

The Companies Acts 1985 and 2006  
**PRIVATE COMPANY LIMITED BY SHARES**

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NAVIGO Health and Social Care CIC ("the Company")

Company Number 07458926

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The following resolution was duly passed as a special resolution on 13<sup>th</sup> July 2016 at a general meeting of the Company duly convened and held pursuant to the Companies Act 2006 and the Company's Articles of Association

**Special Resolution**

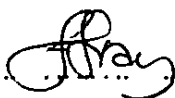
That the company's articles of association be amended as follows.

present article 81 is deleted and the new article 81 below is adopted.-

The Membership Board shall include the following designated positions:

- (a) Chief Executive
- (b) Directors (except those in a Non-Executive position)
- (c) Heads of Service
- (d) Four Staff Representatives
- (e) Four Community Representatives

Signed



**Julie Gray**

**Board Secretary**

Dated 13<sup>th</sup> July 2016



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22/07/2016  
COMPANIES HOUSE

#14

7458926



**THE COMPANIES ACT 2006**

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**ARTICLES OF ASSOCIATION**

**OF**

**NAVIGO HEALTH AND SOCIAL CARE CIC**

**(as amended by a special resolution passed on 13<sup>th</sup> July 2016)**

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**COMPANIES ACTS 2006**  
**COMMUNITY INTEREST COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**NAVIGO HEALTH AND SOCIAL CARE CIC**

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**PART 1**  
**INTERPRETATION AND LIMITATION OF LIABILITY**

**Defined Terms**

1 In the Articles, unless the context requires otherwise

<b>"Act"</b>	means the Companies Act 2006 as amended from time to time,
<b>"A Ordinary Share"</b>	means the one A Ordinary Share of £1 00 in the capital of the Company,
<b>"AGM"</b>	means the annual general meeting of the Company,
<b>"Articles"</b>	means the Company's articles of association;
<b>"Asset-locked body"</b>	means (i) a community interest company, a charity or a permitted industrial and provident society, or (ii) a body established outside the United Kingdom that is equivalent to any of those,
<b>"B Ordinary Shares"</b>	means the B ordinary shares of £1 00 each in the capital of the Company,
<b>"Bankruptcy"</b>	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy,
<b>"CIC Board"</b>	means the board of Directors of the Company,
<b>"Chair"</b>	has the meaning given in Article 38,
<b>"Chair of the Meeting"</b>	has the meaning given in Article 153,
<b>"Community Member"</b>	means a person who is appointed as a Member of the Company in accordance with Article 128 and is not a Shareholder,
<b>"Company"</b>	means NAVIGO Health and Social Care CIC,
<b>"Directors"</b>	means collectively the Executive Directors and the Non-Executive Directors who shall together be the directors of the Company, and <b>"Director"</b> means any one of them and includes any person occupying

	the position of director, by whatever name called,
<b>“Directors Resolution”</b>	means a resolution that is passed by a simple majority of Directors,
<b>“Distribution Recipient”</b>	has the meaning given in Article 115,
<b>“Document”</b>	includes, unless otherwise specified, any document sent or supplied in Electronic Form,
<b>“Electronic Form”</b>	has the meaning given in section 1168 of the Act,
<b>“Executive Directors”</b>	means collectively the persons appointed to the positions of Chief Executive, Finance Director and Medical Director and any other person designated by the Board as appropriate <b>“Executive Director”</b> means any one of them,
<b>“Fully Paid”</b>	in relation to a Share, means that the nominal value and any premium to be Paid to the Company in respect of that Share have been Paid to the Company;
<b>“GP Provider”</b>	means a GP provider as defined in regulation A2 of the National Health Service Pension Scheme Regulations 1995 (as may be amended or re-enacted) and who is not an employee of the Company but is engaged by the Company to provide medical services to the Company,
<b>“Hard Copy Form”</b>	has the meaning given in section 1168 of the Act,
<b>“Holder”</b>	in relation to Shares means the person whose name is entered in the register of Members as the Holder of the Shares,
<b>“Instrument”</b>	means a Document in Hard Copy Form,
<b>“Interest Declaration”</b>	means a written declaration by a Director of an actual or a potential conflict of interest in the form approved from time to time by the CIC Board;
<b>“Members”</b>	means collectively the Shareholders and Community Members,
<b>“Members Resolution”</b>	means a resolution that is passed by a simple majority of Members,
<b>“Membership Board”</b>	means the committee of the CIC Board to which the CIC Board has delegated responsibility for the day to day running of the service and other operational matters contained within its terms of reference It is the committee that is responsible for ensuring Members and partners are involved in the running of the Company,

<b>"Membership Board Members"</b>	means those persons appointed to the Membership Board,
<b>"Non-Executive Director"</b>	means any Director who is not an Executive Director,
<b>"Ordinary Resolution"</b>	means a resolution that is passed by a simple majority of the Shareholders,
<b>"Paid"</b>	means paid or credited as paid,
<b>"Participate"</b>	in relation to a Directors' meeting, has the meaning given in Article 31,
<b>"Proxy Notice"</b>	has the meaning given in Article 174,
<b>"Regulations"</b>	means the Community Interest Company Regulations 2005 (as amended from time to time),
<b>"Regulator"</b>	means the Regulator of Community Interest Companies,
<b>"Shareholder"</b>	means a person who is the Holder of a Share,
<b>"Shares"</b>	means shares in the Company,
<b>"Special Resolution"</b>	means a resolution that is passed by a majority of not less than 75% of the Shareholders,
<b>"Subsidiary" / "Subsidiaries"</b>	has the meaning given in section 1159 of the Act,
<b>"Transmittee"</b>	means a person entitled to a Share by reason of the death or Bankruptcy of a Shareholder or otherwise by operation of law,
<b>"TUPE Transfer"</b>	the transfer of staff (pursuant to the TUPE Regulations) from North East Lincolnshire Care Trust Plus to the Company which took place on 1 April 2011,
<b>"TUPE Regulations"</b>	the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended from time to time,
<b>"Writing"</b>	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in Electronic Form or otherwise

- 2 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Act as in force on the date when these Articles become binding on the Company
- 3 Words in the singular include the plural and in the plural include the singular. A reference to one gender includes a reference to the other gender

- 4 The Model Articles introduced by The Companies (Model Articles) Regulations 2008 shall not apply to the Company

**Liability of Shareholders**

- 5 The liability of the Shareholders is limited to the amount, if any, unpaid on the Shares held by them

**PART 2**

**OBJECTS AND POWERS**

**Community Interest Company**

- 6 The Company shall be a community interest company.

**Asset Lock**

- 7 The Company shall not transfer any of its assets other than for full consideration

- 8 Provided the conditions in Article 9 are satisfied, Article 7 shall not apply to:

- (a) the transfer of assets to any specified Asset-Locked Body, or (with the consent of the Regulator) to any other Asset-Locked Body, and
- (b) the transfer of assets made for the benefit of the community other than by way of a transfer of assets into an Asset-Locked Body

- 9 The conditions are that the transfer of assets must comply with any restrictions on the transfer of assets for less than full consideration which may be set out elsewhere in the Articles

**Not for Profit**

- 10 The Company is not established or conducted for private gain any profit or assets are used principally for the benefit of the community

**Objects**

- 11 The objects of the Company are to carry on activities which benefit the community and in particular (without limitation) to plan and provide health and related services and promote improvements to health and related services

**Powers**

- 12 To further its objects the Company may do all such lawful things as may further the Company's objects and, in particular, but, without limitation, may borrow or raise and secure the payment of money for any purpose including for the purposes of investment or of raising funds

**PART 3**

**DIRECTORS**

**DIRECTORS' POWERS AND RESPONSIBILITIES**

**Directors' General Authority**

- 13 Subject to the Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company

**Members' Reserve Power**

- 14 The Members may, by a Members Resolution, direct the Directors to take, or refrain from

taking the action specified in such a resolution

- 15 No such Members Resolution invalidates anything which the Directors have done before the passing of the resolution

**Directors May Delegate**

- 16 Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles to such person or committee as they think fit
- 17 If any power or discretion has been delegated to a committee under Article 16, any reference in these Articles to the exercise by the Directors of that power or discretion shall be interpreted accordingly, as if it was a reference to the exercise of the same by that committee
- 18 Any committee appointed under Article 16 shall, when exercising any powers or discretions delegated to it, abide by any regulations or terms of reference imposed by the Directors which may then subsist. Any such regulations or terms of reference may provide for or permit the co-option to the committee of persons other than Directors and for such persons to have voting rights as members of that committee, but a Director must always be the Chair of such committee and no resolution of the committee will be valid unless it has been approved by a majority of the votes cast on that resolution
- 19 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated
- 20 The Directors may revoke any delegation in whole or part, or alter its terms and conditions

**Committees**

- 21 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors
- 22 The Directors may make rules of procedure for all or any committees, which shall be consistent with the rules derived from the Articles and if they are not consistent with them the rules derived from the Articles shall take precedence

**DECISION-MAKING BY DIRECTORS**

**Directors to Take Decisions Collectively**

- 23 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or by written resolution or a decision taken in accordance with Article 24
- 23A Questions arising at a Directors' meeting shall be decided by a majority of votes
- 23B In all proceedings of Directors each Director must not have more than one vote (subject always to Article 41)
- 24 If
- (a) the Company only has one Director, and
  - (b) no provision of the Articles requires it to have more than one Director,
- the general rule in Article 23 does not apply, and the Director may take decisions without regard to any of the provisions of the Articles relating to Directors' decision-making
- 25 Any or all powers of the Directors shall be restricted in such respects and to such extent as

a Members Resolution which has been notified to the Company at any time prescribes and such restriction may be removed or varied in such regard and to such extent by a further Members Resolution which is notified to the Company from time to time

#### **Resolutions in Writing**

- 26 A resolution in Writing signed or approved by all the Directors entitled to receive notice of a meeting of Directors or all the members of any committee of the Directors entitled to vote on the resolution shall be as valid and effectual as if it had been passed at a meeting of the Directors or (as the case may be) a committee duly convened and held. The resolution may consist of more than one Document in the same form each signed or approved by one or more persons

#### **Calling a Directors' Meeting**

- 27 Any Director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the company secretary (if any) to give such notice

- 28 Notice of any Directors' meeting must indicate

- (a) its proposed date and time,
- (b) where it is to take place, and
- (c) 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

- 29 Notice of a Directors' meeting must be given to each Director, but need not be in Writing

- 30 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it

#### **Participation in Directors' Meetings**

- 31 Subject to the Articles, Directors Participate in a Directors' meeting, or part of a Directors' meeting, when

- (a) the meeting has been called and takes place in accordance with the Articles, and
- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting

- 32 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other

- 33 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

#### **Quorum for Directors' Meetings**

- 34 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting

- 35 The quorum for the transaction of the business of Directors is three Directors comprising of one Executive Director and two Non-Executive Directors. Of the two Non-Executive Directors one must be the Chair or Vice Chair of the Company

- 36 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision

- (a) to appoint further Directors, or
- (b) to call a general meeting so as to enable the Members to appoint further Directors



### **Chairing of Directors' Meetings**

- 37 The Directors may appoint a Non-Executive Director to chair their meetings
- 38 The person so appointed for the time being is known as the Chair
- 39 The Directors may terminate the Chair's appointment at any time. In any event the Chair must retire at the fourth AGM following his or her appointment as Chair, but he or she shall be eligible for reappointment as Chair for up to a further four years or (if shorter) the remainder of his or her term of office as a Director
- 40 If the Chair is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of present Directors to chair it

### **Casting Vote**

- 41 If the numbers of votes for and against a proposal are equal, the Chair or other Director chairing the meeting has a casting vote
- 42 But this does not apply if, in accordance with the Articles, the Chair or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes

### **Conflicts of Interest**

- 43 If a Directors' meeting, or part of a Directors' meeting, is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, that Director must declare this interest to the other Directors immediately and present the other Directors with an Interest Declaration. That Director shall not be counted as participating in that meeting, or part of a meeting, for quorum or voting purposes but may remain in that meeting or such part of that meeting which in the opinion of the other Directors is necessary to inform discussions at the meeting
- 44 But if Article 45 applies, a Director who is interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in a decision at a Directors' meeting, or part of a Directors' meeting, relating to it for quorum and voting purposes so long as he has declared the nature and extent of any such interest (direct or indirect) in an Interest Declaration and presented that Interest Declaration to the other Directors
- 45 This Article applies when—
- (a) the Director has complied in full with his obligations under the Section 177 of the Act and the Company by Members Resolution disapplies the provision of the Articles which would otherwise prevent a Director from being counted as participating in, or voting at, a Directors' meeting,
  - (b) the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest, or
  - (c) the Director's conflict of interest arises from a permitted cause
- 46 For the purposes of these Articles, the following are permitted causes—
- (a) a guarantee given, or to be given, by or to a Director in respect of an obligation incurred by or on behalf of the Company or any of its Subsidiaries,
  - (b) subscription, or an agreement to subscribe, for Shares or other securities of the Company or any of its Subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such Shares or securities, and
  - (c) arrangements pursuant to which benefits are made available to employees and Directors or former employees and Directors of the Company or any of its Subsidiaries which do not provide special benefits for Directors or former Directors
- 47 The Directors shall cause a register of Directors' interests to be kept and maintained up to

date

- 48 Subject to Article 49, if a question arises at a meeting of Directors or of a committee as to the right of a Director to Participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chair whose ruling in relation to any Director other than the Chair is to be final and conclusive
- 49 If any question as to the right to Participate in the meeting (or part of the meeting) should arise in respect of the Chair, the question is to be decided by a decision of the Directors at that meeting, for which purpose the Chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes
- 50 The Company may by Members Resolution ratify any transaction undertaken in breach of Article 43 to 49 (inclusive)

#### **Defect in Appointment**

- 51 This Article applies if
- (a) a decision is taken by the Directors or Executive Directors, or a committee of them, or a person acting as a Director, and
  - (b) it is subsequently discovered that a person who, acting as a Director, took, or participated in taking, that decision
    - (i) was not validly appointed as a Director,
    - (ii) had ceased to hold office as a Director at the time of the decision,
    - (iii) was not entitled to take that decision, or
    - (iv) should, in consequence of a conflict of interests, not have voted in the process by which that decision was taken
- 52 Where this Article applies
- (a) the discovery of any defect of the kinds specified in Article 51 shall not invalidate any decision which has been taken by, or with the participation of, the person in relation to whom that defect existed, and
  - (b) any such decision shall be as valid as if no such defect existed in relation to any person who took it or participated in taking it

#### **Minutes**

- 53 (a) The Directors must cause minutes to be made in books kept for the purpose
- (i) of all appointments of officers made by the Directors,
  - (ii) of all resolutions of the Company and of the Directors (including, without limitation, decisions of the Directors made without a meeting), and
  - (iii) of all proceedings at meetings of the Company and of the Directors, and of committees of Directors, including the names of the Directors present at each such meeting,
- and any such minute, if purported to be signed (or in the case of minutes of Directors' meetings signed or authenticated) by the Chair of the Meeting at which the proceedings were had, or by the Chair of the next succeeding meeting, shall, as against any Member or Director of the Company, be sufficient evidence of the proceedings
- (b) The minutes must be kept for at least ten years from the date of the meeting, resolution or decision

#### **Directors' Discretion to Make Further Rules**

- 54 Subject to the Articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors

## **APPOINTMENT OF DIRECTORS**

### **Methods of Appointing Directors**

- 55 The Chair must be voted into position by a Members Resolution. Any other person appointed to the position of Non-Executive Director, other than in accordance with Articles 84 and 85 shall be appointed by a majority decision of the Directors subject to approval of the Membership Board.
- 56 Subject always to Article 57, any person who is eligible and willing to act as an Executive Director and is permitted by law to do so, must be voted into the position of Executive Director by a Directors Resolution save for the Chief Executive or any Executive Director who is a Director at the date of adoption of these Articles.
- 57 The Chief Executive shall from time to time be appointed by the Members passing a Members Resolution.
- 58 The maximum number of Directors of the Company shall be 10 Directors. A maximum of 4 Directors on the CIC Board must be Executive Directors.
- 59 In any case where, as a result of death, the Company has no Shareholders and no Directors, the personal representatives of the last Shareholder to have died have the right, by notice in Writing, to appoint a person to be a Director.
- 60 For the purposes of Article 59, where 2 or more Shareholders die in circumstances rendering it uncertain who was the last to die, a younger Shareholder is deemed to have survived an older Shareholder.

### **Termination of Director's Appointment**

- 61 A person ceases to be a Director as soon as
- (a) that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law,
  - (b) that person fails to attend 3 consecutive meetings of the CIC Board and the Directors resolve that the Director be removed for this reason,
  - (c) a Bankruptcy order is made against that person,
  - (d) a composition is made with that person's creditors generally in satisfaction of that person's debts,
  - (e) a registered medical practitioner who is treating that person or who is appointed by the Directors 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,
  - (f) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,
  - (g) 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,
  - (h) that person ceases to be an employee of the Company,
  - (i) that person, being a Non-Executive Director, is removed from office by way of a majority decision of the Directors,
  - (j) the term of their services contract or contract of employment with the Company terminates, and
  - (k) (being a Non-Executive Director) they are not re-elected at the end of their term of office.
- 62 Without prejudice to Article 61 at the 4<sup>th</sup> AGM or any subsequent 4<sup>th</sup> AGM, the Chief Executive shall retire from office. If the Chief Executive is not re-appointed at the 4<sup>th</sup> AGM or any subsequent 4<sup>th</sup> AGM, his employment with the Company will cease, he shall cease

to be Chief Executive and he will not be entitled to any compensation or notice not specifically set out in his Directors' service contract or his contract of employment with the Company

63 If no nomination for appointment is received by the Company in accordance with Article 64 or if the Members by Members Resolution decide to reappoint the Chief Executive, the retiring Chief Executive shall, if willing to act, be deemed to have been reappointed

64 No person shall be appointed or reappointed Chief Executive unless not less than one calendar month before the date of the Company's next AGM, notice executed by a person eligible to be a Director has been given to the Company proposing himself or herself for appointment or reappointment together, if not currently appointed, with a Companies Form AP01 (or the equivalent Form in force at that date) duly completed and signed by that person confirming his or her willingness to be appointed or reappointed. A Chief Executive retiring in accordance with Article 62 shall be deemed to have given such notice unless he notifies the Company in Writing that he does not wish to be reappointed

65 Unless Article 63 applies, not less than fourteen clear days before the Company's next AGM notice shall be given to all who are entitled to receive notice of a meeting of the Members of those who have given notice to the Company proposing their reappointment as Chief Executive. The Directors shall, with that notice, ask the Members to vote on the appointment of all those who have given such notices, the method, form and content of the voting to be determined by the Directors provided that voting shall be on the basis of 1 vote per Member. Subject to Article 57 the nominee with the highest number of votes shall be appointed.

66 No person is entitled to hold the position of Non-Executive Director for more than 8 years

#### **Directors' Remuneration**

67 Directors may undertake any services for the Company that the Directors decide

68 Directors are entitled to such remuneration as the Directors determine

- (a) for their services to the Company as Directors, and
- (b) for any other service which they undertake for the Company

69 Subject to the Articles, a Director's remuneration may

- (a) take any form, and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director

70 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day

71 Unless the Directors decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as Directors or other officers or employees of the Company's Subsidiaries or of any other body corporate in which the Company is interested

#### **Directors' Expenses**

72 The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at

- (a) meetings of Directors or committees,
- (b) general meetings, or
- (c) separate meetings of the Holders of any class of Shares or of debentures of the Company, or
- (d) otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company

**PART 4**  
**MEMBERSHIP BOARD**

**Membership Board may Delegate**

- 73 The Membership Board is an approved committee of the CIC Board under Article 16
- 74 Subject to the Articles, the Membership Board may delegate any of the powers which are conferred on them under the Articles but only to a sub-committee set up in accordance with, and subject to the terms set out in, Part 4 of these Articles
- 75 If the Membership Board so specify, any such delegation may authorise further delegation of the Membership Board's powers by any person to whom they are delegated
- 76 The Membership Board or the Directors may revoke any delegation to a sub-committee in accordance with Article 74 in whole or part, or alter its terms and conditions
- 77 Any sub-committee appointed under Article 74 shall, when exercising any powers or discretions delegated to it, abide by these Articles and any regulations imposed by the Membership Board or the Directors which may then subsist. Any such regulations may provide for or permit the co-option to the sub-committee of persons other than Membership Board Members and for such persons to have voting rights as members of that sub-committee

**Sub-committees**

- 78 Sub-committees to which the Membership Board delegates any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors
- 79 The Directors may make rules of procedure for all or any sub-committees

**Number of Membership Board Members and Designation**

- 80 Unless otherwise determined by a resolution of the Directors, the maximum number of Membership Board Members shall be 18 but shall be not be less than 11
- 81 The Membership Board shall include the following designated positions
- (a) Chief Executive
  - (b) Directors (except those in a Non-Executive position)
  - (c) Heads of Service
  - (d) Four Staff Representatives
  - (e) Four Community Representatives

**Appointment of Membership Board Members**

- 82 The Membership Board shall be chaired by the person appointed to the position of Chief Executive on the CIC Board or in his absence by any other Executive Director
- 83 With the exception of the four Staff Representatives and the four Community Representatives, the CIC Board shall appoint persons to fill each of the designated positions on the Membership Board set out in Article 81. The role of the CIC Board in relation to the four Staff Representatives and four Community Representatives shall be to formerly appoint them onto the Membership Board
- 84 The Shareholders shall nominate and elect up to four persons (who must also be Shareholders) to be appointed as Staff Representatives onto the Membership Board. Once the Staff Representatives have been elected to the Membership Board, they shall jointly appoint (by a majority decision) one of themselves to become a Non-Executive Director on the CIC Board (in accordance with such relevant regulations as the CIC Board may have in place from time to time in relation to such matters)

- 85 Subject to Article 86A , the Community Members shall nominate and elect up to four persons (who must also be Community Members) to be appointed as Community Representatives onto the Membership Board. Once Community Representatives have been elected and appointed to the Membership Board, they shall jointly appoint (by a majority decision) one of themselves to become a Non-Executive Director on the CIC Board (in accordance with such relevant regulations as the CIC Board may have in place from time to time in relation to such matters)
- 86A The purpose of the Community Members is to ensure the voice of service users and carers are heard at both the Membership Board and the CIC Board and therefore
- Any Community Member may nominate for election any other Community Member as a Community Representative as long as the nominee indicates in the approved form, their willingness to act as a Community Representative,
  - The election will be run on the basis that each Community Member has four votes,
  - Of the four seats on the Membership Board for the Community Representatives, three will be reserved for service users who have experience of secondary mental health services within the 5 years prior to the election or current carers of users of mental health services, who achieve the largest number of votes within that category, and
  - The fourth seat on the Membership Board for the Community Representatives is not a reserved seat but could be for someone who has a general interest in mental health
- Termination of Membership Board Members**
- 86 The CIC Board shall be entitled to remove any person from their position as a Membership Board Member

## **PART 5**

### **SHARES AND DISTRIBUTIONS**

#### **SHARES**

##### **Share Capital**

- 87 Except as otherwise expressly provided in these Articles, the A Ordinary Share and the B Ordinary Shares shall rank *pari passu* in all respects.
- 88 Save to the extent authorised by these Articles, or authorised from time to time by an Ordinary Resolution, the Directors shall not exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares in the Company
- 89 The Directors shall offer one B Ordinary Share to each employee of the Company (other than any Holder of the A Ordinary Share)
- 90 If an employee of the Company accepts an offer made in accordance with Article 89 then the Directors are authorised to exercise the power of the Company to allot Shares to such employee of the Company subject to the terms of these Articles. The authority conferred on the Directors shall expire on the day preceding the fifth anniversary of the date of adoption of these Articles. The Company may in general meeting grant an additional authority to the Directors to allot Shares, in which case such additional authority shall expire on the day (if any) specified in such authorisation or if earlier the day preceding the fifth anniversary of the date on which such authorisation is given
- 91 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company

## **Share Rights**

### **92 A Ordinary Share**

The A Ordinary Share shall be irredeemable

### **93 B Ordinary Shares**

The B Ordinary Shares shall be redeemable and shall not be transferable

## **All Shares to be Fully Paid Up**

**94** No Share is to be issued for less than the aggregate of its nominal value and any premium to be Paid to the Company in consideration for its issue

**95** This does not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum of association

## **Powers to Issue Different Classes of Share**

**96** Subject to the Articles, but without prejudice to the rights attached to any existing Share, the Company may issue Shares with such rights or restrictions as may be determined by Ordinary Resolution

**97** The Company may issue Shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the Holder, and the Directors may determine the terms, conditions and manner of redemption of any such Shares

## **Share Certificates**

**98** The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds

**99** Every certificate must specify

- (a) in respect of how many Shares, of what class, it is issued,
- (b) the nominal value of those Shares,
- (c) that the Shares are Fully Paid, and
- (d) any distinguishing numbers assigned to them

**100** No certificate may be issued in respect of Shares of more than one class

**101** Certificates must

- (a) have affixed to them the Company's common seal, or
- (b) be otherwise executed in accordance with the Act

## **Replacement Share Certificates**

**102** If a certificate issued in respect of a Shareholder's Shares is

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed, that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares

**103** A Shareholder exercising the right to be issued with such a replacement certificate

- (a) must return the certificate which is to be replaced to the Company if it is damaged or defaced,
- (b) must return a certificate which is lost or stolen if at any time that lost or stolen certificate is found at any time in the future, and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide

## **Redemption of Shares**

**104** If any Shareholder (other than the Holder of the A Ordinary Share) ceases to be an employee of the Company then the Company shall by notice in Writing redeem the B Ordinary Share held by that Shareholder at nominal value within 90 days of cessation of

employment

- 105** The Directors may also redeem and cancel any B Ordinary Share
- (a) with the written agreement of the relevant Shareholder,
  - (b) as necessary to prevent any Shareholder who holds B Ordinary Shares to hold more than one B Ordinary Share,
  - (c) registered in error,
- and in any case at nominal value per Share
- 106** On the redemption date the relevant Shareholder (or if the relevant Share was registered in error, such person as the CIC Board decides) shall receive or be sent any amount payable on the redemption of such Share. At that point the relevant Share shall be redeemed and cancelled and the relevant Shareholder shall surrender to the Company any certificate which they hold for their Share
- 107** If a redemption may not take place as a matter of law at any time set out above it may or shall, as the case may be, take place at the earliest available opportunity

#### **Transfer of Shares**

- 108** If the Shareholder holding the A Ordinary Share ("Vendor") dies, ceases to be an Executive Director or no longer wishes to be a Shareholder in the Company he/she (or his/her personal representative) must transfer the A Ordinary Share at its nominal value to another Executive Director as approved by the Directors within seven days of such death, cessation or decision to leave the Company (or such longer period as decided by the Directors)
- 109** The Directors or any other person approved by the Directors shall be deemed to have been appointed attorney of the Vendor with full power to execute, complete and deliver, in the name and on behalf of the Vendor (or his/her personal representative), such transfer of the A Ordinary Share, if the Vendor (or his/her personal representative) fails to execute the transfer in accordance with Article 108
- 109A** The Directors may refuse to register the transfer of a share to a person of whom they do not approve
- 109B** They may also refuse to register the transfer unless it is lodged at the registered office of the Company or at such other place as the Directors may appoint and is accompanied by such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and by such other information, as they may reasonably require
- 109C** If the Directors refuse to register such a transfer, they shall, within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal
- 109D** The provisions of this Article apply in addition to any restrictions on the transfer of a share which maybe set out elsewhere in the memorandum or Articles of the Company

### **DIVIDENDS AND OTHER DISTRIBUTIONS**

#### **Procedure for Declaring Dividends**

- 110** Subject to the Act, the Regulations and the Articles, the Company may by Ordinary Resolution declare dividends
- 111** A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors



112 Unless the Shareholders' resolution to declare, or the terms on which Shares are issued, specify otherwise, it must be Paid by reference to each Shareholder's holding of Shares on the date of the resolution or decision to declare or pay it

113 If the Company's share capital is divided into different classes, no dividend may be Paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear

**Payment of Dividends and other Distributions**

114 Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be Paid by one or more of the following means

- (a) transfer to a bank or building society account specified by the Distribution Recipient either in Writing or as the Directors may otherwise decide,
- (b) sending a cheque made payable to the Distribution Recipient by post to the Distribution Recipient at the Distribution Recipient's registered address (if the Distribution Recipient is a Holder of the Share), or (in any other case) to an address specified by the Distribution Recipient either in Writing or as the Directors may otherwise decide,
- (c) sending a cheque made payable to such person by post to such person at such address as the Distribution Recipient has specified either in Writing or as the Directors may otherwise decide, or
- (d) any other means of payment as the Directors agree with the Distribution Recipient either in Writing or by such other means as the Directors decide

115 In the Articles, "the Distribution Recipient" means, in respect of a Share in respect of which a dividend or other sum is payable

- (a) the Holder of the Share, or
- (b) if the Holder is no longer entitled to the Share by reason of death or Bankruptcy, or otherwise by operation of law, the Transmittee

**No interest on Distributions**

116 The Company may not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by

- (a) the terms on which the Share was issued, or
- (b) the provisions of another agreement between the Holder of that Share and the Company, or
- (c) a Special Resolution

**Unclaimed Distributions**

117 All dividends or other sums which are

- (a) payable in respect of Shares, and
- (b) unclaimed after having been declared or become payable, may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed

118 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it

119 If

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
- (b) the Distribution Recipient has not claimed it, the Distribution Recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company

**Non-cash Distributions**

120 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 other securities in any company)

- 121 For the purposes of paying a non-cash distribution, the Directors may make whatever arrangements they think fit, including, 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 recipients, and
  - (c) vesting any assets in trustees

**Waiver of Distributions**

- 122 Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a Share by giving the Company notice in Writing to that effect

**CAPITALISATION OF PROFITS**

**Authority to Capitalise and Appropriation of Capitalised Sums**

- 123 Subject to the Articles, the Directors may, if they are so authorised by an Ordinary Resolution
- (a) decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve, and
  - (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions
- 124 Capitalised sums must be applied
- (a) on behalf of the persons entitled, and
  - (b) in the same proportions as a dividend would have been distributed to them
- 125 Any capitalised sum may be applied in paying up new Shares of a nominal amount equal to the capitalised sum which are then allotted credited as Fully Paid to the persons entitled or as they may direct
- 126 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as Fully Paid to the persons entitled or as they may direct
- 127 Subject to the Articles the Directors may
- (a) apply capitalised sums in accordance with Articles 125 and 126 partly in one way and partly in another,
  - (b) make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments), and
  - (c) authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of Shares and debentures to them under this Article

## **PART 6**

### **MEMBERS**

#### **BECOMING AND CEASING TO BE A MEMBER**

##### **Applications for Membership**

- 128** No person shall become a Community Member of the Company unless
- (a) that person has completed an application for membership in a form approved by the Membership Board, and
  - (b) the Membership Board has approved the application
- 129** Without prejudice to Article 128, the Community Membership shall retire from office by rotation, the frequency of which is to be determined by the Directors from time to time
- 130** The Community Members to retire by rotation shall be those who have been Members the longest, but as between Members who became or were last reappointed Community Members on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot
- 131** Any person who is required to retire as a Community Member in accordance with Article 129 shall, subject to Article 136(a), be eligible to be reappointed as a Community Member in accordance with the procedure set out from time to time by the Membership Board. No person shall be reappointed as a Community Member unless he has confirmed his willingness to be so appointed to the Company

##### **Termination of Membership**

- 132** A person ceases to be a Community Member
- (a) if they withdraw their membership of the Company by giving 7 days' notice to the Company in Writing,
  - (b) when that person dies, or
  - (c) a resolution is passed by the Membership Board for termination of a Community Member's membership in accordance with Article 133
- 133** A Community Member may have their membership terminated under Article 132(c) for any the following reasons
- (a) breaching any of these Articles, and/or
  - (b) purporting to act on behalf of the Company and/or using any of the name, logo, or facilities of the Company without the permission of the Company, and/or
  - (c) misappropriation of Company funds or resources, and/or
  - (d) whilst on Company business or attending Company events acting in a way which is illegal, or which is considered by the Membership Board to be at risk of causing legal liability for the Company, or of causing unacceptable risk to other Members (including but not limited to matters of health & safety, vehicle safety and insurance, and driving standards), and/or
  - (e) failing to follow any reasonable instructions or guidelines issued by the Membership Board in connection with Company activities, and/or
  - (f) acting in a manner likely to damage the reputation of the Company, and/or
  - (g) any other reason that the Membership Board acting in the best interests of the Company specify

- 134** Membership is not transferable

##### **Reconciliation of Community Members**

- 135** If at any time the number of Community Members exceeds the number of Shareholders, then the provisions in Article 136 shall apply

- 136 If Article 135 applies then  
Only a proportion of those Community Members who retire in accordance with Article 129 shall be eligible to be reappointed as a Community Member, in accordance with the procedure set out from time to time by the Membership Board. The proportion shall be a number equal to the maximum number of Community Members who may be reappointed without the total number of Community Members exceeding the Shareholders

## **PART 7**

### **DECISION-MAKING BY MEMBERS**

#### **ORGANISATION OF GENERAL MEETINGS**

##### **Annual General Meeting**

- 137 The Company shall hold an AGM
- (a) within 18 months of the Company's date of incorporation and afterwards once in each calendar year (provided that not more than 15 months shall elapse between the date of one AGM and that of the next), and
  - (b) at such date, time and place as the CIC Board shall determine.

##### **Other General Meetings**

- 138 The CIC Board may decide to call a general meeting at any time

##### **Contents of Notice**

- 139 Every notice calling a general meeting must specify the place, day and time of the meeting, whether it is a general meeting or an AGM, and the general nature of the business to be transacted
- 140 If a Special Resolution is to be proposed, the notice must include the proposed resolution and specify that it is proposed as a Special Resolution
- 141 In every notice calling a meeting of the Company there must appear with reasonable prominence a statement informing the Member of his or her rights to appoint another person as his or her proxy at a general meeting

##### **Service of Notice**

- 142 Notice of general meetings must be given to all Members, to the Directors and to the auditors of the Company

##### **Attendance and Speaking at General Meetings**

- 143 A Member is able to exercise the right to speak at a general meeting when that Member is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that Member has on the business of the meeting
- 144 A Member is able to exercise the right to vote at a general meeting when—
- (a) that Member is able to vote, during the meeting, on Member Resolutions put to the vote at the meeting, and
  - (b) that Member's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other Members attending the meeting
- 145 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it
- 146 In determining attendance at a general meeting, it is immaterial whether any two or more Members attending it are in the same place as each other

- 147 Two or more Members who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them

**Quorum for General Meetings**

- 148 No business other than the appointment of the Chair of the Meeting is to be transacted at a general meeting if the Members attending it do not constitute a quorum
- 149 Subject to Article 150, 30 persons entitled to vote upon the business to be transacted, each being a Member or a proxy for a Member or a duly authorised representative of a corporation, shall be a quorum, so long as at least 16 Shareholders are present at all times
- 150 If and for so long as the Company has only one Shareholder
- (a) in relation to a general meeting, the sole Shareholder or a proxy for that Shareholder or (if the Shareholder is a corporation) a duly authorised representative of that Shareholder is a quorum and Article 149 is modified accordingly, and
  - (b) all other provisions of the Articles apply with any necessary modification (unless the provision expressly provides otherwise)

**Chairing General Meetings**

- 151 If the Directors have appointed a Chair, the Chair shall chair general meetings if present and willing to do so
- 152 If the Directors have not appointed a Chair, or if the Chair is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start
- (a) the Directors present, or
  - (b) (if no Directors are present), the meeting,
- must appoint a Director to chair the meeting, and the appointment of the Chair of the Meeting must be the first business of the meeting
- 153 The person chairing a meeting in accordance with Articles 151 - 152 is referred to as "the Chair of the Meeting"

**Attendance and Speaking by Directors and Non-Shareholders**

- 154 Directors may attend and speak at general meetings, whether or not they are Shareholders
- 155 The Chair of the Meeting may permit other persons who are not
- (a) Members of the Company, or
  - (b) otherwise entitled to exercise the rights of Shareholders in relation to general meetings, to attend and speak at a general meeting

**Adjournment**

- 156 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chair of the Meeting must adjourn it
- 157 The Chair of the Meeting may adjourn a general meeting at which a quorum is present if
- (a) the meeting consents to an adjournment, or
  - (b) it appears to the Chair of the Meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner

- 158 The Chair of the Meeting must adjourn a general meeting if directed to do so by the meeting
- 159 When adjourning a general meeting, the Chair of the Meeting must—
- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors, and
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- 160 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)
- (a) to the same persons to whom notice of the Company's general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain
- 161 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

### **VOTING AT GENERAL MEETINGS**

#### **Voting: General**

- 162 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles
- 163 A person who is not a Member of the Company shall not have any right to vote at a general meeting of the Company, but this is without prejudice to any right to vote on a resolution affecting the rights attached to a class of the Company's debentures
- 164 On a vote on a resolution, whether on a show of hands at a meeting or by a poll, every person present in person (whether a Member, proxy or authorised representative of a Member) and entitled to vote shall have a maximum of one vote
- 165 In the case of an equality of votes, whether on a show of hands or on a poll, the Chair of the Meeting shall not be entitled to a casting vote in addition to any other vote he or she may have
- 166 For the avoidance of any doubt, only the Shareholders shall be permitted to vote on Ordinary Resolutions and Special Resolutions
- 167 The CIC Board will decide from time to time what matters shall be the subject of a Members Resolution (if not set out in these Articles) and shall publish relevant regulations from time to time which shall set out the rights of the Members with regards to Members Resolutions. Such regulations shall be binding on the Members

#### **Errors and Disputes**

- 168 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid
- 169 Any such objection must be referred to the Chair of the Meeting, whose decision is final

#### **Poll Votes**

- 170 A poll on a resolution may be demanded
- (a) in advance of the general meeting where it is to be put to the vote, or

- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared
- 171 A poll may be demanded by
  - (a) the Chair of the Meeting,
  - (b) the Directors,
  - (c) a person or persons representing not less than one tenth of the total voting rights of the Members present at the meeting whether in person or by proxy
- 172 A demand for a poll may be withdrawn if
  - (a) the poll has not yet been taken, and
  - (b) the Chair of the Meeting consents to the withdrawal
- 173 Polls must be taken immediately and in such manner as the Chair of the Meeting directs

#### **Content of Proxy Notices**

- 174 Proxies may only validly be appointed by a notice in Writing (a "Proxy Notice") which
  - (a) states the name and address of the Member appointing the proxy,
  - (b) identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed,
  - (c) is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Directors may determine, and
  - (d) is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate
- 175 The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes
- 176 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions
- 177 Unless a Proxy Notice indicates otherwise, it must be treated as
  - (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
  - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself

#### **Delivery of Proxy Notices**

- 178 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid Proxy Notice has been delivered to the Company by or on behalf of that person
- 179 An appointment under a Proxy Notice may be revoked by delivering to the Company a notice in Writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given
- 180 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates
- 181 If a Proxy Notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf

#### **Amendments to Resolutions**

- 182 An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if

- (a) notice of the proposed amendment is given to the Company in Writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chair of the Meeting may determine), and
  - (b) the proposed amendment does not, in the reasonable opinion of the Chair of the Meeting, materially alter the scope of the resolution
- 183** A Special Resolution to be proposed at a general meeting may be amended by Special Resolution, if
- (a) the Chair of the Meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
  - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution
- 184** If the Chair of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chair's error does not invalidate the vote on that resolution

## **PART 8**

### **ADMINISTRATIVE ARRANGEMENTS**

#### **Means of Communication to be used**

- 185** Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Act provides for Documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company
- 186** Subject to the Articles, any notice or Document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or Documents for the time being
- 187** A Director may agree with the Company that notices or Documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours

#### **Company Seals**

- 188** Any common seal may only be used by the authority of the Directors
- 189** The Directors may decide by what means and in what form any common seal is to be used
- 190** Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a Document, the Document must also be signed by at least one authorised person in the presence of a witness who attests the signature
- 191** For the purposes of this Article, an authorised person is
- (a) any Executive Director of the Company,
  - (b) the company secretary (if any), or
  - (c) any person authorised by the Executive Directors for the purpose of signing Documents to which the common seal is applied



### **Records and Accounts**

- 192 The Directors shall comply with the requirements of the Act as to maintaining a Shareholders' and Directors' register, keeping financial records, the audit or examination of accounts and the preparation and transmission to the Registrar of Companies and the Regulator of
- (a) annual reports,
  - (b) annual returns, and
  - (c) annual statements of account
- 193 Except as provided by law or authorised by the Directors or a Members Resolution, no person is entitled to inspect any of the Company's accounting or other records or Documents merely by virtue of being a Member

### **Provision for Employees on Cessation of Business**

- 194 The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its Subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that Subsidiary

### **195 Irregularities**

The proceedings at any meeting or on the taking of any poll or the passing of a written resolution or the making of any decision shall not be invalidated by reason of any accidental informality or irregularity (including any accidental omission to give or any non-receipt of notice) or any want of qualification in any of the persons present or voting or by reason of any business being considered which is not referred to in the notice unless a provision of the Act specifies that such informality, irregularity or want of qualification shall invalidate it

## **DIRECTORS' INDEMNITY AND INSURANCE**

### **Indemnity**

- 196 Subject to Article 197, a relevant Director of the Company or an associated company may be indemnified out of the Company's assets against
- (a) any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated Company,
  - (b) any liability incurred by that Director in connection with the activities of the Company or an associated Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act ),
  - (c) any other liability incurred by that Director as an officer of the Company or an associated company
- 197 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law
- 198 In this Article
- (a) companies are associated if one is a Subsidiary of the other or both are subsidiaries of the same body corporate, and
  - (b) a "relevant Director" means any Director or former Director of the Company or an associated company

### **Insurance**

- 199 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant Director in respect of any relevant loss
- 200 In this Article
- (a) a "relevant Director" means any Director or former Director of the Company or an associated company,

- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant Director in connection with that Director's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and
- (c) companies are associated if one is a Subsidiary of the other or both are Subsidiaries of the same body corporate