any person acting as a Director will, notwithstanding that it is discovered afterwards that there was some defect in the appointment of

such Directors or persons acting as a Director, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director

17 11 A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors will be as valid and effective as if it had been passed at a meeting of the Directors duly convened and held.

18 SECRETARY

A Secretary will be appointed by the Directors for such term as the Directors think fit. Any Secretary so appointed may be removed by the Directors.

19 AUDIT

Auditors will be appointed by the Directors and their duties regulated in accordance with the Act

20 ANNUAL REPORT

The Directors (in their capacity as trustees) shall comply with their obligations under the Charities Act 1993 with regard to the preparation of an annual report and its transmission to the Charity Commissioners

21 ANNUAL RETURN

The Directors (in their capacity as trustees) shall comply with their obligations under the Charities Act 1993 with regard to the preparation of an annual return and its transmission to the Charity Commissioners

22 INDEMNITY

Subject to the provisions of the Act every Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any

liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour or in which he/she is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

23 NOTICES

A notice may be given by the Company to any Member or Director either personally or by sending it by post to him/her or to his/her registered address or (if he/she has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him/her to the Company for the giving of notice. Where a notice is sent by post, service will be deemed to be effective by properly addressing, prepaying and posting a letter containing the notice, and to have been effected at the expiration of 48 hours after the letter containing the notice is posted.

COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

of

THE RETREAT YORK

(Adopted by special resolution passed at the general meeting of the Company held on
the . day of 2010)

1 INTERPRETATION

In these Articles

1.1 the following words will have the following meanings -

"Act" means the Companies Act 2006

"Clerk" means the person appointed as the clerk (that is also deemed to be appointed chairman of the Members)

"Deputy Clerk" means the person appointed as the deputy clerk that is also deemed to be appointed deputy chairman of the Members

"Deputy Directors' Chairman" means the deputy chairman of the Directors

"Directors" means the trustees of the Company

"Directors' Chairman" means the chairman of the Directors.

"Friends" means members of the Religious Society of Friends commonly called Quakers

"Members" means the members of the Company appointed from time to time in accordance with the Articles

"Secretary" means any person appointed to perform the duties of the Secretary of the Company

"United Kingdom" means Great Britain and Northern Ireland

1.2 Unless the context otherwise requires, words or expressions contained in these Articles will bear the same meaning as in the Act or any statutory modification re-enactment or replacement of it in force from time to time

1.3 Any reference to any legislation includes its sub-ordinate legislation. It also includes that legislation (and its sub-ordinate legislation) as modified, re-enacted or replaced

2 COMPANY NAME

The name of the Company is "The Retreat York"

3 REGISTERED OFFICE

The registered office of the Company will be situated in England.

4 OBJECTS

The objects ("Objects") for which the Company is established are:

The relief of persons suffering from mental illness (including, but without limitation, persons who are members of the Religious Society of Friends) by such charitable means as the Directors from time to time determine including the provision of a hospital, of mental health services and by undertaking related activities provided that such facilities, services and activities will be conducted in accordance with the principles of the Religious Society of Friends

5 POWERS

In furtherance of the Objects but not further or otherwise the Company will have the following powers (provided that in case the Company will take or hold any

property subject to the jurisdiction of the Charity Commissioners for England and Wales, the Company will not sell, mortgage, charge or lease the same without such authority, approval or consent as may be required by law)

- 5.1 To acquire the premises (described in the schedule to a conveyance to be executed between Friends Trusts Limited of the first part and the Company of the other part) and the undertakings and other assets of the unincorporated charitable association known as The Retreat, York and to carry on and conduct that hospital
- 5.2 To purchase, take on lease, or in exchange, hire or otherwise acquire or hold any real or personal property, and any rights or privileges for the promotion of its Objects or any of them.
- 5.3 Subject as provided by Article 6, to establish and support or aid in the establishment and support of charitable associations or institutions connected with the purposes of the Company or to further its Objects
- 5.4 To undertake and execute any charitable trusts which may lawfully be undertaken by the Company in furtherance of its Objects
- 5.5 To invest the money of the Company not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject to the provisions of the Articles.
- 5.6 Subject to section 38 of the Charities Act 1993, to mortgage or charge all or any of the property of the Company for the purpose of securing, or further securing, any mortgage debt or debts now or in the future charged upon any property of the Company, with a view to the furtherance of its Objects.
- 5.7 Subject to section 36 of the Charities Act 1993, to sell, improve, manage, develop, lease, dispose of, turn to account, or otherwise deal with all or any part of the property and rights of the Company with a view to the promotion of its Objects

- 5.8 To borrow or raise money for the purpose of the Company upon such terms and upon such security as may be deemed expedient.
- 5 9 Subject to Article 6 below to employ such staff, who will not be trustees of the Company, as are necessary for the proper pursuit of the Objects and to make all reasonable and necessary provision for the payment of pensions and superannuation to staff and their dependants
- 5 10 To provide indemnity insurance to cover the liability of the Directors
- 5.10 1 which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust, or breach of duty of which they may be guilty in relation to the Company,
- 5 10 2 to make contributions to the assets of the Company in accordance with the provisions of section 214 of the Insolvency Act 1986
- 5 11 Any such insurance in the case of Article 5 10 shall not extend to.
- 5.11 1 any liability resulting from conduct which the Directors knew, or must be assumed to have known, was not in the best interests of the Company, or which the Directors did not care whether it was in the best interest of the Company or not,
- 5 11.2 any liability to pay the costs of unsuccessfully defending criminal prosecutions for offences arising out of the fraud or dishonesty of wilful or reckless misconduct of the Directors; and
- 5 11 3 any liability to pay a fine
- 5 12 Any insurance in the case of Article 5 10 2 shall not extend to any liability to make such a contribution where the basis of the Director's liability is his knowledge prior to the insolvent liquidation of that company (or reckless failure to acquire that knowledge) that there was no reasonable prospect that the company would avoid going into insolvent liquidation.

5 13 To do all such other things as are incidental or conducive to the attainment of the Objects

6 COMPANY'S INCOME AND PROPERTY

The income and property of the Company will be applied solely towards the promotion of the Objects as set out in this Memorandum and in accordance with the Articles of Association. No portion of that income and property will be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit, to Members of the Company. No Director will be appointed to any office of the Company paid by salary or fees, or receive any remuneration or other benefit in money or money's worth from the Company, save that the Company will not be prevented from making payment in good faith

6 1 of the usual professional charges for business done by any Director who is a solicitor, accountant or other person engaged in a profession, or by any partner of his or hers, when instructed by the Company to act in a professional capacity on its behalf, save that at no time will a majority of the Directors benefit under this provision and that a Director will withdraw from any meeting at which his or her appointment or remuneration, or that of his or her partner, is under discussion,

6 2 of reasonable and proper remuneration to any Member, officer or servant of the Company who is not a Director for any services rendered to the Company,

6 3 of interest at a rate not exceeding 2 per cent less than the published base lending rate of a clearing bank to be selected by the Directors on money lent or reasonable and proper rent for premises demised or let by any Member or Director of the Company;

6.4 to any Director or Member for reasonable out of pocket expenses; and

- 6.5 of fees, remuneration or other benefit in money or money's worth to a company of which a Director holds not more than a 1/100th part of the issued share capital of such company; and
- 6.6 of any premium in respect of any indemnity insurance to cover the liability of the Directors which, by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Company: Provided that any such insurance shall not extend to any claim arising from liability resulting from conduct which the Directors knew, or must be assumed to have known, was not in the best interests of the Company, or which the Directors did not care whether it was in the best interest of the Company or not and provided also that any such insurance shall not extend to any claim arising from liability for the costs of unsuccessfully defending criminal prosecutions for offences arising out of the fraud or dishonesty or wilful or reckless misconduct of the Directors.

7 MEMBER'S LIABILITY AND CONTRIBUTION

- 7.1 The liability of the Members is limited
- 7.2 Every Member undertakes to contribute to the assets of the Company, in the event of it being wound up during the time that he/she is a Member, or within one year afterwards, for payment of the debts and liabilities of the Company contracted before the time at which he/she ceases to be a Member, and of the costs, charges and expenses of winding-up the same, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding £1

8 ACCOUNTS

- 8.1 The Directors will cause proper books of accounts to be kept with respect to

- 8.1.1 all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
 - 8.1.2 all sales and purchases of goods by the Company, and
 - 8.1.3 the assets and liabilities of the Company
- 8.2 Proper books of accounts will not be deemed to be kept if there are not kept such books of accounts as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.
- 8.3 The books of accounts will be kept at the registered office of the Company or, subject to the provisions of the Act, at such other place or places as the Directors think fit, and will always be open to the inspection of the Directors
- 8.4 The Directors will from time to time in accordance with the Act cause to be prepared and to be laid before the Company in Annual General Meeting of the Company such profit and loss accounts, balance sheets and reports as are referred to in the Act
- 8.5 A copy of every balance sheet (including every document required by law to be annexed to it) which is to be laid before the Company in general meeting of the Company, together with a copy of the auditors' report, will not less than twenty one days before the date of the general meeting of the Company be sent to every Member
- 8.6 With prejudice to Articles 8.1 to 8.5:
 - 8.6.1 true accounts will be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place, and of the property, credits and liabilities of the Company,

8 6 2 subject to any reasonable restrictions as to the time and manner of inspecting the accounts that may be imposed in accordance with the regulations of the Company for the time being, the accounts will be open to the inspection of the Members, and

8 6 3 once at least in every year the accounts of the Company will be examined and the correctness of the balance sheet ascertained by the auditors

9 DISSOLUTIONS

If upon the winding-up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members, but will be given or transferred to Meeting for Sufferings of the Religious Society of Friends for such charitable object or objects as Meeting for Sufferings shall decide

10 MEMBERS AND CLERK

10 1 Only members of the Religious Society of Friends will be eligible to be appointed as Members

10 2 The number of Members will be twenty four The membership of the Members will consist of:

10 2.1 seventeen Members appointed by Britain Yearly Meeting of the Religious Society of Friends, through Meeting for Sufferings, and

10.2 2 seven Members appointed as follows:

Lincolnshire, Nottinghamshire and Derbyshire Area Meetings	1
General Meeting for Scotland	1
Quakers together in North Lancashire and South	1

10 3 In order to preserve continuity and at the same time to make provision for new Members to be appointed from time to time the Members referred to in 10 2 1 and 10 2 3 above will be appointed for a period of three years and will be eligible for re-appointment for a further three years. No Member who has served for a continuous period of six years (other than the Clerk) will be eligible for re-appointment until at least one year has elapsed The Clerk will be entitled to serve for a maximum continuous period of nine years but will not then be eligible for re-appointment until at least one year has elapsed

10 4 The Members may act notwithstanding any vacancy in their body Any casual vacancy occurring from time to time among appointed Members may be filled by the body responsible for the original appointment pursuant to Article 10 2 1 or Article 10.2.2 save that the person so appointed or elected will hold office during such time only as the Member in whose place he/she is appointed or elected would have held office if no vacancy had occurred

10 5 The appointment of a person as a Member will cease automatically if.

10 5.1 the Member becomes bankrupt or makes any arrangement or composition with his/her creditors generally,

10 5 2 the Member becomes a patient under the Mental Health Act 1983;

10.5 3 the Member resigns his/her position as Member by notice in writing to the Company,

10 5 4 a resolution to remove the Member is passed for good and sufficient reason at a general meeting of the Company, or

10.5.5 the body responsible for appointing the Member notifies the Company of its intention to remove that Member and appoint an alternative Member in his/her place

11 GENERAL MEETINGS OF THE COMPANY

11.1 The Company will in each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year, and will specify the meeting as such in the notices calling it. Not more than fifteen months will elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting of the Company will be held at such time and place as the Directors will appoint.

11.2 All general meetings other than Annual General Meetings of the Company will be called Extraordinary General Meetings of the Company. The Directors may, whenever they think fit, convene an Extraordinary General Meeting of the Company. Under section 304 of the Act, Extraordinary General Meetings of the Company must be convened by the Directors on the requisition of Members made under section 303 of the Act, or, in default, may be convened by the Members themselves under section 305 of the Act.

12 NOTICE OF GENERAL MEETINGS OF THE COMPANY

12.1 An Annual General Meeting of the Company and/or a general meeting of the Company called for the passing of a special resolution will be called by at least twenty eight days' notice in writing. The notice shall be given to all Members and to the Directors and auditors.

12.2 A meeting of the Company other than an Annual General Meeting or a meeting for the passing of an ordinary resolution will be called by at least fourteen days' notice in writing.

12.3 The notice under Article 12.1 or Article 12.2 will be exclusive of the day on which it is served, and of the day for which it is given, and will specify the place, the day and the hour of the meeting and, in case of special business, the general nature of that business

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

13 PROCEEDINGS AT GENERAL MEETINGS

13.1 The Members will annually elect from their number a Clerk and a Deputy Clerk. All business will be deemed special that is transacted at an Extraordinary General Meeting of the Company, and also all that is transacted at an Annual General Meeting of the Company, with the exception of

13.1.1 the consideration of the accounts, balance sheets and the reports of the Directors and auditors, and

13.1.2 the ratification of appointment of Directors in the place of those retiring

13.2 No business will be transacted at any general meeting of the Company unless a quorum of Members is present at the time when the meeting proceeds to business. Save as is otherwise provided by these Articles, six Members present in person will be a quorum.

13.3 If within half an hour from the time appointed for the general meeting of the Company a quorum is not present, the general meeting:

13.3.1 if convened upon the requisition of the Members, will be dissolved, and

13.3.2 in any other case will 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 Members present may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present will be a quorum.

13 4 If at any meeting the Clerk is not present within five minutes after the time appointed for holding the meeting the Deputy Clerk will be Clerk for the meeting If neither the Clerk nor the Deputy Clerk are present within five minutes of the time appointed for the holding of the meeting the Members present will elect one of their number to be Clerk for that meeting

13 5 The Clerk may, with the consent of any meeting at which a quorum is present (and will if so directed by the meeting) adjourn the meeting from time to time and from place to place but no business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place When a meeting is adjourned for thirty days or more, notice of the adjourned meeting will be given as in the case of an original meeting. Save as set out in this Article 13 5 it will not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting

13 6 At any general meeting of the Company a resolution submitted to the meeting will be put to the meeting by the Clerk and his/her decision as to the wishes or the sense of the meeting will be conclusive unless on his/her giving his/her decision it shall be challenged by not less than three of the Members present at the meeting In normal circumstances the meeting will observe the current practice of the Religious Society of Friends whereby a minute is drawn up in the presence of the meeting once the sense of the meeting is clear Every resolution submitted to a meeting on which the decision of the Clerk as to the wishes or sense of the meeting shall be challenged as set out above shall be put to the vote of the meeting or shall

be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded

13 6.1 by the Clerk; or

13 6.2 by at least three Members present, or

13 6.3 by a Member or Members present in person and representing one tenth of the total voting rights of all the Members having the right to vote at the meeting

13 7 Unless a poll is demanded, a declaration by the Clerk that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of proceedings of the Company will be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against each resolution The demand for a poll may be withdrawn

13 8 Except as provided in Article 13 10 , if a poll is demanded it will be taken in such manner as the Clerk directs, and the result of the poll will be deemed to be the resolution of the meeting at which the poll was demanded

13 9 Every Member will have one vote

13.10 In the case of an equality of votes, whether on a show of hands or on a poll, the Clerk of the meeting at which the show of hands takes place or at which the poll is demanded, will be entitled to a second or casting vote

13 11 A poll demanded on the election of a Clerk, or on a question of adjournment, will be taken immediately A poll demanded on any other question will be taken at such time as the Clerk of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll

13 12 The following applies in respect of written resolutions of Members:

13.12.1 subject to Article 13.12.2, a written resolution of Members passed in accordance with Part 13 of the Act is as valid and effectual as a resolution passed at a general meeting of the Company;

13.12.2 the following may not be passed as a written resolution and may only be passed at general meetings

- a resolution under section 168 of the Act for the removal of a Director before the expiration of his period of office, and
- a resolution under section 510 of the Act for the removal of an auditor before the expiration of his period of office,

13.12.3 subject to Article 13.1, on a written resolution, each Member has one vote.

14 NOMINATIONS COMMITTEE

14.1 The Members will appoint three of their number to serve on the Nominations Committee

14.2 The Directors will appoint three of their number to serve on the Nominations Committee

14.3 The function of the Nominations Committee will be to:

14.3.1 provide to the Members for their ratification (at Annual General Meetings) recommendations of individuals who the Nominations Committee considers to be suitable to serve as Directors,

14.3.2 provide the recommendations for individuals who the Nominations Committee considers suitable for other roles as requested by Directors and/or Members.

14.4 Each Member of the Nominations Committee has one vote

15 DIRECTORS

15.1 Subject to the provisions of the Articles, Members will be entitled to be appointed as Directors of the Company

15.2 As far as possible, all Directors should reside within easy travelling distance of the Company's head office

15.3 The Members will be responsible for appointing Directors and they will be entitled to appoint Friends and non-Friends as Directors. The maximum number of Directors will be eleven and the minimum number of Directors will be three, save that there must always be more Friends Directors than non-Friends Directors (and one of the Directors must be the Clerk). Directors' appointments will be made at general meetings of the Company or under article 15.4

15.4 Any casual vacancy occurring from time to time among appointed Directors may be filled by the Nominations Committee appointing a Director subject to the terms of these Articles, save that.

15.4.1 any appointment made according to this Article 15.4 must be ratified by the Members at the next Annual General Meeting, and

15.4.2 in any case the person so appointed will hold office during such time only as the Director in whose place he/she is appointed or elected would have held office if no vacancy had occurred

15.5 Subject to the provisions of Article 15.6 the following applies in respect of appointment and re-appointment of any person as a Director:

15.5.1 no Director (other than the Directors' Chairman or Clerk), whether appointed before or after the adoption of these Articles, who has served for a continuous period of eight years will be eligible for re-appointment until at least one year has elapsed,

- 15.5.2 any Director will (subject to Article 15.5.1) be appointed for a period of four years and will be eligible for re-appointment for a further four years,
- 15.5.3 no Directors' Chairman, whether appointed before or after the adoption of these Articles, who has served for a continuous period of twelve years will be eligible for re-appointment until at least one year has elapsed,
- 15.5.4 any Directors' Chairman will (subject to Article 15.5.3) be appointed for a period of four years, will be eligible for re-appointment for a further four years and will then be eligible for re-appointment for a further four years;
- 15.5.5 no Clerk, whether appointed before or after the adoption of these Articles, who has served for a continuous period of nine years will be eligible for re-appointment until at least one year has elapsed,
- 15.5.6 any Clerk will (subject to Article 15.5.5) be appointed for a period of four years, will be eligible for re-appointment for a further four years and will then be eligible for re-appointment for a further one year
- 15.6 The appointment of a person as a Director will cease automatically if.
- 15.6.1 the Director becomes bankrupt or makes any arrangement or composition with his/her creditors generally,
- 15.6.2 the Director becomes a patient under the Mental Health Act 1983;
- 15.6.3 the Director resigns his/her position as Director by notice in writing to the Company,
- 15.6.4 a resolution to remove the Director is passed for good and sufficient reason at a general meeting of the Company,

15.6.5 any appointment made under Article 15.4 is not ratified under Article 15.4.1;

15.6.6 an expiry of the time period referred to in Article 15.4.2, or

15.6.7 any Director who is also the Clerk ceases to be the Clerk for any reason

16 POWERS OF DIRECTORS

16.1 The general control, direction and conduct of the Company's business will be vested in the Directors who, in addition to the powers and authorities by these Articles expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company which are not by these Articles or by statute expressly directed or required to be exercised or done in general meeting of the Company.

16.2 Without prejudice to the general powers conferred by Article 16.1 the Directors will additionally have the following powers:

16.2.1 To purchase, take on lease, or otherwise acquire and to sell, mortgage, lease or otherwise dispose of or deal with any land, real estate, or other property, rights, or privileges which the Company is authorised to acquire, dispose of, or deal with, at such price and generally on such terms and conditions as they may think fit;

16.2.2 At their discretion to pay for any such land, real estate or other property or rights acquired by or services rendered to the Company, either wholly or partially in cash, or in bonds, debentures, or other securities of the Company;

16.2.3 To borrow money, and to mortgage or charge the undertaking and property of the Company, 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 other charitable body,

- 16 2 4 To appoint and, at their discretion, remove or suspend as they may from time to time think fit, and invest with such powers as they may think expedient and determine the duties and fix the salaries or emoluments of the Chief Executive Officer and, other senior members of staff,
- 16 2 5 To appoint committees the composition of which will consist of at least one Director and the chairmanship of which will always vest in a Director, and to entrust to them the management or control of particular aspects or departments of the Company's business, or such other matters as the Directors think fit, save that any committee so appointed will report back to the Directors on its activities as soon as reasonably practicable,
- 16 2 6 To appoint any person or company to accept and hold on trust for the Company any property belonging to the Company or in which it is interested, and to execute and do all such deeds and things as are from time to time required to vest such property in such person or company,
- 16 2 7 To institute, conduct, defend, compound or abandon any legal proceedings by and against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any claims or demands by or against the Company to arbitration, and observe and perform the awards,
- 16 2 8 To give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company,

and to act on behalf of the Company in all matters relating to bankrupts and insolvents,

16 2.9 Subject as provided by these Articles, to invest any of the money of the Company not immediately required for expenditure upon such securities and in such manner as they may think fit, and from time to time to vary or realise such investments,

16 2.10 To make such arrangements as they will think fit with the trustees or managers of any other funds which are devoted to objects wholly or broadly similar to those of the Company for the taking over, managing or otherwise dealing with such funds,

16 2 11 From time to time to make, vary and repeal by-laws for the regulation of the business of the Company, its officers and servants, provided always that no such by-law will amount to such an alteration of or addition to the Articles as may only validly be effected by special resolution, and

16 2 12 To enter into all such negotiations and contracts, and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters set out in these Articles or otherwise for the purposes of the Company.

16 3 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company will be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors will from time to time by resolution determine

16.4 The Directors will cause minutes to be made in books provided for the purpose

16 4 1 of all appointments of officers made by the Directors,

16.4.2 of the names of the Directors present at each meeting of the Directors and of any committee of the Directors, and

16.4.3 of all resolutions and proceedings at all meetings of the Company, and of the Directors, and of committees of Directors and every Director present at any meeting of Directors or committee of Directors will sign his/her name in a book to be kept for that purpose

16.5 Under section 177 of the Act:

16.5.1 unless the exceptions under sections 177(5) or (6) of the Act apply, if a Director is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company, he or she must declare the nature and extent of his interest to the other Directors,

16.5.2 if the declaration of interest proves to be, or becomes, inaccurate or incomplete, a further declaration must be made under section 177 of the Act, and

16.5.3 any such declaration must be made before the Company enters into the transaction or arrangement.

16.6 Under section 182 of the Act

16.6.1 unless to exceptions under section 182(5) or (6) of the Act apply, if a director is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company, he or she must declare the nature and extent of the interest to the other Directors as soon as reasonably practicable, and

16.6.2 if any such declaration proves to be, or becomes inaccurate or incomplete, a further declaration must be made as soon as reasonably practicable

16 7 Any Director that has declared an interest under Article 16 4 or Article 16 5 in a manner required by the Act, will not take part at any meeting of the Directors at which such contract is to be discussed or considered for ratification or rejection

17 PROCEEDINGS OF DIRECTORS AND DIRECTORS' CHAIRMAN

17 1 The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit, save that the Directors will meet at least four times each year

17 2 Questions arising at any meeting will be put to the meeting by the Directors' Chairman and his/her decision as to the wishes or the sense of the meeting will be conclusive unless on his/her giving his/her decision it shall be challenged by not less than three of the Directors present at the meeting. Every question submitted to a meeting on which the decision of the Directors' Chairman as to the wishes or sense of the meeting has been challenged will be determined by the majority of votes of the Directors present. In the case of equality of votes the Directors' Chairman will have a casting vote whether he/she has or has not voted previously on the same question but no Director will in any other circumstances give more than one vote

17 3 A majority of Directors may, and the Secretary on the requisition of a majority of the Directors, will, at any time summon a meeting of the Directors.

17 4 It will not be necessary to give notice of a meeting of Directors to any Director for the time being absent from the United Kingdom

17 5 Unless otherwise determined by the Directors, three Directors will be a quorum

- 17.6 The Directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of summoning a general meeting of the Company but for no other purpose
- 17.7 The Directors will annually elect from their Friends number a Directors' Chairman and Deputy Directors' Chairman. If at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting the Deputy Directors' Chairman will be the Chairman for that meeting. If neither the Directors' Chairman nor the Deputy Directors' Chairman are present within five minutes of the time appointed for the holding of the meeting, the Directors present may choose one of their number to be Directors' Chairman of the meeting who need not be, but may be, a Friend
- 17.8 Without prejudice to their powers under Article 16.2.5 the Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. A committee formed pursuant to this Article or to Article 16.2.5 will in the exercise of its powers, conform to any regulations that may be imposed on it by the Directors. Such committee will elect a chairman of its meetings; but if at any meeting such chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting
- 17.9 A committee may meet and adjourn as it thinks proper. Questions arising at any meeting will be determined in accordance with the provisions of Article 17.1.
- 17.10 All acts done at any meeting of the Directors or of a committee of Directors, or by any person acting as a Director will, notwithstanding that it is discovered afterwards that there was some defect in the appointment of

such Directors or persons acting as a Director, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director

17 11 A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors will be as valid and effective as if it had been passed at a meeting of the Directors duly convened and held

18 SECRETARY

A Secretary will be appointed by the Directors for such term as the Directors think fit Any Secretary so appointed may be removed by the Directors

19 AUDIT

Auditors will be appointed by the Directors and their duties regulated in accordance with the Act

20 ANNUAL REPORT

The Directors (in their capacity as trustees) shall comply with their obligations under the Charities Act 1993 with regard to the preparation of an annual report and its transmission to the Charity Commissioners.

21 ANNUAL RETURN

The Directors (in their capacity as trustees) shall comply with their obligations under the Charities Act 1993 with regard to the preparation of an annual return and its transmission to the Charity Commissioners

22 INDEMNITY

Subject to the provisions of the Act every Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any

liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour or in which he/she is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company

23 NOTICES

A notice may be given by the Company to any Member or Director either personally or by sending it by post to him/her or to his/her registered address or (if he/she has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him/her to the Company for the giving of notice. Where a notice is sent by post, service will be deemed to be effective by properly addressing, prepaying and posting a letter containing the notice, and to have been effected at the expiration of 48 hours after the letter containing the notice is posted.