

Company Number: 077737521

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

MEMBER'S WRITTEN RESOLUTION

CORMAC CONTRACTING LIMITED

We, the undersigned, being the sole member of the Company who (at the date hereof) would have been entitled to vote upon the resolution set out below if it had been proposed at a general meeting at which we were present, hereby agree to the resolution, which would otherwise be required to be passed as a special resolution, by way of a written resolution

SPECIAL RESOLUTION

THAT the Company adopt the Articles of Association of the Company attached hereto in substitution for and to the exclusion of all the existing Articles of Association with immediate effect.

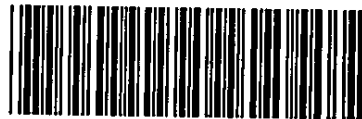
Signed: _____



Date: 21/12/2015

For and on behalf of
The Cornwall Council

TUESDAY



A4NB2LFS
A27 29/12/2015 #2
COMPANIES HOUSE

Company Number: 07737521

The Companies Act 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

CORMAC CONTRACTING LIMITED

(Incorporated on 11 August 2011)

ARTICLES OF ASSOCIATION FOR CORMAC CONTRACTING LIMITED

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SCHEDULE 1

SHAREHOLDER RESERVED MATTERS

PART 1
INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise—

"Articles" means these Articles of Association;

"Bankruptcy" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy according to the laws of England and Wales,

"Business Plan" means the yearly business plan established by the Company;

"Chair" has the meaning given in Article 12;

"Chair of the Meeting" has the meaning given in Article 41,

"Company" means CORMAC Contracting Limited (Company Number 07737521);

"Companies Acts" means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;

"Controlled Company" means a company within the meaning of Regulation 1(4) of the Local Authorities (Companies) Order 1995;

"Cornwall Council" means The Cornwall Council of County Hall, Treyew Road, Truro, Cornwall TR1 3AY,

"Director" means a director of the Company, and includes any person occupying the position of director, by whatever name called,

"Distribution Recipient" has the meaning given in Article 32;

"Document" includes, unless otherwise specified, any document sent or supplied in electronic form,

"Electronic Form" has the meaning given in section 1168 of the Companies Act 2006;

"Executive Director" means a Director who is engaged full time in the day to day running and administration of the Company and shall for the avoidance of doubt include the managing director of the Company from time to time,

"Fully Paid" 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,

"Hard Copy Form" has the meaning given in section 1168 of the Companies Act 2006,

"Holder" in relation to shares means the member whose name is entered in the register of members as the holder of the shares,

"Instrument" means a document in Hard Copy Form,

"Non-Executive Director" means a Director who is not engaged full time in the day to day running and administration of the Company;

"Ordinary Resolution" has the meaning given in section 282 of the Companies Act 2006;

"Paid" means paid or credited as paid;

"Reserved Matters" the matters reserved for Shareholder Representative consent as more particularly set out in Schedule 1,

"Shareholder" means a person who is the holder of a share;

"Shareholder Representative" means such person nominated by the Holder or Holders of the shares to exercise all rights of the Holder or Holders in relation to the Company,

"Shares" means shares in the Company;

"Special Resolution" has the meaning given in section 283 of the Companies Act 2006;

"Subsidiary" has the meaning given in section 1159 of the Companies Act 2006,

"Writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company

The table of contents and the headings are inserted for convenience only and are to be disregarded in construing the articles of the company.

The masculine shall include the feminine and the neuter and the singular the plural and vice versa as the context shall admit or require.

2. Liability of members

- (1) The liability of the members is limited to the amount, if any, unpaid on the shares held by them

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

3. Directors' General Authority

- (1) Subject to the Articles (and in particular Article 4), the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.
- (2) The Directors shall exercise the powers of the Company ensuring at all times that.
 - (a) for so long as the Company is a Controlled Company, the Company shall not engage in activities for party political purposes or publish, or arrange for the publication of, any material which, in whole or in part, appears to be designed to affect public support for a political party;
 - (b) for so long as the Company is a Controlled Company, the Company shall not give financial or other assistance to a person for the publication of material which the Company is prohibited by Article 3(2)(a) from publishing itself,
 - (c) for so long as the Company is a Controlled Company, the Company shall have mentioned on all documents (being of any kind mentioned in section 82 of the Act) the fact that it is a company controlled by Cornwall Council, a local authority;
 - (d) the Company shall not engage in any activity in which Cornwall Council has no power to engage
- (3) The Directors shall exercise the powers of the Company observing at all times that the Company shall not without the prior written consent of Cornwall Council undertake any activity or incur any expenditure covered by section 137 of the Local Government Act 1972 (*Power of local authorities to incur expenditure for certain purposes not otherwise authorised*) (as amended by the Local Government and Housing Act 1989 section 36) which, if aggregated with Cornwall Council's spending within that section, would exceed its financial limit under that section for the relevant financial year
- (4) No alteration to the Articles and no such direction given by Special Resolution in accordance with Article 4 shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given
- (5) The powers given by this Article 3 shall not be limited by any special power given to the Directors by the Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors

4. Shareholder Reserved Power

- (1) The Shareholder Representative may, by Special Resolution, direct the Directors to take, or refrain from taking, specified action
- (2) No such Special Resolution invalidates anything which the Directors have done in accordance with the powers available to them before the passing of the resolution.
- (3) The Directors shall not engage in any of the Reserved Matters detailed in Schedule 1 without the prior written consent of the Shareholder Representative.

5. Directors may delegate

- (1) Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles—
 - (a) to such person or committee,
 - (b) by such means (including by power of attorney),
 - (c) to such an extent,
 - (d) in relation to such matters or territories, and
 - (e) on such terms and conditions,as they think fit
- (2) If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated
- (3) The Directors may revoke any delegation in whole or part, or alter its terms and conditions

6. Committees/Advisory Panels

- (1) Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors
- (2) The Directors may make rules or procedures for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.
- (3) The Directors may establish advisory panels to advise them on any matter relating to the Company's operations. The Directors shall not delegate powers under the provisions of Article 5 to any such advisory panel.

DECISION-MAKING BY DIRECTORS

7. Directors to take decisions collectively

- (1) The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 8
- (2) Subject to Articles 13 and 14 each Director shall have one vote This applies to both executive and non-executive Directors
- (3) The Directors shall be entitled to invite relevant third parties to attend any meeting of the Directors where such attendance is deemed by the Directors worthwhile or necessary to the matters to be transacted at the relevant meeting of the Directors provided that such third parties agree to be bound by the obligations of confidentiality imposed by the Company For the avoidance of doubt, no such third party shall count in the quorum or be entitled to vote at any meeting of the Directors

8. Unanimous decisions

- (1) A decision of the Directors is taken in accordance with this Article when all eligible Directors indicate to each other by any written means that they share a common view on a matter.
- (2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in writing
- (3) References in this Article to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting
- (4) A decision may not be taken in accordance with this Article if the eligible Directors would not have formed a quorum at such a meeting

9. Calling a Directors' meeting

- (1) Any Director may call a Directors' meeting by giving at least ten (10) working days notice of the meeting to the Directors or by authorising the company secretary (if any) to give such notice
- (2) 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
- (3) Notice of a Directors' meeting must be given in writing to each Director

10. Participation in Directors' meetings

- (1) Any or all of the Directors may participate in a meeting of Directors by means of conference telephone or similar communications equipment whereby all person participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and subject to these Articles and the Companies Acts, he shall be entitled to vote and be counted in the quorum accordingly. Such meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chair of the meeting then is

11. Quorum for Directors' meetings

- (1) No business shall be transacted at any Directors' meeting unless a quorum is present
- (2) The quorum shall be four Directors consisting of two Executive Directors and two Non-Executive Directors not excluded from participation by Article 14. A person who holds office only as an alternate Director, shall if his appointor is not present, be counted in the quorum
- (3) 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 Shareholders to appoint further Directors

12. Chairing of Directors' meetings

- (1) The Shareholder Representative may appoint any Non-Executive Director as Chair of the board of Directors and may at any time remove him/her from that office. Unless he/she is unwilling to do so, the Director so appointed shall preside at every meeting of Directors at which he/she is present
- (2) If there is no Director holding the office of Chair, or if the Director holding office is unwilling to preside or is not present within fifteen minutes after the time appointed for the meeting the Directors present may appoint one of the other Non-Executive Directors present to be Chair of the meeting
- (3) If for any item of business the Chair or person appointed to preside over the meeting is prevented from participating in that business by virtue of Article 14 another Non-Executive Director will be appointed to preside over the meeting for that business only.

13. Casting vote

- (1) If the numbers of votes for and against a proposal are equal, whether there are abstentions or not, the Chair or other Director chairing the meeting has a casting vote.
- (2) 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

14. Conflicts of interest

(1) For the purposes of Article 14

(a) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons so interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified, and

(b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and

(c) an interest of a person who is for any purpose of the Companies Act (excluding any statutory modification not in force when the Company was incorporated) connected with a Director shall be treated as an interest of the Director and in relation to an alternate Director an interest of his appointer shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.

(2) Whenever a Director has an interest in a matter to be discussed at a meeting of the board the Director concerned shall declare such interest at or before discussions begin on the matter and unless any conflict or potential conflict has been authorised under the provisions of Article 14A or his interest in a matter arises solely as a result of his employment by Cornwall Council he shall;

(a) withdraw from the meeting for that item,

(b) not be counted in the quorum for that part of the meeting, and

(c) not be entitled to vote on the matter.

(3) For the purposes of this Article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.

(4) Subject to the provisions of the Companies Acts, and provided that the relevant Director has made such declarations as are required pursuant to these Articles and the Companies Acts, and provided any interest in respect thereof has been authorised in accordance with Article 14A or the Companies Acts, then that Director may vote at a meeting of Directors or of a committee of Directors on a resolution or participate in any unanimous decision concerning any matter in which he is interested, and (whether or not he votes or participates) he may be counted in the quorum when that resolution or matter is considered

(5) If a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, then subject to Article 14A, 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

(6) 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

14A. Directors' power to authorise conflict situations

- (1) For the purposes of section 175 of the Companies Act 2006, the Directors shall have the power to authorise, on such terms (including as regards duration and revocation) and subject to such limits or conditions (if any) as they may determine (a **Conflict Authorisation**), any matter proposed to them in accordance with these Articles which would, or might, if not so authorised, constitute or give rise to a situation in which a Director (a **Relevant Director**) has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company (a **Conflict Situation**). Any Conflict Authorisation shall extend to any actual or possible conflict of interest which may reasonably be expected to arise out of the Conflict Situation so authorised
- (2) Where Directors give a Conflict Authorisation
 - (a) the terms of the Conflict Authorisation shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded),
 - (b) the Directors may revoke or vary such authorisation at any time but this will not affect anything done by the Relevant Director prior to such revocation or variation in accordance with the terms of such authorisation; and
 - (c) the Relevant Director shall be obliged to act in accordance with any terms, limits or conditions to which such Conflict Authorisation is made subject
- (3) Any terms to which a Conflict Authorisation is made subject (**Conflict Authorisation Terms**) may include (without limitation to Article 14A (1)) provision that:
 - (a) where the Relevant Director obtains (other than in his capacity as a Director of the Company or as its employee or agent or, if the Directors so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it directly or indirectly for the benefit of the Company or in performing his duties as a Director of the Company in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party,
 - (b) the Relevant Director may (but shall be under no obligation to) absent himself from the discussion of, and/or the making of decisions relating to, the relevant matter (whether at any meeting of the Directors or otherwise) and be excused from reviewing documents and information prepared by or for the Directors to the extent that they relate to that matter, and
 - (c) the Relevant Director be excluded from the receipt of documents and information, the participation in discussion and/or the making of decisions (whether at Directors' meetings or otherwise) related to the relevant matter,

and anything done (or omitted to be done) by the Relevant Director in accordance with any such provision (or otherwise in accordance with any Conflict Authorisation Terms given under Article 14A(1)) will not constitute a breach by him of his duties under sections 172 to 174 of the Companies Act 2006

- (4) Subject to Article 14A(5) but without prejudice to Articles 14A(1) and Article 14A(2), authorisation is given by the Shareholder for the time being on the terms of these Articles to each Director in respect of any Conflict Situation that exists as at the date on which these Articles are adopted or that subsequently arises because (in either case) the Director is or becomes a director, officer, manager or employee of, or otherwise in any other way interested or concerned in, or has been appointed by, the Company and/or any other member (if any) of the Relevant Group (**Group Conflict Authorisation**). The Conflict Authorisation Terms applicable to the Group Conflict Authorisation (**Group Conflict Authorisation Terms**) are automatically set by this Article 14A(4) so that the Director concerned:

(a) is not obliged to disclose to the Company information that is confidential to a third party obtained by him (other than in his capacity as a Director of the Company or as its employee or agent or, if the Directors so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) in any situation to which the Group Conflict Authorisation applies, nor to use any such information directly or indirectly for the benefit of the Company or in performing his duties as a Director of the Company, in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party; and

(b) may (but shall be under no obligation to).

(i) absent himself from the discussions of, and/or the making of decisions, and/or

(ii) make arrangements not to receive documents and information, relating to the Conflict Situation concerned,

and the Company will not treat anything done (or omitted to be done) by the Director concerned in accordance with the Group Conflict Authorisation Terms as a breach by him of his duties under sections 172 to 174 of the Companies Act 2006.

- (5) A Group Conflict Authorisation given or deemed given under Article 14A(4) may be revoked, varied or reduced in its scope or effect by special resolution

- (6) In this Article 14A **Relevant Group** comprises:

(a) the Company,

(b) any body corporate which is for the time being a wholly owned subsidiary of the Company,

(c) Cornwall Council or any other body corporate of which the Company is for the time being a wholly owned subsidiary (**Parent**),

(d) any body corporate (not falling within any preceding paragraph of this definition) which is for the time being a wholly owned subsidiary of the Parent;

15. Minutes

- (1) The Directors shall cause minutes to be made in books kept for the purpose,
 - (a) of all appointments of officers made, and
 - (b) 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.
- (2) For as long as the Company is a Controlled Company, the Company shall make the minutes of any general meeting of the Company available for inspection by any member of the public requesting such opportunity to inspect for a period of six years beginning with the date of the general meeting, but the Company shall not be obliged to make copies of such minutes available nor shall it be obliged to provide such information where such provision would constitute a breach of any enactment or any obligation owed to any person

APPOINTMENT OF DIRECTORS

16. Number of Directors

- (1) Unless otherwise determined by Ordinary Resolution the number of Directors (other than alternate Directors) shall not be subject to a maximum but shall not be less than five

17. Methods of appointing Directors

- (1) Notwithstanding any other provision of these Articles, the Holder or Holders of a majority in nominal value of the issued ordinary Shares in the capital of the Company may at any time and from time to time appoint any person to be a Director (provided that any such appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles as the maximum number of Directors) or remove any Director from office. Every such appointment or removal shall be effected by notice in writing and signed by or on behalf of the relevant Holder or Holders. Such notice shall take effect immediately (or on such later date, if any, specified in the notice) upon deposit of the notice at the registered office of the Company marked for the attention of the Directors
- (2) Subject to the approval of the Shareholder Representative the Board of Directors may appoint a person who is willing to act as a Director either to fill a vacancy or as an additional Director including the appointment of a Director for a fixed term provided that the appointment does not cause the number to exceed any number fixed by these Articles as the maximum number of Directors
- (3) No person may be appointed as a Director:
 - (a) unless he has attained the age of 18 years; or

(b) in circumstances such that, had he already been a Director, he would have been disqualified from acting under the provisions of Article 18.

18. Termination of Directors appointment

(1) 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 Companies Act or is prohibited from being a director by law,

(b) a bankruptcy order is made against that person;

(c) a composition is made with that person's creditors generally in satisfaction of that person's debts,

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

(e) 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,

(f) notification is received by the Company from the Director that he/she is resigning from office, and such resignation has taken effect in accordance with its terms,

(2) A Director shall vacate office if, in the case of an Executive Director, that person ceases to be an employee of the Company.

(3) The Directors shall not be subject to retirement by rotation

19. Alternate Directors

(1) Any Director may appoint any other person willing to act to be an alternate Director with the prior consent of the Shareholder Representative and may remove from office an alternate Director so appointed by him

(2) An alternate Director shall be entitled to receive notices of all Board meetings and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which his appointor is not present and generally to perform all the functions of his appointor as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate Director

(3) Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment after prior consent of the Shareholder Representative has been received.

(4) An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director or on the happening of any event which if he were a Director would cause him to vacate his office as a Director.

20. Directors' remuneration

- (1) Directors may undertake any services for the Company that are permitted by the Articles
- (2) Directors are entitled to remuneration:
 - (a) for their services to the Company as Directors, and
 - (b) for any other service which they undertake for the Company
- (3) The Directors' remuneration shall be approved by the Shareholder Representative
- (4) For so long as the Company is a Controlled Company, the Company shall not pay a Director who is also an officer of Cornwall Council remuneration in respect of the carrying out of any duty on behalf of the Company or otherwise acting in their capacity as a Director

21. Directors' expenses

- (1) The Company may pay any reasonable expenses which the Directors properly and reasonably incur in connection with their attendance at—
 - (a) meetings of Directors or committees of Directors,
 - (b) general meetings, or
 - (c) separate meetings of the Holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.
- (2) Directors expenses shall be paid in accordance with any rules or procedures authorised by the Shareholder Representative
- (3) For so long as the Company is a Controlled Company, the Company shall not pay a Director who is also an officer of Cornwall Council expenses in respect of the carrying out of any duty on behalf of the Company in excess of the greatest amount which would for the time being be payable by the Cornwall Council if the relevant duty were an approved duty for the purposes of section 174 of the Local Government Act 1972.

PART 3 SHARES AND DISTRIBUTIONS SHARES

21A. Shares

- (1) No Shares shall or may be held by, or allotted, issued, granted, transferred or pledged to, nor may any right to subscribe for or to convert any security into any Shares be granted to, any person which would or could cause the Company to lose its status as a Teckal compliant company such that the Company could no longer contract directly with any of the Shareholders and/or legal persons controlled by them (within the meaning

of regulation 12 of the Regulations) without first having to comply with the EU procurement rules and/or the Regulations.

- (2) Without prejudice to Article 21A(1), no Shares shall be allotted nor any right to subscribe for or to convert any security into any Shares shall be granted unless within one month before that allotment or grant (as the case may be) every Shareholder for the time being has consented in writing to that allotment or grant and its terms and to the identity of the proposed allottee or grantee. Without limitation, the powers of the directors under sections 550 and 551 of the Act are limited accordingly.
- (3) 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) where the consent to that allotment of every Shareholder has been obtained as required by these Articles and that allotment otherwise conforms to the requirements of these Articles.

22. All Shares to be fully paid up

- (1) 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.
- (2) This does not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum.

23. Powers to issue different classes of share

- (1) 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.
- (2) 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.

24. Company not bound by less than absolute interests

- (1) Except as required by law, no person is to be recognised by the Company as holding any Share upon any trust, and except as otherwise required by law or the Articles, the Company is not in any way to be bound by or recognise any interest in a share other than the Holder's absolute ownership of it and all the rights attaching to it.

25. Share certificates

- (1) The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the shares which that Shareholder holds.
- (2) 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.
- (3) No certificate may be issued in respect of Shares of more than one class.
- (4) If more than one person holds a Share, only one certificate may be issued in respect of it.
- (5) Certificates must—
 - (a) have affixed to them the Company's common seal, or
 - (b) be otherwise executed in accordance with the Companies Acts.

26. Replacement Share certificates

- (1) 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
- (2) A Shareholder exercising the right to be issued with such a replacement certificate—
 - (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - (b) must return the certificate which is to be replaced to the company if it is damaged or defaced, and
 - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

27. Share transfers

- (1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Shareholder Representative, which is executed by or on behalf of the transferor
- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share
- (3) The Company may retain any instrument of transfer which is registered
- (4) The transferor remains the holder of a Share until the transferee's name is entered in the register of members as Holder of it.
- (5) The Directors may refuse to register the transfer of a Share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

28. Transmission of Shares

- (1) If title to a Share passes to a transmittee, the Company may only recognise the transmittee as having any title to that Share.

- (2) A transmittee who produces such evidence of entitlement to Shares as the Directors may properly require—
 - (a) may, subject to the Articles, choose either to become the holder of those Shares or to have them transferred to another person, and
 - (b) subject to the Articles, and pending any transfer of the Shares to another person, has the same rights as the holder had
- (3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those Shares

29. Exercise of transmittees' rights

- (1) Transmittees who wish to become the holders of Shares to which they have become entitled must notify the Company in writing of that wish
- (2) If the transmittee wishes to have a Share transferred to another person, the transmittee must execute an instrument of transfer in respect of it and obtain approval from the Shareholder Representative.
- (3) Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

30. Transmittees bound by prior notices

- (1) If a notice is given to a Shareholder in respect of Shares and a transmittee is entitled to those Shares, the transmittee is bound by the notice if it was given to the Shareholder before the transmittee's name has been entered in the register of members

DIVIDENDS AND OTHER DISTRIBUTIONS

31. Procedure for declaring dividends

- (1) The Company may by Ordinary Resolution declare dividends, and the Directors may decide to pay interim dividends.
- (2) 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
- (3) No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights
- (4) Unless the Ordinary Resolution to declare or Directors' decision to pay a dividend, 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 Ordinary Resolution or decision to declare or pay it.

- (5) If the Company's Share capital is divided into different classes, no interim dividend may be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- (6) The Directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment
- (7) If the Directors act in good faith, they do not incur any liability to the Holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights

32. Payment of dividends and other distributions

- (1) 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 at his 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
- (2) In the Articles, "the Distribution Recipient" means, in respect of a Share in which a dividend or other sum is payable—
 - (a) the holder of the Share; or
 - (b) if the Share has two or more joint holders, whichever of them is named first in the register of members; or
 - (c) if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

33. No interest on distributions

- (1) 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) with the permission of the Shareholder Representative

34. Unclaimed distributions

- (1) 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.
- (2) The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.
- (3) 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

35. Non-cash distributions

- (1) 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)
- (2) For the purposes of paying a non-cash distribution, the Directors may propose that the Shareholder Representative approves the —
 - (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 Distribution Recipients; and
 - (c) vesting any assets in trustees.
- (3) The Shareholder Representative may authorise the Directors in writing to pay a non cash distribution under Article 35(2) above.

36. Waiver of distributions

- (1) 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, but if—
 - (a) the Share has more than one Holder, or
 - (b) more than one person is entitled to the Share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise, the notice is not effective unless it is expressed to be given, and signed, by all the Holders or persons otherwise entitled to the Share.

CAPITALISATION OF PROFITS

37. Authority to capitalise and appropriation of capitalised sums

- (1) 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
- (2) 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
- (3) 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.
- (4) 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.
- (5) Subject to the approval of the Shareholder Representative the Directors may—
 - (a) apply Capitalised Sums in accordance with paragraphs (3) and (4) 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 4

DECISION-MAKING BY SHAREHOLDERS ORGANISATION OF GENERAL MEETINGS

38. Single Shareholder Company

- (1) If at any time and for so long as, the Company has a single Shareholder all provisions of these Articles shall (in the absence of any expressed provision to

the contrary) apply with such modifications as may be necessary in relation to a company with a single Shareholder.

39. Attendance and speaking at general meetings

- (1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- (2) A person is able to exercise the right to vote at a general meeting when—
 - (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting
- (3) 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
- (4) 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.
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them

40. Quorum for general meetings

- (1) No business other than the appointment of the Chair of the general meeting ("Chair of the General Meeting") is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
- (2) Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member, shall be a quorum
- (3) If and for so long as the Company has only one Shareholder, then the sole Shareholder or a duly authorised representative of the Shareholder shall be a quorum.

41. Chairing general meetings

- (1) If the Shareholder Representative has appointed a Chair of the Meeting, he shall chair general meetings if present and willing to do so
- (2) If the Shareholder Representative has 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 Shareholder to chair the meeting, and the appointment of the substitute Chair of the Meeting must be the first business of the meeting

42. Attendance and speaking by Directors and Non-Shareholders

- (1) Directors may attend and speak at general meetings, whether or not they are Shareholders
- (2) The Chair of the Meeting may permit other persons who are not—
 - (a) Shareholders 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

43. Adjournment

- (1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chair of the Meeting must adjourn it.
- (2) 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.
- (3) The Chair of the Meeting must adjourn a general meeting if directed to do so by the meeting
- (4) 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
- (5) If the continuation of an adjourned meeting is to take place more than fourteen (14) days after it was adjourned, the company must give at least seven (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

- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

VOTING AT GENERAL MEETINGS

44. Voting

- (1) On a vote on a resolution on a show of hands, every Shareholder who is present in person or (being a corporation) is present by a duly authorised representative shall have one vote only.

45. Errors and disputes

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

46. Poll votes

- (1) 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
- (2) A poll may be demanded by—
- (a) the Chair of the Meeting,
 - (b) the Directors,
 - (c) two or more persons having the right to vote on the resolution, or
 - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution
- (3) 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.
- (4) Polls must be taken immediately and in such manner as the Chair of the Meeting directs.

47. Amendments to Resolutions

- (1) 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 forty eight (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 first Ordinary Resolution
- (2) A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution, if—
 - (a) the Chair of the Meeting proposes the amendment at the general meeting at which the Ordinary 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
- (3) If the Chair of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, his error does not invalidate the vote on that Ordinary Resolution

PART 5 ADMINISTRATIVE ARRANGEMENTS

48. Means of communication to be used

- (1) Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way authorised by the Companies Act.
- (2) 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 approved
- (3) A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than forty (48) hours

49. Company Seals

- (1) Any common seal may only be used by the authority of the Directors
- (2) The Directors may decide by what means and in what form any common seal is to be used
- (3) 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.

- (4) For the purposes of this Article, an authorised person is—
- (a) any Director of the company;
 - (b) the company secretary (if any), or
 - (c) any person authorised by the Directors for the purpose of signing documents to which the common seal is applied

PART 6
DIRECTORS' INDEMNITY AND INSURANCE

50. Indemnity

- (1) Subject to paragraph (2), a Relevant Director of the Company as defined in Article 50(3) 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,
 - (b) any liability incurred by that Director in connection with the activities of the Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006);
 - (c) any other liability incurred by that Director as an officer of the Company.
- (2) This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law
- (3) In this Article—
- a "Relevant Director" means any Director or former Director of the company.

51. Insurance

- (1) 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
- (2) In this Article—
- (a) a "Relevant Director" means any Director or former Director of the 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

SCHEDULE 1

MATTERS RESERVED FOR THE SHAREHOLDER

The Company shall only be permitted to engage in the following matters with the prior consent of the Shareholder Representative.

1.) Expenditure

- (a) Incur any revenue expenditure on non-capital assets in excess of £10m per contract except where the expenditure relates to an asset detailed in paragraph 2 below.

2.) Acquisition and Disposal

- (a) Acquire an interest in whole or part of any existing company or set up a new company,
- (b) Acquire or dispose of shares in any company,
- (c) Acquire or dispose of a fixed asset with the value of more than £350,000;
- (d) Acquire or dispose of an interest in whole or part of any property of any tenure

3.) Entering into Contracts

- (a) Enter into any concession arrangement outside of the normal course of the Company's business,
- (b) Enter into any formal joint venture or partnership or profit sharing agreement;
- (c) Enter into a contract or transaction except in the ordinary and proper course of business on arms length terms;
- (d) Tender for contracts with a total contract value above £10m or where the board of directors considers there is significant risk to the Council.

4.) Loans and Financing Arrangements

- (a) Create any fixed or floating charge or other encumbrance of the whole or part of the Company, its property or assets,
- (b) Borrow any sum whatsoever on the Company's behalf;
- (c) Make a loan or advance of any amount or give credit (other than normal trade credit) to any person,
- (d) Enter into any lease arrangement for a single item above £350,000 other than with Cornwall Council

5.) Litigation and Arbitration

- (a) Initiate, discontinue or settle any actual or threatened litigation or arbitration or compromise agreements other than:
 - (i) recovery of debts in the ordinary course of business;
 - (ii) initiating litigation or arbitration where the directors reasonably believe that the delay involved in acquiring prior consent of the members would be detrimental to the Company or any of its subsidiaries, and
 - (iii) an action in respect of which the directors have received a written costs estimate from their legal advisors of less than £50,000

6.) Altering or ceasing business

- (a) Cease to carry on the business of the Company.

7.) Guarantees and Indemnities

- (a) Give any appropriate guarantee or indemnity whatsoever where Cornwall Council is named as the parent company or guarantor

8.) Bank Accounts

- (a) Open or close any bank accounts.

9.) Shareholdings

- (a) Acquire, dispose or permit the disposal or dilution of:
 - (i) any direct or indirect interest in any subsidiary (whether by way of formation or otherwise);
 - (ii) any share or loan capital of any body corporate,
- (b) Make changes relating to the Company's capital structure including reduction of capital, share issues, share buy backs

10.) Appointment and Remuneration of Executive Directors

- (a) Appoint a person to the office of Group Managing Director of the Company;
- (b) Determine the remuneration package and terms and conditions of employment for the Group Managing Director and Executive Directors following consideration of the recommendations of the remuneration committee,
- (c) Agree a remuneration package for any Director or any other person or employee of the Company which is at or more than 75% of the salary of the Group Managing Director of the Company.

11.) Business Plan

- (a) Vary the Business Plan otherwise than in accordance with procedures agreed with the Shareholder Representative

12.) Branding/Intellectual Property

- (a) Engage in any activities or actions which would detract from or diminish any brand image agreed between Cornwall Council and the Company, to promote the image of the Company and its working relationship with the Council and the Council's other delivery vehicles or service providers,
- (b) Grant any licence of intellectual property other than in the ordinary course of the Company's business.

13.) Corporate Matters

- (a) Make changes to the Company's senior management and board structure,
- (b) Appoint or remove the external auditor,
- (c) Change the accounting reference date,
- (d) Change the business name,
- (e) Pay any dividend;
- (f) Allot or issue any shares;
- (g) Approve the Financial Regulations of the Company